

Republic of the Philippines  
NATIONAL WAGES AND PRODUCTIVITY COMMISSION  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
National Capital Region

WAGE ORDER NO. NCR-01

PROVIDING A MINIMUM WAGE INCREASE

WHEREAS, the Gulf crisis has resulted in the withdrawal from the world market of oil from Iraq and Kuwait and despite increased production from other producers the oil supply continues to be uncertain, thus raising oil prices;

WHEREAS, the effect of this crisis and the adjustment in the value of the Philippine peso vis-à-vis the US dollar have made it imperative to increase the prices of domestic petroleum products by an average of P1.42 per liter on 21 September 1990;

WHEREAS, such adjustments have contributed to a substantial increases in transportation fares and prices of basic goods and services;

WHEREAS, in addition to the efforts of government to hold down prices of basic goods, it is necessary to provide workers and their families with immediate relief measures to enable them to cope with the rising cost of living, without impairing the viability of business and industry;

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 of the National Capital Region hereby issues this Wage Orders:

Section 1. Upon the effectivity of this Wage Order, the statutory minimum wage rates applicable to all workers and employees in the private sector in the National Capital Region shall be increased by seventeen pesos (P17.00) per day.

Section 2. In the case of private educational institution, the share of the covered workers and employees in the increase of tuition fees for school year 1990 shall be credited as compliance with the wage increase prescribed herein. Where their share is less than the wage increase provided herein, the employer shall pay the difference.

Section 3. Exempted from the provisions of this Wage Order are household or domestic helpers and persons in the personal service of another, including family drivers.

Retail service establishment regularly employing not more than ten (10) workers may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. Whenever an application for exemption has been duly filed with the Regional Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending resolution of the application for the exemption by the Regional Board.

Distressed employers whose capital has been impaired by at least twenty-five percent (25%) during the preceding year may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. The Regional Board has the option whether to grant full or partial exemption to

such distressed employer with respect to the amount and the period which shall not exceed one year from effectivity of this Wage Order.

In the event that applications for exemptions are not granted, employees shall receive the appropriate compensation due them as provided for in this Wage Order plus interest of one percent (1%) per month retroactive to the effectivity of this Wage Order.

Section 4. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage increase for covered workers shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed increase the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 5. All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis, shall be entitled to receive the prescribed minimum wage increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 6. Wage increases granted by an employer on or after 1 August 1990 shall be credited as compliance with the minimum wage increase prescribed under this Wage Order. Provided that, where such increases are less than the prescribed adjustment, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

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

Section 8. The Regional Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to approval of the Secretary of Labor and Employment.

Section 9. Any employer who refuses or fails to pay the minimum wage increase provided under this Wage Order shall be subject to the penalties specified under RA 6727.

Section 10. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowance or other benefit under existing laws, decrees, issuances, executive order and/or under any contract or agreement between workers and employers.

Section 11. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

Approved, October 15, 1990.

(SGD) DANIEL R. ANG  
Worker Representative

(SGD) VICENTE LEOGARDO, JR.  
Employer Representative

(SGD) JOJI L. BARRIOS  
Worker Representative

(SGD) CLETO T. VILLATUYA  
Employer Representative

(SGD) IMELDA J. MADARANG  
Vice-Chairman

(SGD) ERNESTO GOROSPE  
Vice-Chairman

(SGD) BERNARDINO B. JULVE  
Chairman

Republic of the Philippines  
National Wages and Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
National Capital Region

WAGE ORDER NO. NCR-01-A

PROVIDING WAGE INCREASE TO WORKERS RECEIVING  
WAGES ABOVE THE MINIMUM WAGE RATES

WHEREAS, the Regional Board has received motions for reconsideration from the Trade Union Congress of the Philippines (TUCP) and the Personnel Management Association of the Philippines (PMAP) regarding the amount and coverage of the minimum wage increase as provided for under Wage Order No. NCR-01 and an opposition to the TUCP motion for reconsideration from the Employers Confederation of the Philippines (ECOP);

WHEREAS, after a thorough review of the various factors and criteria considered, majority of the Board agrees that the P17.00 per day wage increase is the most viable option under present conditions;

WHEREAS, majority of the Board agrees that it has become a generally recognized and accepted method, based on wage adjustments made during the last two decades, that the coverage of wage issuances included not only those receiving the minimum wage but even those paid above the minimum wage rates up to a certain wage range and consistent with Section 4 (a) of Republic Act No. 6727 the Regional Board acted to prescribed similar increases.

NOW, therefore, by virtue of its power and authority under Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board of the National Capital Region hereby issues this supplemental Wage Order.

Section 1. Upon the effectivity of this Wage Order, all workers and employees in the private sector in the National Capital Region already receiving wages above the statutory minimum wage rates up to one hundred and twenty-five pesos (P125.00) per day shall also receive an increase of seventeen pesos (P17.00) per day.

Section 2. This Order shall be governed by all applicable provisions under Wage Order No. NCR-01.

Section 3. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Approved, October 23, 1990.

*I dissent.*

**(SGD) DANIEL R. ANG**  
Worker Representative

**(SGD) JOJI L. BARRIOS**  
Worker Representative

*I agree with respect to the minimum wage increase and dissent with respect to the jurisdictional competence of the Board to extend the range of coverage.*

**(SGD) VICENTE LEOGARDO, JR.**  
Employer Representative

**(SGD) CLETO T. VILLATUYA**  
Employer Representative

*I agree on the wage increase but dissent on the power of the Board to expand the coverage of the increase.*

**(SGD) IMELDA J. MADARANG**  
Vice-Chairman

**(SGD) MARCELINA BACANI**  
Vice-Chairman

**(SGD) BERNARDINO B. JULVE**  
Chairman

Republic of the Philippines  
Department of Labor and Employment  
NATIONAL WAGES AND PRODUCTIVITY COMMISSION  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD  
National Capital Region

RULES IMPLEMENTING WAGE ORDERS NO. NCR-01 AND NCR-01-A

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing, Section 8 of Wage Order No. NCR-01 and Section 2 of Wage Order No. NCR-01-A the following rules are hereby issued for guidance and compliance by all concerned.

Chapter I - Definition of Terms

SECTION 1 - Definition of Terms - As used in this Rules,

- a) "Order" means Wage Order No. NCR-01;
- b) "Supplemental Order" means Wage Order No. NCR-01-A;
- c) "Commission" means the National Wages and Productivity Commission;
- d) "Board" means the Regional Tripartite Wages and Productivity Board in the National Capital Region;
- e) "National Capital Region" covers the cities of Kalookan, Manila, Pasay and Quezon and the municipalities of Las Pinas, Makati, Malabon, Mandaluyong, Marikina, Muntinlupa, Navotas, Paranaque, Pasig, Pateros, San Juan, Taguig and Valenzuela;
- f) "Agriculture" refers to farming in all its branches and among others, includes the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any activities performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products;
- g) "Plantation Agricultural Enterprise" is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least 20 workers. Any other agricultural enterprise shall be considered as "Non-Plantation Agricultural Enterprise";
- h) "Retail Establishment" is one principally engaged in the sale of goods to end-users for personal or household use;
- i) "Service Establishment" is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such;
- j) "Cottage/Handicraft Establishment" is one engaged in an economic endeavor in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship and/or whose capitalization does not exceed P500,000, regardless of previous registration with the defunct NACIDA;

- k) "Distressed Establishments" refer to establishments with capital impairment in the preceding year as may be determined by the Board;
- l) "Department" refers to the Department of Labor and Employment;
- m) "Basic Wage" means all remuneration or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include cost-of-living allowances, profit sharing payments, premium payments, 13th month pay and other monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Wage Order became effective;
- n) "Statutory Minimum Wage" is the lowest wage rate fixed by law that an employer can pay his workers;
- o) "Minimum Wage Rates" refers to the lowest wage rates that an employer can pay his workers, as fixed by the Board, and which shall not be lower than the applicable statutory minimum wage rates;
- p) "Wage Distortion" means a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employees 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.

## Chapter II - Wage Increase

SECTION 1. Coverage. a) The wage increase prescribed under the Order and the Supplemental Order shall apply to all private sector workers and employees in the National Capital Region receiving a basic wage of not more than one hundred twenty-five pesos (P125.00) per day or its monthly equivalent regardless of their position, designation or status, and irrespective of the method by which their wages are paid, except:

- i) Household or domestic helpers, including family drivers and workers in the personal service another;
  - ii) Workers and employees in retail/service establishments regularly employing not more than 10 workers, when exempted from compliance with the Order and the Supplemental Order, for a period fixed by the Board in accordance with applicable guidelines to be issued by the Commission;
  - iii) Workers and employees of distressed establishments when exempted from compliance for a period fixed by the Board in accordance with applicable guidelines to be issued by the Commission.
- b) Workers and employees who, prior to the effectivity of the Order and the Supplemental Order, were receiving a basic wage rate of more than one hundred twenty-five pesos (P125.00) per day or its monthly equivalent may receive wage increases through the correction of wage distortions in accordance with Section 12, Chapter II of this Rules.

SECTION 2. Amount. - Workers and employees covered under Section 1 hereof shall receive a wage increase of seventeen pesos (P17.00) per day.

SECTION 3. Effectivity. a) The wage increase to minimum wage earners shall take effect on November 1, 1990, fifteen (15) days following complete publication of the Order in one newspaper of general circulation on October 17, 1990 pursuant to Section 11 thereof.

b) The wage increase to workers receiving wages above the minimum wage but not more than one hundred twenty-five pesos (P125.00) per day shall take effect on November 10, 1990, fifteen (15) days following complete publication of the Supplemental Order in one newspaper of general circulation on October 26, 1990 pursuant to Section 3 thereof.

SECTION 4. Daily Minimum Wage Rates. a) The daily minimum wage rates of workers and employees in the National Capital Region shall be as follows:

Sector/Industry	Under R.A. 6727 (Effective July <u>01, 1989</u> )	Under WO-NCR01 (Effective Nov. <u>01, 1990</u> )
Non-Agriculture	P 89.00	P 106.00
Agriculture		
Plantation	79.00	96.00
Non-Plantation	68.50	85.50
Cottage/Handicraft		
Employing more than 30 workers	77.00	94.00
Employing not more than 30 workers	75.00	92.00
Private Hospitals		
With bed capacity of more than 100	89.00	106.00
With bed capacity of 100 or less	85.00	102.00
Retail/Service		
Employing more than 15 Workers	89.00	106.00
Employing 11 to 15 workers	85.00	102.00
Employing not more than 10 workers	68.00	85.00

b) Without prejudice to existing company practices, agreements or policies, the suggested formula herein attached as Annex "A" may be used as guide in determining the equivalent monthly minimum wage rates.

SECTION 5. Creditable Wage Increase. a) Wage increases granted from August 1, 1990 up to the effectivity of the Order and the Supplemental Order shall be credited as compliance with the increase prescribed therein. Where the wage increase granted is less than the prescribed increase, the employer shall pay the difference.

b) Anniversary wage increases provided in collective bargaining agreements, merit wage increases, and those resulting from regularization or promotion of employees shall not be credited as compliance thereto.

SECTION 6. Application to Private Educational Institutions. With respect to private educational institutions, the share of the covered workers and employees in the increase in tuition fees for school year 1990 shall be credited as compliance with the wage increase prescribed in the Order and the Supplemental Order. Where their share is less than the wage increase provided therein, the employer shall pay the difference.

SECTION 7. Application to Contractors. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increases shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed

wage rates, the construction/service contractor shall be held jointly and severally liable with his principal or client.

SECTION 8. Exemption. a) The following establishments may be exempted from compliance with the wage increase prescribed under the Order and the Supplemental Order upon application with and as determined by the Board in accordance with applicable rules and regulations to be issued by the Commission:

- 1) Retail/Service establishments regularly employing not more than 10 workers; and
- 2) Distressed establishments whose capital has been impaired by at least twenty-five percent (25%) during the year preceding the application.

b) The Board has the option to grant full or partial exemption with respect to the amount and the period which shall not exceed one (1) year from the effectivity of the Order and the Supplemental Order;

c) Whenever an application for exemption has been duly filed with the Board, action by the Regional Office of the Department in the National Capital Region on any complaint for alleged non-compliance with the Order and the Supplemental Order shall be deferred pending resolution of the said application;

d) In the event that the application for exemption is not granted, the workers and employees shall receive the appropriate compensation due them as provided for under the Order and the Supplemental Order plus compounded interest of one percent (1%) per month retroactive to November 1, 1990 and November 10, 1990, respectively.

SECTION 9. Basis of Minimum Wage Rates. The minimum wage rates prescribed under the Order shall be for the normal working hours, which shall not exceed eight (8) hours of work a day.

SECTION 10. Workers Paid by Results. a) All workers paid by results including those who are paid on piece work, takay, pakyaw, or task basis, shall receive not less than the applicable minimum wage rates prescribed under the Order for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for work of less than the normal working hours.

The adjusted minimum wage rates for workers paid by results shall be computed in accordance with the following steps:

- 1)  $\frac{\text{Amount of increase in AMW} *}{\text{Previous AMW}} \times 100 = \% \text{ increase};$
- 2) Existing rate/pc. x % increase = increase in rate/pc.;
- 3) Existing rate/pc. + increase in rate/pc. = adjusted rate/pc.

\*AMW is the applicable minimum wage rate.

b) The wage rates of workers who are paid by results shall continue to be established in accordance with Article 101 of the Labor Code, as amended and its implementing regulations.

SECTION 11. Wages of Special Groups of Workers. Wages of apprentices, learners, and handicapped workers shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates.

All recognized learnership and apprenticeship agreements entered into before November 1, 1990 shall be considered as automatically modified insofar as their wage clauses are concerned to reflect the increase prescribed under the Order and the Supplemental Order.

SECTION 12. Wage Distortion. Where the application of the wage increase provided under the Order and the Supplemental Order results in distortions in the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortions shall be resolved 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 was 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 the wage distortion. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board and, if it remains unresolved after ten (10) calendar days of conciliation, it 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 a dispute arising from a wage distortion shall not in any way delay the applicability of any wage increase prescribed under the Order and the Supplemental Order.

SECTION 13. Complaints for Non-Compliance. Complaints for non-compliance with the wage increase provided in the Order and the Supplemental Order shall be filed with the Regional Office of the Department in the National Capital Region and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

SECTION 14. Non-Diminution of Benefits. Nothing in the Order, the Supplemental Order and this Rules shall be construed as authorizing the reduction of 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 or employer practices or policies.

SECTION 15. Penal Provision. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase under the Order and the Supplemental Order shall be punished by a fine not exceeding P25,000 and/or imprisonment of not less than one (1) year nor more than two (2) years. Provided, that any person convicted under the Order and the Supplemental 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 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 proceeding before the Board.

SECTION 17. Effects on Other Issuances. The provisions of existing laws and decrees on wages and their implementing rules and regulations and issuances not otherwise repealed, modified or

inconsistent with the Order, the Supplemental Order and this Rules shall continue to have full force and effect.

SECTION 18. Effectivity. This Rules shall take effect on November 1, 1990.

Done in Metro Manila, Republic of the Philippines this 30th day of October 1990.

\*  
(SGD) DANIEL R. ANG  
Worker Representative

(SGD) JOJI L. BARRIOS  
Worker Representative

(SGD) IMELDA J. MADARANG  
Vice-Chairman

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(SGD) VICENTE LEOGARDO, JR.  
Employer Representative

\*  
(SGD) CLETO T. VILLATUYA  
Employer Representative

(SGD) MARCELINA E. BACANI  
Vice-Chairman

(SGD.) BERNARDINO B. JULVE  
Chairman

Approved this 31st day of October 1990.

(SGD.) RUBEN D. TORRES  
Secretary

\* *Without prejudice to respective dissent in Wage Order No. NCR-01-A.*