

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-08
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, RTWPB-ARMM issued Wage - Order No. ARMM-07 establishing a uniform new minimum wage for all workers in the private sector effective January 1, 2005;

WHEREAS, Section 3, Rule IV of NWPC Revised Rules of Procedure on Minimum Wage Fixing provides that any Wage Order issued by the Board may not be disturbed within 12 months from effectivity and no petition for wage increase shall be entertained within the same period, except when there is supervening condition such as extraordinary increase in prices of petroleum products and basic goods/ services which demands a review of minimum wage rates as determined by the Board and confirmed by the Commission.

WHEREAS, supervening condition exists in the region, as determined by the Board, due to the depreciation in the value and the purchasing power of the peso brought about by the increase in prices of petroleum products, basic/prime commodities, transport and energy costs. Hence, the Board proceed to exercise its wage fixing function even before the expiration of the one-year period from the effectivity of the existing Wage Order;

WHEREAS, the Regional Board giving due notice to all concerned sectors, motu proprio, conducted public consultations and dialogues with tripartite sectors, employers' and workers' groups, local government officials and other interested parties in the region on May 27, 31 and June 2, 2005, respectively to determine the propriety of issuing new wage order;

WHEREAS, the Board deliberated on the wage issues raised during the consultations, including the supervening and economic conditions prevailing in the region, and based on evaluation and assesment, the Board found that thereis a need to provide immediately an additional compensation to the private workers in the region to rescue them from the ill effects of the raising cost of living but with due consideration to the productivity and stability of business and industries, and the capacity of the employer to pay.

WHEREAS, consistent with the government's policy of achieving higher levels of productivity to promote economic growth and generate employment, and to augment the income of workers, there is a need to build the capacity of business enterprises to be competitive through productivity improvement and gain sharing programs.

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. Amount of Wage Income. 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 P10.00 per day Cost Living Allowance (COLA).

The new minimum daily wage rate of workers covered under this Wage Order shall be:

BASIC	COLA	TOTAL
P170.00	10.00	P180.00

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. Productivity Based Wages. In order to sustain rising levels of wages and enhance competitiveness, businesses are encouraged strongly to adopt productivity improvement schemes such as time & motion studies, good housekeeping, quality circles, labor management cooperation as well as implement gain-sharing programs. Accordingly, the Board shall provide the necessary studies and technical assistance pursuant to Republic Act No. 6971 or the Productivity Incentive Act of 1990".

Section 4. Basis of Minimum Wage. The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 5. 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 6. 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 7. Application To Private Educational Institutions. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2005-2006 shall be considered as compliance with the increase set forth herein, provided, that if such increase is less than the prescribed adjustment, the employer shall pay the difference in the School Year 2006-2007.

Private educational institutions which have not increased their tuition fees for the School year 2005-2006, may defer compliance with the provisions of this Order until the beginning of School Year 2006-2007.

In any case, all private educational institutions shall implement the wage rates prescribed herein starting School Year 2006-2007.

Section 8. 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 9. 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 10. 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 11. 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 12. 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 13. 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 14. 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 15. 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 16. 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 17. 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 18. 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, 2006 and every year thereafter in accordance with the form prescribed by the Commission.

Section 19. 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 20. 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 21. Implementing Rules. The Board shall prepare the necessary rules to implement this Order subject to approval of the Regional Governor of ARMM.

Section 22. 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 **10th** day of **June 2005** 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