

Republic of the Philippines
Autonomous Region in Muslim Mindanao
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Cotabato City

WAGE ORDER NO. ARMM-02
GRANTING A P15.00 ACROSS-THE-BOARD INCREASE

WHEREAS, the Regional Tripartite Wages and Productivity Board has been authorized by law to rationalize wage fixing in the region taking into consideration macro and micro economic factors prevailing in the region, with the end in view of assuring the continues viability of business and industry, as well as securing the workers' health, efficiency and well-being;

WHEREAS, the Regional Board has received four (4) petition from the labor sector seeking wage increases ranging from P12.00 to P20.00 daily, all for across-the-board increase;

WHEREAS, the regional board likewise received three (3) position papers filed by the management sector, two (2) agreeing to implement an across-the-board increase;

WHEREAS, the Regional Board has noted the general/consensus of both labor and management to effect an across-the-board increase in the region expressed during the series of region-wide multi-sectoral consultation conducted on January 15-16, 1996 and during the public hearings held on February 26-27, 1996 at Cotabato City;

WHEREAS, the Regional Board likewise noted the low level of workers' organization in the region and the inability of the workers to bargain collectively.

NOW, THEREFORE, by virtue of the power and authority vested under republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Wages and Productivity Board of the Autonomous Region in Muslim Mindanao (ARMM) hereby issues this Wage Order with the following provisions:

Section 1. Upon the effectivity of this Order, all employees/workers in the private sector in Autonomous Region in Muslim Mindanao, regardless of status of employment are granted an across-the-board increase of P15.00 daily;

Section 2. All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis; shall receive the prescribed across-the-board wage increase for the normal working hours which shall exceed eight (8) hours work a day, or a proportion thereof for working less than the normal working hours.

Section 3. In the case of contractors for construction projects and for security, janitorial and similar services, the prescribed increase in the wage rates of workers shall be borne by the principals or clients of the construction/service contractors and their contract shall be deemed amended accordingly.

In the event, however, that the principal or clients fails to pay the prescribed wage rates, the construction/service contractors shall be jointly and severally liable with his principal or client.

Section 4. Wage of learners, apprentices and handicapped workers shall never be less than 75% of the new minimum wage rates, prescribed under this Order.

All recognized apprenticeship and learnership agreements entered before the effectivity of this Order shall be considered as automatically modified as far as their wage clauses are concerned to reflect the new minimum wage rates prescribed under this Order.

Section 5. Creditable Wage Increase. The wage increases granted by the employers on or after July 1, 1995 shall be credited as partial compliance with the new minimum wage rates prescribed in this Order, but if the increases are less than the prescribed new minimum wage rates under this Order, the employer shall pay the difference.

The wage increases granted by the employer shall not include anniversary wage increases, merit wage increases, and those resulting from the regulation or promotion of employees.

The monetary benefits, derived from profit-sharing or gainsharing scheme as mutually agreed by the parties involved, permanently or consistently granted to the workers within one (1) year from the effectivity of this Order and have been continuously granted even after the effectivity of this Order, shall be considered as compliance to the new minimum wage rates prescribed under this Order, but if the benefits given is less than the prescribed new minimum wage rates, the employer shall pay the difference, and if the profit-sharing or gainsharing scheme is discontinued, the employer shall likewise pay the difference retroactive to the period when the discontinuance of the scheme took effect.

Section 6. Application to Private Educational Institutions. The new minimum wage rates prescribed under this Order shall apply to all workers in the Private Education Institutions when they have increased or acquired authorization to increase their tuition fees during school year 1996-97. Otherwise, the new minimum wage rates shall be so applicable not later than the opening of the next calendar year beginning 1997.

Section 7. Wage Distortion. Where the application of the prescribed minimum wage increase under this Wage Order results in distortion, such shall be corrected using the procedure specified under Article 124 of the Labor Code, as amended.

Section 8. Exemptions. Exempted from the provisions of this Order are household or domestic helpers in the personal service of another, including family drivers.

Section 9. Upon application with and as determined by the Board, in accordance with the applicable rules and regulations issued by the Commission, the following may be exempted from the applicability of this Order:

1. Retail/Service establishments regularly employing not more than 6 workers;
2. Distressed establishments as defined in the NWPC revised guidelines on exemptions;

3. To encourage investors and for additional employees and new business enterprises who were given exemption under Section 3 of Wage Order No. ARMM – 01, except, however, when the period if their exemptions already expired they shall comply with the new wage rates prescribed under this Order; and
4. Garment exporting firms, including indirect exporters with at least 50% export sales and with existing forwarding contract with their foreign buyers/principals on or before twelve (12) months before March 16, 1996 may be exempt during the lifetime of the said contract but not to exceed twelve (12) months from the effectivity of this Order.

Section 10. The Board has the discretion to grant full or partial exemption to such employers with respect to the amount or period of exemption but in no case shall it exceed one (1) year from the effectivity of this Wage Order.

Section 11. Whenever an application for exemption is not granted, the employees of the applicant firm shall receive the appropriate compensation due them as provided for this Order together with the payment of interest amounting to one percent (1%) per month retroactive to the effectivity of this Order.

Section 12. In the event that application for exemption is not granted, the employees of the applicant firm shall receive the appropriate compensation due them as provided for in this Order together with the payment of interest amounting to one percent (1%) per month retroactive to the effectivity of this Order.

Section 13. Duration and Extent of Exemption. The establishment that properly applied and found qualified for exemption shall be granted full exemption of one (1) year from the effectivity of this Order; Except for distressed establishments which may be granted either in full or partial exemption as provided under Section 7 of the NWPC revised Guidelines on Exemptions.

Section 14. Deadline of Application for Exemption. The deadline for filing of application for exemptions shall be sixty (60) days from the date of publication of the approved rules implementing this Order in at least one newspaper of general circulation in the region.

Section 15. Workers' Opposition. Any worker or, if unionized, the union in the applicant establishment, may file with the Board and opposition to the application for exemptions stating the reasons why the application should not be approved, copy furnished the applicant.

Section 16. Motion for Reconsideration. Only one (1) motion for reconsideration may be filed with the Board by the aggrieved party within ten (10) days from receipt of the decision and shall state the grounds upon which the motion is based, copy furnished the other party and the Department of Labor and Employment in the Autonomous region in Muslim Mindanao (ARMM).

The denial of the motion for reconsideration shall be final and executory unless appealed to the Commission.

Section 17. Complaint for Non-Compliance. The complaint for non-compliance with the new minimum wage rates prescribed under this Order maybe filed with the Regional Office of the Department of labor and Employment, and shall be subject of enforcement proceedings under Art. 128 of the Labor Code, as amended, without prejudice to the criminal prosecution.

Section 18. Penal Provision. Any person, corporation, trust or firm, partnership, association or entity which refuse or fails to pay any of the prescribed increases or adjustments in the new minimum wage rates made in accordance with this Order shall be punished by a fine not exceeding P25,000.00 and/or imprisonment of not less than one year nor more than two years; Provided, that any person convicted under this order shall not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers, including but not limited to the president, vice-president, chief executive officer, general manager, managing director or partner

Section 19. Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order maybe issued by any court, tribunal or other entity against any proceedings before the Board.

Section 20. Rules Implementing this Order. The Board shall prepare the necessary rules to implement this Order, subject to the approval of the Regional Governor of the Autonomous region in Muslim Mindanao.

Section 21. Separability Clause. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 22. Effectivity. This order shall take effect fifteen (15) days after its publication in at least one newspaper of general circulation in the region.

APPROVED, March 18, 1996 at Cotabato City, Philippines.

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Labor Sector

(SGD) HON. GEORGE C. JABIDO
Employer Sector

VACANT
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Vice Chairman

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