

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

WAGE ORDER No. NCR-11

**PROVIDING AN INCREASE IN THE DAILY MINIMUM WAGE
IN THE NATIONAL CAPITAL REGION**

WHEREAS, under R.A. No. 6727, the Regional Tripartite Wages and Productivity Board - National Capital Region, is mandated to periodically and progressively assess the wage rates, and to conduct continuing studies in the determination of the minimum wage rates applicable in the region or industry;

WHEREAS, RTWPB - NCR issued Wage Order No. NCR - 10, as amended, granting an Emergency Cost of Living Allowance to all covered private sector workers in the region effective 10 July 2004;

WHEREAS, Section 3, Rule IV of the National Wages and Productivity Commission 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 said period, except when there is a 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, the Board has determined, as confirmed by the Commission, that a supervening condition exists in the region due to the abnormal spiraling of oil and petroleum prices which immensely contributed to a drastic increase on the price of basic goods, commodities and services; an escalation of the inflation rate higher than that projected by the Bangko Sentral ng Pilipinas; and, the escalating erosion of the purchasing power of the Peso;

WHEREAS, the Board, after due notice to all concerned sectors, conducted consultations and a public hearing with workers' and employers' sectors, the government, and other interested parties in the region on the 17th, 19th and 25th of May 2005, respectively, to determine the propriety of issuing a new wage order;

WHEREAS, the Regional Tripartite Wages and Productivity Board has deemed it necessary to grant an increase in the minimum wage rates of workers and employees therein in the presence of the supervening condition;

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, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board - National Capital Region hereby issues this Wage Order:

Section 1. AMOUNT OF INCREASE. Upon the effectivity of this Wage Order, all minimum wage workers in the private sector in the National Capital Region shall receive an increase of **TWENTY-FIVE PESOS (P 25.00)** per day in their basic pay.

Section 2. THE NEW MINIMUM WAGE RATES. The new minimum wage rates in the National Capital Region shall be as follows:

INDUSTRY/SECTOR	BASIC WAGE under WO NCR-11	ECOLA under WO NCR-09	ECOLA under WO NCR-10	TOTAL
Non-Agriculture	P 275	P 30	P 20	P 325
Agriculture	P 238	P 30	P 20	P 288
Plantation	P 238	P 30	P 20	P 288
Non-Plantation	P 238	P 30	P 20	P 288
Private Hospitals with bed capacity of 100 or less	P 238	P 30	P 20	P 288
Retail/Service Establishments employing 15 workers or less	P 238	P 30	P 20	P 288
Manufacturing Establishments regularly employing less than 10 workers	P 238	P 30	P 20	P 288

Section 3. COVERAGE. The wage increase prescribed herein shall apply to all minimum wage earners in the private sector in the Region, regardless of their position, designation or status and irrespective of the method by which their wages 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 registered Barangay Micro Business Enterprises (BMBE's) with Certificates of Authority.

Section 4. BASIS OF MINIMUM WAGE RATES. The minimum wage rates prescribed under this Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

Section 5. 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 prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting 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 Wage Order until the beginning School Year 2006-2007.

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

Section 6. APPLICATION TO CONTRACTORS. In case of contracts for construction projects and for security, janitorial and similar services, the increase in the minimum wage prescribed herein shall be borne by the principal or client of the contractor and the contract shall be deemed amended accordingly; which amendment shall include adjustments in wage related benefits, including but not limited to the 13th month pay, overtime pay, night shift differential, holiday and rest day pay, premium pay and other benefits.

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

Section 7. WORKERS PAID BY RESULT. All workers paid by result, including those who are paid on piecework, "takay," "pakyaw" or task basis, shall be entitled to receive the prescribed increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 8. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy-five (75%) of the applicable minimum wage rates prescribed in this Order. All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to R. A. 7277.

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 minimum wage.

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

1. Distressed establishments;
2. Establishments facing potential losses;
3. Retail/Service establishments employing not more than ten (10) workers; and,
4. Establishments whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, are not more than P 3 Million.

Section 10. APPLICATION FOR EXEMPTION. All applications 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, with complete supporting documents as specified in the Rules. Failure to submit the required supporting documents within the prescribed period will be tantamount to dismissal of the application for exemption.

The Board may grant a partial or full exemption of one (1) year in accordance with the NWPC Rules on Exemption, but in no case shall any exemption exceed one (1) year from the effectivity of this Order.

Section 11. EFFECT OF APPLICATION FOR EXEMPTION. Whenever an application for exemption has been duly filed with the Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending its resolution. In the event that the application for exemption is not granted, the employees of the applicant firm shall receive the mandated wage increase under this Order, plus one percent (1%) interest per month retroactive to the effectivity of this Order.

Section 12. APPEAL TO THE COMMISSION. Any party aggrieved by the decision of the Board may file an appeal to the Commission, through the Board, in two legible copies, not later than ten (10) days from the publication of this Wage Order.

Section 13. PRODUCTIVITY-BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, businesses are encouraged 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 Incentives Act of 1990.

Section 14. CREDITABLE WAGE INCREASE. An increase granted by an employer 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 collective bargaining agreement provision 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 unorganized establishments, an increase granted by the employer within five (5) months prior to the effectivity of this Order shall be credited as compliance therewith.

In case the increases given are less than the prescribed adjustment, the employer shall pay the difference. Such increases shall not include anniversary increases, merit wage increases and those resulting from the regularization or promotion of employees.

Section 15. IMPLEMENTING RULES. The Regional Tripartite Wages and Productivity Board - National Capital Region shall prepare the necessary rules and regulations to implement this Order subject to approval by the Secretary of Labor and Employment.

Section 16. 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 the Labor Code of the Philippines, as amended.

Section 17. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with the wage increase set forth in 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 18. NON-DIMINUTION OF BENEFITS. Nothing in this Order 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 19. 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 20. 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 21. PENAL PROVISIONS. Any employer who refuses or fails to pay the prescribed minimum wage rate provided under this Wage Order shall be subject to the penalties specified under R.A. 6727, as amended by R.A. 8188.

Section 22. SEPARABILITY CLAUSE. If any provision or part of this Wage Order is declared unconstitutional, or in conflict with existing law, the other provisions or parts thereof shall remain valid. Nothing in this Order shall be construed to reduce any existing wage rate, allowance or other benefit under existing laws, decrees, issuance, and orders or under any contract or agreement between workers and employers.

Section 23. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

Approved.

Manila, Philippines, 30 May 2005.

Date Published.

01. June 2005 at Philippine Daily Inquirer

Date of Effectivity.

16. June 2005

Dissenting

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

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

Dissenting

(SGD.) **GERMAN N. PASCUA, JR.**
Labor Representative

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

(SGD.) **EMMA C. ASUSANO**
Vice-Chairman

(SGD.) **DENNIS M. ARROYO**
Vice-Chairman

(SGD.) **RICARDO S. MARTINEZ SR.**
Board Chairman

Posted: 01 June 05