



**REGIONAL  
TRIPARTITE WAGES and  
PRODUCTIVITY BOARD  
NATIONAL CAPITAL REGION**

**Republic of the Philippines**  
**Department of Labor and Employment**  
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**WAGE ORDER No. NCR-12**

**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** (RTWPB – NCR), is mandated to periodically assess the wage rates, and to conduct continuing studies in the determination of the minimum wage rates applicable in the region or industry;

**WHEREAS**, the continuing rise of the price of oil in the world market resulted to frequent adjustments in the price of local oil and petroleum products;

**WHEREAS**, such adjustments have contributed to a substantial increase in the prices of basic goods, and services and have eroded the real wage of the minimum wage earners since the last wage order was issued;

**WHEREAS**, on 16 May 2006, the Trade Union Congress of the Philippines filed a petition for a Seventy-Five Pesos (₱ 75.00) per day across-the-board and region-wide basic wage increase;

**WHEREAS**, on 21 June 2006, the National Federation of Labor Unions lodged a petition for the grant of One Hundred Pesos (₱ 100.00) increase in the basic pay and the integration of the Fifty Pesos (₱ 50.00) Emergency Cost Of Living Allowance into the basic pay;

**WHEREAS**, the Board, after due notice to all concerned sectors, conducted consultations with Workers' and Employers' Sectors, the Regional Tripartite Industrial Peace Council and Tripartite Industrial Peace Councils within Metro Manila on the 5<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> of June 2006, respectively, and a public hearing on the 21<sup>st</sup> of June 2006, to determine the propriety of issuing a new wage order;

**WHEREAS**, it is necessary to restore the purchasing power of wages without impairing the viability of businesses and industries, and to augment the income of the workers and their families with immediate relief measures to enable them to cope with the rising cost of living;

**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;

**NOW THEREFORE**, by virtue of the power and authority vested under Republic Act No. 6727, as amended, 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 (₱ 25.00) per day in their basic pay.**

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

INDUSTRY/SECTOR	BASIC WAGE per day under WO NCR – 12	Daily ECOLA under WO NCR - 09	Daily ECOLA under WO NCR - 10, as amended	TOTAL DAILY MINIMUM WAGE
Non-Agriculture	₱ 300	₱ 30	₱ 20	₱ 350
Agriculture (Plantation and Non-Plantation)	₱ 263	₱ 30	₱ 20	₱ 313
Private Hospitals with bed capacity of 100 or less	₱ 263	₱ 30	₱ 20	₱ 313
Retail/Service Establishments employing 15 workers or less	₱ 263	₱ 30	₱ 20	₱ 313
Manufacturing Establishments regularly employing less than 10 workers	₱ 263	₱ 30	₱ 20	₱ 313

**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 (BMBEs) 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 2006-2007 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 2007-2008.

Private educational institutions, which have not increased their tuition fees for the School Year 2006-2007, may defer compliance with the provisions of this Wage Order until the beginning School Year 2007-2008.

In any case, all private educational institutions shall implement the increase prescribed herein starting School Year 2007-2008.

**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 as mandated under the Labor Code.

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 percent (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 Republic Act No. 7277, otherwise known as the Magna Carta for Disabled Persons.

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 Three Million Pesos (₱ 3,000,000.00).

**Section 10. APPLICATION FOR EXEMPTION.** Pursuant to the National Wages and Productivity Commission Resolution No. 01, series of 1999, 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 and as may be further required by the Board. Failure to submit the required supporting documents within the prescribed period will be sufficient basis for the 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, or otherwise not confirmed in accordance with the Rules, 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 this Wage Order 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. 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 14. 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 15. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with the wage increase set forth in this Order shall be filed with the National Capital 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 16. 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 17. 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 18. 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 19. 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. No. 6727, as amended by R.A. No. 8188.

**Section 20. 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 21. 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 22. 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 23. EFFECTIVITY.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

**APPROVED.**

Manila, Philippines, 23 June 2006.

*I dissent.*

**DANIEL R. ANG**  
Labor Representative

**VICENTE LEOGARDO, JR.**  
Employer Representative

*I dissent.*

**GERMAN N. PASCUA, JR.**  
Labor Representative

*On leave.*

**CLETO T. VILLATUYA**  
Employer Representative

**MA. THERESA L. PELAYO**  
Vice-Chairperson

**DENNIS M. ARROYO**  
Vice-Chairperson

**RICARDO S. MARTINEZ, SR.**  
Chairperson