



**WAGE ORDER NO. RTWPB VI-19**

**PROVIDING FOR AN EMERGENCY COST OF LIVING  
ALLOWANCE FOR WESTERN VISAYAS**

**WHEREAS**, the Regional Tripartite Wages and Productivity Board - Regional Board VI, Western Visayas (otherwise referred to as the Board) is mandated under R.A. 6727 (The Wage Rationalization Act), to periodically assess the wage rates and conduct continuing studies in the determination of the minimum wage rates applicable in the Region;

**WHEREAS**, on February 1, 2011, a petition was filed by the Trade Union of Filipino Workers (TUFW) seeking for a PhP 97.00 per day wage increase; and on April 9, 2011, another petition was filed by the National Congress of Unions in the Sugar Industry of the Philippines (NACUSIP)-TUCP for a PhP 99.00 per day wage increase for the workers in the private sector of Region 6;

**WHEREAS**, the Board issued on July 19, 2010 Wage Order No. RTWPB VI-18 increasing the daily minimum wage rates of covered private sector workers in the region effective August 12, 2010;

**WHEREAS**, Section 3, Rule IV of the 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 its effectivity, and no petition for wage increase shall be entertained within the said period. In the event, however, that supervening conditions such as extraordinary increase in prices of petroleum products and basic goods/services exist, as determined by the Board and confirmed by the Commission, the Board can proceed with its wage fixing function even before the expiration of the said period;

**WHEREAS**, the crisis in the Middle East and North Africa affected the world prices of petroleum products resulting to extraordinary increases in the local pump prices of oil, and the prices of basic goods and services;

**WHEREAS**, after a Public Consultation held on April 12, 2011 in Iloilo City, the Board issued Resolution No. 2, series of 2011 declaring the existence of supervening conditions in the region as prices of petroleum products increased as follows: Gasoline - PhP 48.50 to PhP 60.40 per liter; Diesel - PhP 38.00 to PhP 51.25 per liter. Fare in Public Utility Jeep (PUJ) increased by PhP 1.00; and the prices of basic goods increased by an average of PhP 4.00;

**WHEREAS**, the National Wages and Productivity Commission (NWPC) confirmed on April 26, 2011 the declaration of the Board of a supervening condition in Region 6;

**WHEREAS**, after the conduct of the public consultation and public hearing in Iloilo City on May 18, 2011 and in Bacolod City on May 20, 2011 respectively, the Board deemed it best to grant an **Emergency Cost of Living Allowance (ECOLA)** in the Region;

**NOW, THEREFORE**, by virtue of the power and authority vested under Republic Act No. 6727, the Board hereby issues this Wage Order.

**Section 1. AMOUNT OF EMERGENCY COST OF LIVING ALLOWANCE (ECOLA)** – Upon effectivity of this Wage Order, an Emergency Cost of Living Allowance (ECOLA) of **Php 12.00 per day** shall be granted to all minimum wage earners in the region for a period of three (3) months from its effectivity. Thereupon, the Board will review and evaluate the supervening condition that prompted the issuance of this ECOLA.

**Section 2. COVERAGE.** The ECOLA prescribed in this Wage Order shall apply to all minimum wage earners in the private sector in the Region, regardless of their position, designation or status of employment and irrespective of the method by which they are paid.

This Wage Order shall not cover household or domestic helpers, persons in the personal service of another including family drivers, and workers of duly registered Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority pursuant to Republic Act 9178.

**Section 3. APPLICATION TO CONTRACTORS.** The contracts for construction projects, security, janitorial and similar services, shall be deemed amended accordingly to include the cost for the grant of ECOLA as provided for in this Order.

In the event, however, that the contractor fails to pay the prescribed ECOLA, the principal or client will be jointly and severally liable.

**Section 4. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** In case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year **2011-2012** shall be considered as compliance with the ECOLA prescribed herein, provided that any shortfall in the amount of ECOLA set forth herein shall be paid starting School Year **2012-2013**.



Private educational institutions which have not increased their tuition fees for the School Year 2011-2012 may defer compliance with this ECOLA until the beginning of School Year 2012-2013.

**Section 5. WORKERS PAID BY RESULT.** All covered workers paid by result, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed ECOLA per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

**Section 6. EXEMPTIONS.** No exemptions shall be allowed.

**Section 7. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file an appeal to the Commission, through the Board, in three (3) printed copies, not later than ten (10) days from the publication of this Wage Order.

**Section 8. EFFECTS ON EXISTING WAGE STRUCTURE.** Where the application of the increase prescribed in this Order results in distortions in the wage structure within the establishment, it shall be corrected in accordance with the procedure provided for under Article 124 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines.

**Section 9. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

**Section 10. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS.** In order to sustain rising levels of wages and enhance competitiveness, labor and management as partners are encouraged to adopt productivity improvement schemes that will improve the quality of life of workers and in turn enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor and management cooperation as well as implement gain-sharing and other performance incentive programs.

**Section 11. 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 12. 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 13. FREEDOM TO BARGAIN.** This Order shall not be construed to prevent workers from bargaining for better wages with their respective employers.

**Section 14. REPORT ON WAGE STRUCTURE.** Any person, company, corporation, partnership or any entity engaged in business shall submit a verified report on their wage structure to the Board not later than **January 31, 2012** and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

**Section 15. PENAL PROVISION.** Any employer who refuses or fails to comply with the ECOLA prescribed in this Order shall be subject to the penalties specified under RA 6727, as amended by R.A. No. 8188.

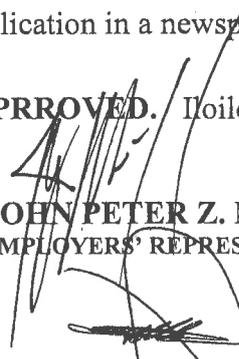
**Section 16. REPEALING CLAUSE.** All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Order are hereby repealed, amended or modified accordingly.

**Section 17. SEPARABILITY CLAUSE.** If any provision or part of this Order is declared unconstitutional, or in conflict with existing law, the other provisions or parts hereof shall remain valid.

**Section 18. IMPLEMENTING RULES.** The Board shall submit to the Commission the necessary Rules and Regulations to implement this Order for the approval of the Secretary of Labor and Employment not later than ten (10) days from the publication of the Wage Order.

**Section 19. EFFECTIVITY.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Region.

**APPROVED.** Iloilo City, Philippines, May 25, 2011.

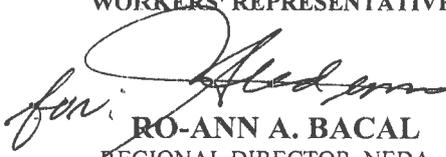
  
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**RO-ANN A. BACAL**  
REGIONAL DIRECTOR, NEDA  
VICE CHAIRPERSON

  
**MANUEL C. ROLDAN**  
OIC REGIONAL DIRECTOR, DOLE  
CHAIRPERSON



Republic of the Philippines  
Department of Labor and Employment  
National Wages and Productive Commission  
**REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD**  
Regional Board No. VI  
Iloilo City



**RULES IMPLEMENTING WAGE ORDER NO. RBVI-19**

**RULE I  
GENERAL PROVISIONS**

Pursuant to Section 6, Rule IV of the National Wages and Productivity Commission Guidelines No. 001-2007, otherwise known as the Amended Rules of Procedure on Minimum Wage Fixing and Section 18 of Wage Order No. RBVI-19, the following Rules are hereby issued for the guidance and compliance by all concerned:

**Section 1. TITLE.** This shall be known as "The Rules Implementing Wage Order No. RBVI-19".

**Section 2. DEFINITION OF TERMS.** As used in these Rules:

- a) *Order* means Wage Order No. RBVI-19.
- b) *Department* means the Department of Labor and Employment.
- c) *Commission* means the National Wages and Productivity Commission.
- d) *Board* means the Regional Tripartite Wages and Productivity Board VI
- e) *Regional Office* refers to the regional office of the Department of Labor and Employment in Western Visayas
- f) *Region VI* covers the Provinces of Aklan, Antique, Capiz, Guimaras, Iloilo and Negros Occidental including their respective component cities and the highly urbanized Cities of Bacolod and Iloilo
- g) *Barangay Micro Business Enterprise (BMBE)* refers to any business entity or enterprise granted a Certificate of Authority under Republic Act No. 9178, otherwise known as the Barangay Micro Business Enterprises Act of 2002.
- h) *Non-stock, Non-profit Organization* refers to an organization, duly registered with Securities and Exchange Commission, organized principally for public purposes such as charitable, educational, cultural or similar purposes, and does not issue shares of stock to its members.
- i) *Wage Distortion* as defined under Article 124 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines, as amended, refers to a situation where an increase in the prescribed wage rates

results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation.

j) **ECOLA** – Emergency Cost of Living Allowance.

**RULE II**

**EMERGENCY COST OF LIVING ALLOWANCE (ECOLA)**

**Section 1. AMOUNT OF EMERGENCY COST OF LIVING ALLOWANCE (ECOLA).** For a period of three months from the effectivity of this Wage Order, an ECOLA of TWELVE (12) PESOS per day will be given to all minimum wage earners.

Sector/Industry	Current Minimum Wage Rates	ECOLA upon effectivity Up to three months
<b>I - Non-Agriculture/Industrial/Commercial</b>		
Employing more than 10 workers	P 265.00	P12.00
Employing 10 or less workers and Handicraft	P 223.00	P12.00
<b>II - Agriculture</b>		
Plantation	P 233.00	P12.00
Non-Plantation	P 223.00	P12.00

**Section 2. COVERAGE.** The ECOLA prescribed in this Wage Order shall apply to all minimum wage earners in the private sector in the Region, regardless of their position, designation or status of employment and regardless of the method by which they are paid.

This ECOLA shall not cover household or domestic helpers; persons in the personal service of another, including family drivers, and workers of duly registered Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority pursuant to Republic Act 9178.

**Section 3. BASIS OF ECOLA.** The ECOLA prescribed under this Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

**Section 4. APPLICATION TO CONTRACTORS.** The contracts for construction projects, security, janitorial and other similar services, shall be deemed amended accordingly to include the cost for the grant of ECOLA as provided for in this Order.

In the event, however, that the contractor fails to pay the prescribed ECOLA, the principal or client shall be jointly and severally liable.

**Section 5. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.** In case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year **2011-2012** shall be considered as compliance with the ECOLA prescribed herein, provided that any shortfall in the amount of ECOLA set forth herein shall be paid starting School Year **2012-2013**.

Private educational institutions that have not increased their tuition fees for the School Year 2011-2012 may defer compliance with this ECOLA until the beginning of School Year 2012-2013.

In any case, all private educational institutions shall implement the ECOLA prescribed herein starting school year 2012-2013 whether they increased their tuition fees or not.

**Section 6. WORKERS PAID BY RESULT.** All covered workers paid by result, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall receive not less than the applicable ECOLA prescribed under the Order for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for working less than the normal working hours.

The adjusted ECOLA for workers paid by result shall be computed in accordance with the following steps:

- a. Amount of ECOLA  
----- = % Increase  
AMW\*
- b. Existing rate per piece x % of increase = increase in rate/piece
- c. Existing rate/piece + increase in rate/piece = adjusted rate/piece

\*Where AMW is the Applicable Minimum Wage rate.

The wage rate of workers who are paid by result shall continue to be established in accordance with Article 101 of the Labor Code of the Philippines, as amended, and its implementing rules and regulations.

**RULE III  
SPECIAL PROVISIONS**

**Section 1. EFFECT ON EXISTING WAGE STRUCTURE.** In accordance with Article 124 of the Labor Code, should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct the distortions through the grievance procedure under their collective bargaining agreement; and, if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute shall have been referred to voluntary arbitration.

In cases where there are no collective bargaining agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Pursuant to existing rules, any dispute arising there from shall be settled through the National Conciliation and Mediation Board; and, if it remains unresolved after ten (10) calendar days of conciliation, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

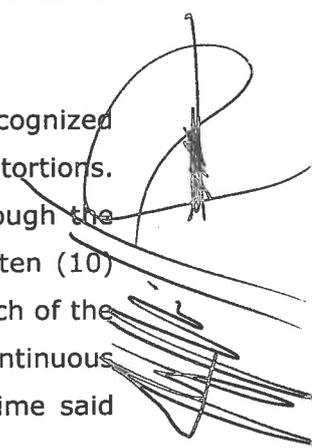
The pendency of any dispute arising from a wage distortion shall not in any way delay the applicability of the ECOLA prescribed in the Order.

**Section 2. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with the Order shall be filed with the Regional Office of the Department and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

**Section 3. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS.** In order to sustain rising levels of wages and enhance competitiveness, labor and management as partners are encouraged to adopt productivity improvement schemes that will improve the quality of life of workers and in turn enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor and management cooperation as well as implement gain-sharing and other performance incentive programs.

**Section 4. CONDUCT OF INSPECTION BY THE DEPARTMENT.** In accordance with existing rules, the Department shall conduct inspections of establishments, as often as necessary, to determine whether the workers are paid the prescribed wage rates and other benefits granted by law or any Wage Order. In the conduct of inspection in

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unionized/organized establishments, Department inspectors shall always be accompanied by the president or other responsible officer of the recognized collective bargaining unit or of any interested union. In the case of non-unionized/non-organized establishments, a worker representing his fellow employees in the establishment will accompany the inspector.

The workers' representative shall have the right to submit his own findings to the Department and to testify on the same if he does not concur with the findings of the labor inspector.

**Section 5. NON-DIMINUTION OF BENEFITS.** Nothing in this Order shall be construed to eliminate or in any way diminish, or as authorizing the reduction of any existing wage rates, allowances, benefits and supplements of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and employers, or employer practices or policies, being enjoyed at the time of the promulgation of this Order.

**Section 6. PROHIBITION AGAINST INJUNCTION.** No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceeding before the Board as provided for under Article 126 of the Labor Code, as amended.

**Section 7. FREEDOM TO BARGAIN.** The Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages and flexible working arrangements with their respective employers.

**Section 8. PENAL PROVISION.** Pursuant to the provisions of Section 12 of Republic Act No. 6727, as amended by Republic Act No. 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed ECOLA in the Order shall be punished by a fine not less than Twenty-Five Thousand (PhP25,000.00) Pesos nor more than One Hundred Thousand (PhP100,000.00) Pesos or imprisonment of not less than two (2) years nor more than four (4) years, or both such fine and imprisonment at the discretion of the court; Provided, that any person convicted under the Order shall not be entitled to the benefits provided under the Probation Law.

The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees; Provided, that payment of indemnity shall not absolve the employer from the criminal liability imposable under the aforementioned Act.

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.

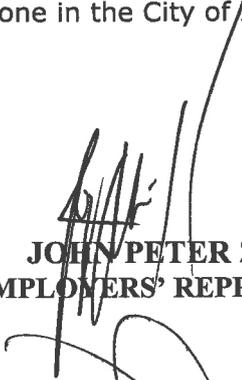
**Section 9. REPORTING REQUIREMENT.** Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2012 and every year thereafter in accordance with the form prescribed by the Commission.

**Section 10. REPEALING CLAUSE.** All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Rules are hereby repealed, amended or modified accordingly.

**Section 11. SEPARABILITY CLAUSE.** If any provision or part of these Implementing Rules is declared unconstitutional, or in contrast with existing laws, the other provisions or parts thereof shall remain valid.

**Section 12. EFFECTIVITY.** These Rules shall take effect on July 16, 2011.

Done in the City of Iloilo, Philippines, July 12, 2011.



**JOHN PETER Z. MILLAN**  
EMPLOYERS' REPRESENTATIVE

**WENNIE G. SANCHO**  
WORKERS' REPRESENTATIVE



**LUIS R. ESTRELLA**  
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REGIONAL DIRECTOR, NEDA  
VICE CHAIR



**CRISPIN D. DANNUG, JR**  
OIC-REGIONAL DIRECTOR, DOLE  
CHAIR

APPROVED this 29th day of July 2011, subject to the notation stated below.

  
ROSALINDA DIMAPILIS-BALDOZ  
SECRETARY \*  
DEPARTMENT OF LABOR AND EMPLOYMENT

**NOTATION ON THE RULES IMPLEMENTING  
WAGE ORDER NO. RBVI-19**

On Section 12, Rule III. Effectivity

This section should be changed to read as follows:

“Section 12. EFFECTIVITY. These Rules shall take effect on July 15, 2011.”