

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-07
PROVIDING FOR NEW MINIMUM WAGE RATES IN ARMM

WHEREAS, the Regional Tripartite Wages and Productivity Board (RTWPB) is mandated to determine and fix minimum wage rates applicable in the region;

WHEREAS, the Board received petitions for wage increase filed by Matling Labor Union and the labor sectors in Tawi-Tawi, praying for an across-the-board wage increase of P25.00 and P12.00 per day, respectively;

WHEREAS, the Board, acting on these wage petitions, conducted public hearings/consultations in Cotabato City on August 25, 2004 covering the Provinces of Maguindanao and Lanao del Sur and Marawi City; and in Zamboanga City on September 1, 2004 for the Provinces of Sulu, Basilan and Tawi-Tawi;

WHEREAS, after conclusion of the last public hearing on September 1, 2004, the Board held several meetings to deliberate the merits of the petitions filed taking into consideration the needs of workers and their families, the rising cost of living, the capacity of employers to pay, the depreciation in the value of the peso, the increase in the inflation rate, and the prevailing business environment; and thereafter unanimously approved to establish new minimum wage rates for workers in the private sector in ARMM;

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

Section 1. New Minimum Wage Rates. Upon the effectivity of this Wage Order, all workers in the private sector in the Provinces of Maguindanao, Lanao del Sur, Sulu and Tawi-Tawi and Marawi City shall receive a P20.00 per day across-the-board wage increase. The minimum wage for the private sector in the Province of Basilan, shall be P170.00 per day for all industries/sectors.

Section 2. Coverage. This Wage Order applies to all wage earners in the region, except domestic helpers, family drivers, and those employed in the personal service of another, and workers in registered Barangay Micro Business Enterprises with certificates of authority pursuant to R. A. 9178.

Section 3. Basis of Minimum Wage. The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight hours work a day.

Section 4. Workers Paid by Results. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed minimum wage rate per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours work a day.

Section 5. Wages of Special Groups of Workers. Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in the region.

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

Section 6. Application of Contractors. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increase in the wage rates of the workers shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended.

In the event, however, that the principal or client fails to pay the prescribed increase of new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 7. Appeal to the Commission. Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

Section 8. Effect of Filing of Appeal. The filing of the appeal does not operate to stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increase to employees affected by the Order, in the event such Order is affirmed.

Section 9. Exemptions. Upon application with and as determined by the Regional Board, the following establishments may be exempted from the wage increase provided in this Order for not more than one (1) year subject to applicable guidelines issued by the Commission:

- a. Retail and Service Establishments regularly employing not more than 10 workers.
- b. Distressed establishments; and
- c. New business enterprises.

All applications with complete supporting documents as specified in the Rules for exemption from compliance with this Order shall be filed within seventy-five (75) days from the date of publication of the Rules Implementing this Order. Failure to submit the required supporting documents within the prescribed period will be tantamount to dismissal of the application for exemption.

Section 10. Creditable Wage Increase. Wage increases granted in an organized establishment within three (3) months prior to the effectivity of this Order, shall be credited as compliance with the prescribed increase set forth herein, provided that an agreement to this effect has been forged between the parties or a provision in the Collective Bargaining Agreement (CBA) allowing creditability exists. In the absence of such an agreement or provision in the CBA, any increase granted by the employer shall not be credited as compliance with the increase prescribed in this Order.

In the case of the unorganized establishment, wage increase granted by the employer within three (3) months prior to the effectivity of this Order shall be credited as compliance.

In the event that increase given under the above conditions is less than the prescribed adjustment, the employer shall pay the difference. Such increases shall not include anniversary increase, merit increase and those resulting from regularization or promotion of employees.

Section 11. Complaints for Non-Compliance. Complaints for non-compliance with this Order shall be filed with the Department of Labor and Employment (DOLE) and shall be the subject of enforcement proceedings under Article 128 of the Labor Code as amended, without prejudice to criminal prosecution, which may be undertaken against those who fail to comply.

Section 12. Non-Diminution of Benefits. Nothing in this Order shall be construed to reduce any existing wage rates allowances and benefits of any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers.

Section 13. Penal Provision. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the wage increase prescribed in this Order, shall be subject to the penal provisions under R. A. 6727, as amended by R. A. 8188.

Section 14. Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

Section 15. Freedom to Bargain. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 16. Reporting Requirement. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2005 and every year thereafter in accordance with the form prescribed by the Commission.

Section 17. Repealing Clause. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended, or modified accordingly.

Section 18. 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 19. Implementing Rules. The Board shall prepare the necessary rules to implement this Order subject to approval of the Regional Governor of ARMM.

Section 20. Effectivity. This Order shall take effect fifteen (15) days after publication in at least one (1) newspaper of general circulation in the region.

Approved this **23rd** day of **September 2004** in Cotabato City, Philippines.

(Sgd.) **HON. ALE B. TUBA**
Member
Worker's Representative

(Sgd.) **HON. JOSE MARIO S. GANA**
Member
Employer's Representative

(Sgd.) **HON. RACID A. SALI**
Member
Worker's Representative

VACANT
Member
Employer's Representative

(Sgd.) **HON. DIAMADEL E. DUMAGAY**
RPDO Executive Director
Vice-Chairman

(Sgd.) **HON. ISHAK V. MASTURA**
DTI Regional Secretary
Vice-Chairman

(Sgd.) **HON. EMMANUEL Y. ALANO**
DOLE Regional Secretary
Chairperson