

## **WAGE ORDER No. NCR-17**

### **PROVIDING A COST OF LIVING ALLOWANCE (COLA) AND INTEGRATING THE EXISTING COLA OF P22 INTO THE BASIC WAGE IN THE NATIONAL CAPITAL REGION**

**WHEREAS**, the Regional Tripartite Wages and Productivity Board-National Capital Region (RTWPB-NCR) is mandated under R.A. 6727 (The Wage Rationalization Act), to periodically assess wage rates and conduct continuing studies in the determination of the minimum wage applicable in the region or industry;

**WHEREAS**, the Trade Union Congress of the Philippines (TUCP) filed on 16 March 2012 a petition for a Ninety Pesos (P90.00) per day across-the-board wage increase;

**WHEREAS**, Wage Order No. NCR-16 took effect on 26 May 2011 and under Section 3, Rule IV of the Amended Rules of Procedure on Minimum Wage Fixing issued by the National Wages and Productivity Commission (NWPC), the Wage Order may not be disturbed for a period of twelve (12) months from its effectivity and no petition for wage increase shall be entertained within the same period unless there are supervening conditions, such as extraordinary increases in prices, of petroleum products and basic goods/services, as determined by RTWPB-NCR and confirmed by the NWPC;

**WHEREAS**, the RTWPB-NCR issued on 20 March 2012 Resolution No. 01, series of 2012, declaring the absence of supervening condition in the region with a proviso that the Board will review the current wage rates once the same is justified by socio-economic conditions;

**WHEREAS**, the Board sees the need to address the difficulties suffered by the workers in the region due to increases in the prices of oil products and basic goods, commodities and services;

**WHEREAS**, after due notice to all concerned sectors, the RTWPB-NCR conducted public consultations and a public hearing on the 18<sup>th</sup> and 27<sup>th</sup> of April 2012 and 17<sup>th</sup> of May 2012, respectively, to gather inputs on the wage issue that will assist the Board in its review of the current minimum wage rates in the region;

**WHEREAS**, considering the result of the thorough evaluation of the existing socio-economic conditions of the region, showing increases in prices of petroleum products and basic goods/services, the RTWPB-NCR has determined the need to provide workers with immediate relief measures to enable them to cope with the rising cost of living without impairing the viability of

business and industry by integrating the existing cost of living allowance of P22 into the basic wage and providing a Cost of Living Allowance (COLA) in the amount of **THIRTY PESOS (P30.00)**;

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

**Section 1. NEW MINIMUM WAGE RATES.** Upon effectivity of this Wage Order:

- a. The Cost of Living Allowance (COLA) of TWENTY-TWO PESOS (P22.00) per day under Wage Order No. NCR-16 shall be integrated into the basic wage;
- b. After the integration of the COLA, all minimum wage earners in the region shall receive an increase in the amount of **THIRTY PESOS (P30.00) per day** in the form of **Cost of Living Allowance (COLA)** payable in two (2) tranches as follows:

Amount of COLA	Effectivity
P 20.00	Upon effectivity of this Wage Order
P 10.00	01 November 2012

- c. The new daily minimum wage rates of covered workers in the private sector in the National Capital Region shall be as follows:

Sector/Industry	Basic Wage After COLA Integration	COLA	New Minimum Wage Rates
<b>Non-Agriculture</b>	P 426.00	P 20.00	P 446.00
<b>Agriculture (Plantation and Non Plantation)</b>	P 389.00	P 20.00	P 409.00
<b>Private Hospitals with bed capacity of 100 or less</b>	P 389.00	P 20.00	P 409.00
<b>Retail/Service Establishments employing 15 workers or less</b>	P 389.00	P 20.00	P 409.00
<b>Manufacturing Establishments regularly employing less than 10 workers</b>	P 389.00	P 20.00	P 409.00

- d. Effective 01 November 2012, the 2<sup>nd</sup> tranche of the COLA or Ten (10) Pesos shall be added making the new minimum wage rates of covered workers in the private sector in the National Capital Region as follows:

Sector/Industry	Basic Wage After COLA Integration	COLA Effective	COLA Effective 1 November 2012	New Minimum Wage Rates
Non-Agriculture	₱ 426.00	₱ 20.00	₱ 10.00	₱ 456.00
Agriculture (Plantation and Non Plantation)	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00
Private Hospitals with bed capacity of 100 or less	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00
Retail/Service Establishments employing 15 workers or less	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00
Manufacturing Establishments regularly employing less than 10 workers	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00

**Section 2. COVERAGE.** The ₱30.00 per day COLA prescribed in this 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. Provided, however, that duly registered BMBEs should pay their workers not lower than the region's poverty threshold of ₱259.36 per day for a family of five (5) as of 2011, subject to the condition that should there be a change in the poverty threshold, as determined by the National Statistics Office (NSO), the same shall be applicable.

**Section 3. APPLICATION TO CONTRACTORS.** In the case of contracts for construction projects and for security, janitorial and similar services, the COLA prescribed in this Order 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 principals or clients fail to pay the prescribed wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

**Section 4. 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 2012-2013 shall be considered as compliance with the COLA prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting School Year 2013-2014.

Private educational institutions which have not increased their tuition fees for School Year 2012-2013 may defer compliance with the COLA prescribed herein until the beginning of School Year 2013-2014.

In any case, all private educational institutions shall implement the COLA prescribed herein starting School Year 2013-2014.

**Section 5. WORKERS PAID BY RESULT.** All workers paid by result, including those who are paid on piecework, "takay" or task basis, shall be entitled to receive not less than the prescribed COLA a day, or a proportion thereof for working less than eight (8) hours.

**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 new wage rates prescribed in this Order.

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 wage rates.

All qualified handicapped workers shall receive the full amount of the new wage rates prescribed herein pursuant to Republic Act No. 7277, otherwise known as the Magna Carta for Disabled Persons.

**Section 7. 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 NWPC, the following may be exempted from the applicability of this Order:

1. Distressed Establishments;
2. Retail/Service Establishments Regularly Employing Not More Than Ten (10) workers;
3. 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 P3 Million; and
4. Establishments Adversely Affected by Natural Calamities.

**Section 8. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file an appeal to the NWPC, through the Board, in three (3) printed copies, not later than ten (10) days from the publication of this Wage Order.

**Section 9. CREDITABLE WAGE INCREASE.** Any 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 COLA prescribed in this Order.

In unorganized establishments, any 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 COLA, 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 10. EFFECTS ON EXISTING WAGE STRUCTURE.** Where the application of the COLA prescribed in this Order results in distortions in the wage structure within the establishment, **the management and/or labor union**

shall initiate correction of the same within thirty (30) days from the effectivity of this Wage Order and 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 11. 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 12. COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with this Order shall be filed with the National Capital Region 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 13. 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 14. 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 in accordance with Presidential Decree 442, as amended.

**Section 15. FREEDOM TO BARGAIN.** This Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

**Section 16. REPORTING REQUIREMENT.** 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, 2013 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

**Section 17. PENAL PROVISION.** Any employer who refuses or fails to comply with this Order shall be subject to the penalties specified under RA 6727, as amended by R.A. No. 8188.

**Section 18. REPEALING CLAUSE.** All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

**Section 19. 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.

**Section 20. IMPLEMENTING RULES.** The Regional Tripartite Wages and Productivity Board-National Capital Region shall submit to the Commission

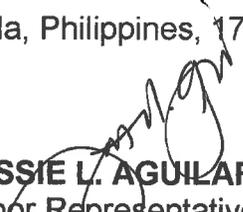
the necessary Rules and Regulations to implement this Order subject to approval of the Secretary of Labor and Employment not later than ten (10) days from the publication of the Wage Order.

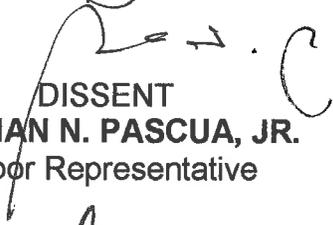
**Section 21. ADVISORY ON PERFORMANCE BASED PAY.** In line with the two tiered wage system where the 1<sup>st</sup> tier is the mandatory wage adjustment prescribed in this Wage Order, within sixty (60) days from the issuance of NWPC Guidelines on the implementation of the two tiered wage system, the Board shall issue an advisory on the 2<sup>nd</sup> tier or the performance based pay which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise or industry may provide based on agreement between workers and management.

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

**APPROVED.**

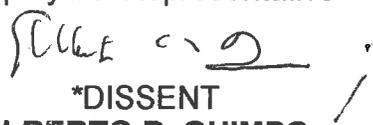
Manila, Philippines, 17 May 2012.

  
**JESSIE L. AGUILAR**  
Labor Representative

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

  
**FERDINAND L. MANFOSTE**  
Vice-Chairperson

  
\*DISSENT  
**VICENTE LEOGARDO, JR.**  
Employers' Representative

  
\*DISSENT  
**ALBERTO R. QUIMPO**  
Employers' Representative

  
**MARITES B. OLIVA**  
Vice-Chairperson

  
**ATTY. ALAN M. MACARAYA, CEO III**  
Chairperson

**\*Reserve the right to submit dissenting opinion.**



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

Republic of the Philippines  
Department of Labor and Employment  
2/F, 1650 DY International Building cor.  
San Marcelino Street and Gen. Malvar Street,  
Malate, Manila  
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**RULES IMPLEMENTING WAGE ORDER NO. NCR-17**

**RULE I  
GENERAL PROVISIONS**

Pursuant to Section 6, Rule IV of the National Wages and Productivity Commission Guidelines No. 01-2007, otherwise known as the Amended Rules of Procedure on Minimum Wage Fixing and Section 20 of Wage Order No. NCR - 17, 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. NCR - 17".

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

- a) **Order** - means Wage Order No. NCR - 17.
- 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 - National Capital Region.
- e) **Regional Office** - refers to the regional office of the Department of Labor and Employment in the National Capital Region.
- f) **National Capital Region** - covers the Cities of Caloocan, Las Piñas, Makati, Mandaluyong, Manila, Marikina, Malabon, Muntinlupa, Parañaque, Pasay, Pasig, Quezon, San Juan, Taguig and Valenzuela, and the Municipalities of Navotas and Pateros.
- g) **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 activity 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.
- h) **Establishment** - refers to an economic unit, which engages in one or predominantly one kind of economic activity at a single fixed location. For purposes of determining eligibility for exemption, establishments under the same owner/s but separately registered with the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) or Cooperative Development Authority (CDA), as the case may be, irrespective of their location, shall be treated as individual and distinct establishments.

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- l) **Retail Establishment** - refers to an entity principally engaged in the sale of goods to end users for personal or household use. A retail establishment that regularly engages in wholesale activities loses its retail character.
- j) **Service Establishment** - refers to an entity principally engaged in the sale of services to individuals for his own or household use and is generally recognized as such.
- k) **Distressed Establishments** - refer to establishments which meet the criteria enumerated in Section 3A of the National Wages and Productivity Commission (NWPC) Guidelines No. 02, Series of 2007, otherwise known as the "Amended Rules on Exemption from Compliance with the Prescribed Wage Increases/Cost of Living Allowances Granted By the Regional Tripartite Wages and Productivity Boards."
- l) **Paid-up capital** - refers to the total amount of shareholder capital that has been paid by shareholders.
- m) **Capital** - refers to the paid-up capital at the end of the last full accounting period in the case of corporations or total invested capital at the beginning of the period under review, in the case of partnerships and single proprietorships.
- n) **Capital Impairment** - refers to the diminution of capital due to accumulated losses.
- o) **Stockholders' Equity** - refers to the residual interest in the assets of an entity that remains after deducting its liabilities. It is total assets minus total liabilities. It is the same as equity and net worth.
- p) **Full Accounting Period** - refers to a period of twelve (12) months of business operations.
- q) **Interim Period** - refers to a financial reporting period shorter than a full financial year (most typically a quarter or half-year).
- r) **Deficit** - refers to the negative balance of the retained earnings account of a corporation. Retained earnings represent the cumulative balance of periodic earnings, dividend distributions, prior period adjustments and other capital adjustments.
- s) **Total Assets** - refers to things of value owned by the business such as cash, machines, building and land which can be measured or expressed in money terms.
- t) **Net Loss** - refers to actual loss suffered by a company after deducting expenditures including overhead and interest charges from revenues.
- u) **Financial Statement** - refers to a written report which quantitatively describes the financial health of a company. This includes the following: balance sheet, income statement, statement of changes in equity, cash flow statement and notes to financial statement.
- v) **Stock Corporation** - refers to one organized for profit and issues shares of stock to its members

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- w) **Non-stock, Non-profit Organization**- refers to one organized principally for public purposes such as charitable, educational, cultural or similar purposes and does not issue shares of stock to its members.
- x) **Partnership**- refers to an association of two or more persons who bind themselves to contribute money, property or industry to a common fund with the intention of dividing the profits among themselves or for the exercise of a profession.
- y) **Single Proprietorship**- refers to a business unit owned and controlled by only one person.
- z) **Cooperative** – refers to a duly registered association pursuant to R.A. 6938 (Cooperative Code of the Philippines), as amended by R.A. 9520.
- aa) **Cost of Living Allowance (COLA)** - refers to the cost of living allowance prescribed by the Board for covered private sector workers and employees in the National Capital Region.
- bb) **Poverty Threshold** - refers to the minimum income/expenditure required for a family/individual to meet the basic food and non-food requirements as defined by the National Statistical Coordination Board (NSCB).
- cc) **Wage Distortion** – as defined under Article 124 of Presidential Decree No. 442, 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.
- dd) **Quasi-banks** – refer to institutions such as investment houses and financing companies performing quasi-banking functions as defined by the Bangko Sentral ng Pilipinas.
- ee) **Conservatorship** - refers to a remedy resorted to by the monetary board in case a bank or quasi-bank is in a state of continuing inability or unwillingness to maintain condition of liquidity deemed adequate to protect the interests of the depositors and creditors. A conservator is appointed to manage the establishment in order to restore its viability.
- ff) **Receivership/liquidation** – refers to a remedy resorted by the Monetary Board in case a bank or quasi-bank is (a) unable to pay its liabilities as they become due in the ordinary course of business; (b) has insufficient realizable assets as determined by the Bangko Sentral ng Pilipinas to meet its liabilities; (c) cannot continue in business without involving probable losses to its depositors or creditors; or (d) has willfully violated a cease and desist order under Sec. 37, RA 7653, that has become final involving acts or transactions which amount to fraud or dissipation of the assets of the institution.

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gg) **Under Corporate Rehabilitation** – refers to establishments that are placed under a rehabilitation receiver by a court of competent jurisdiction.

**RULE II  
NEW MINIMUM WAGE RATES**

**Section 1. INTEGRATION OF THE COST OF LIVING ALLOWANCE.**

Effective 03 June 2012, the existing Cost of Living Allowance (COLA) in the amount of Twenty Two Pesos (P22.00) per day under Wage Order No. NCR-16 shall be integrated into the basic wage of covered workers in the National Capital Region.

**Section 2. AMOUNT OF INCREASE.** Also, effective 03 June 2012,

all minimum wage earners in the region shall receive an increase in the amount of **THIRTY PESOS (P30.00) per day** in the form of **Cost of Living Allowance (COLA)** payable in two (2) tranches as follows:

Amount of COLA	Effectivity
P 20.00	03 June 2012
P 10.00	01 November 2012

**Section 3. THE NEW MINIMUM WAGE RATES.** a. Upon effectivity of this Wage Order, the new daily minimum wage rates in the National Capital Region shall be as follows:

INDUSTRY/SECTOR	Basic Wage After COLA Integration	COLA Under Wage Order NCR-17	New Minimum Wage Rates
Non-Agriculture	P 426.00	P 20.00	P 446.00
Agriculture (Plantation and Non-Plantation)	P 389.00	P 20.00	P 409.00
Private Hospitals with bed capacity of 100 or less	P 389.00	P 20.00	P 409.00
Retail/Service Establishments employing 15 workers or less	P 389.00	P 20.00	P 409.00
Manufacturing Establishments regularly employing less than 10 workers	P 389.00	P 20.00	P 409.00

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b. Further, effective 01 November 2012, the new minimum wage rates in the National Capital Region shall be as follows:

Sector/Industry	Basic Wage After COLA Integration	COLA Effective 03 June 2012	COLA Effective 01 November 2012	New Minimum Wage Rates
Non-Agriculture	₱ 426.00	₱ 20.00	₱ 10.00	₱ 456.00
Agriculture (Plantation and Non Plantation)	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00
Private Hospitals with bed capacity of 100 or less	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00
Retail/Service Establishments employing 15 workers or less	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00
Manufacturing Establishments regularly employing less than 10 workers	₱ 389.00	₱ 20.00	₱ 10.00	₱ 419.00

**Section 4. COVERAGE.** The wage increase prescribed herein shall apply to all minimum wage earners in the private sector within 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. Provided, however, that duly registered BMBEs should pay their workers not lower than the region's poverty threshold of ₱259.36 per day for a family of five (5) as of 2011, subject to the condition that should there be a change in the poverty threshold, as determined by the National Statistics Office (NSO), the same shall be applicable.

**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 2012-2013 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 2013-2014.

Private educational institutions, which have not increased their tuition fees for School Year 2012-2013, may defer compliance with the provisions of this Wage Order until the beginning of School Year 2013-2014.

In any case, all private educational institutions shall implement the increase prescribed herein starting School Year 2013-2014.

**Section 6. APPLICATION TO CONTRACTORS.** In case of contracts for construction projects, security, janitorial and other similar services, the increase in the wage rates prescribed herein shall be borne by the principal or client of the contractor and the contract shall be deemed amended accordingly as mandated under Section 6, R.A. 6727.

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" or task basis, shall receive not less than the applicable 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 working less than the normal working hours.

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

a. 
$$\frac{\text{Amount of Increase in AMW}^*}{\text{Previous AMW}} = \% \text{ Increase}$$

$$\frac{P \ 30}{426} \times 100 = 7.04\% \text{ Increase}$$

b. Existing rate/piece x % increase = Increase in rate/piece

Existing rate/piece + Increase in rate/piece = Adjusted rate/piece

\*Where **AMW** is the **Applicable 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.

**Section 8. WAGES OF SPECIAL GROUPS OF WORKERS.** Wages of apprentices and learners under apprenticeship and learnership agreements duly approved by TESDA shall in no case receive or be paid less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in this Order. All recognized learnership and apprenticeship agreements entered into before the effectivity of the Order shall be considered automatically modified in so far as their wage clauses are concerned to reflect the adjustments prescribed under the same Order.

All qualified handicapped workers shall receive the full amount of the minimum wage rates prescribed herein pursuant to Republic Act No. 7277, otherwise known as the Magna Carta for Disabled Persons.

**Section 9. SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT MONTHLY REGIONAL MINIMUM WAGE RATES.** Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the equivalent monthly minimum wage rates:

- a) For those who are required to work everyday including Sundays or rest days, special days and regular holidays:

Equivalent Monthly Rate (EMR) = 
$$\frac{\text{Applicable Daily Wage Rate (ADR)} \times 393.50 \text{ days}}{12 \text{ months}}$$

Where 393.50 days:

298	- ordinary working days
24	- 12 regular holidays x 200%
67.6	- 52 rest days x 130%
<u>3.9</u>	- 3 special days x 130%

**393.5 - Total no. of days/year**

b) For those who do not work but are considered paid on rest days, special days and regular holidays:

$$\text{EMR} = (\text{ADR} \times 365 \text{ days}) / 12 \text{ months}$$

Where 365 days:

298	-Ordinary working days
12	-Regular holidays
52	-Sundays/rest days
3	-Special days
<u>365</u>	-Total no. of days/year

c) For those who do not work and are not considered paid on Sundays or rest days:

$$\text{EMR} = (\text{ADR} \times 310 \text{ days}) / 12 \text{ months}$$

Where 310 days:

298	-Ordinary working days
12	-Regular holidays
<u>310*</u>	-Total no. of days/year

d) For those who do not work and are not considered paid on Saturdays and Sundays or rest days:

$$\text{EMR} = (\text{ADR} \times 258 \text{ days}) / 12 \text{ months}$$

Where 258 days are:

246	-Ordinary working days
12	-Regular holidays
<u>258*</u>	-Total no. of days/year

\*313 and 261 if the three (3) national special days are considered paid.

**Section 10. MOBILE AND BRANCH WORKERS.** The minimum wage rates of workers, who, by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

The minimum wage rates of workers working in branches or agencies of establishments in or outside the National Capital Region shall be those applicable in the place where they are stationed.

**Section 11. TRANSFER OF PERSONNEL.** The transfer of personnel to areas outside the Region shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. The workers transferred to other Regions with higher wage rates shall be entitled to the minimum wage rates applicable therein.

**Section 12. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file an appeal to the Commission within ten (10) calendar days from the publication of the Order. Pursuant to Section 5, Chapter III of the Rules Implementing R.A. 6727, the Commission shall decide the appeal within sixty (60) calendar days from the date of filing. The appeal shall be

accompanied by a memorandum of appeal, which shall state the grounds relied upon, and the arguments in support of the appeal.

**Section 13. EFFECT 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 to employees affected by the Order of the corresponding increase, in the event that such Order is affirmed.

### **RULE III EXEMPTIONS**

**Section 1. WHO MAY BE EXEMPTED.** Upon application with and as determined by the Board, based on compliance with the criteria and requirements in the applicable rules and regulations, the following may be exempted from the applicability of this Order:

1. Distressed establishments;
2. 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 P3 million;
3. Retail/Service establishments employing not more than ten (10) workers; and
4. Establishments adversely affected by natural calamities.

**Section 2. CRITERIA FOR EXEMPTION.** In order to determine whether an applicant establishment is qualified for exemption, the following are the criteria:

#### **A. Distressed Establishments**

##### **1. For Corporations/ Cooperatives**

###### **a. Full Exemption**

- a.1. When the deficit, as defined in Section I (N) of NWPC Guidelines No. 02, Series of 2007, as of the last full accounting period immediately preceding the effectivity of the Order amounts to 20% or more of the paid-up capital for the same period; or
- a.2. When an establishment registers capital deficiency i.e., negative stockholders' equity, as of the last full accounting period immediately preceding the effectivity of the Order.

###### **b. Partial Exemption**

- b.1. When the deficit, as defined in Section I (N) of NWPC Guidelines No. 2, series of 2007, as of the last full accounting period immediately preceding the effectivity of the Order amounts to at least 10% but less than 20% of the paid-up capital for the same period.

###### **c. Conditional Exemption**

- c.1. When the actual net loss as of the interim period immediately preceding the effectivity of the Order amounts to at least 25% of total assets.

**2. For Single Proprietorships/Partnerships**

**a. *Full Exemption:***

- a.1. When the accumulated net losses for the last two (2) full accounting periods immediately preceding the effectivity of the Order amounts to 20% or more of the total invested capital at the beginning of the period under review; or
- a.2. When an establishment registers capital deficiency i.e., negative net worth as of the last full accounting period immediately preceding the effectivity of the Order.

**b. *Partial Exemption:***

- b.1. When the accumulated net losses for the last two (2) full accounting periods immediately preceding the effectivity of the Order amounts to at least 10% but less than 20% of the total invested capital at the beginning of the period under review.

**c. *Conditional Exemption***

- c.1. When the actual net loss as of the interim period immediately preceding the effectivity of the Order amounts to at least 25% of total assets.

**3. For Non-stock, Non-profit Organizations**

**a. *Full Exemption:***

- a.1. When the accumulated net losses for the last two (2) full accounting periods immediately preceding the effectivity of the Order amounts to 20% or more of the fund balance/members' contribution at the beginning of the period; or
- a.2. When an establishment registers capital deficiency i.e., negative fund balance/members' contribution as of the last full accounting period or interim period, if any, immediately preceding the effectivity of the Order.

**b. *Partial Exemption:***

- b.1. When the accumulated net losses for the last two (2) full accounting periods immediately preceding the effectivity of the Order amounts to at least 10% but not more than 20% of the fund balance/members' contribution at the beginning of the period.

**c. *Conditional Exemption:***

- c.1. When the actual net loss as of the interim period immediately preceding the effectivity of the Order amounts to at least 25% of total assets.

**4. For Banks and Quasi-banks**

**a. Under receivership/liquidation**

Exemption may be granted to a bank or quasi-bank under receivership or liquidation when there is a certification from the

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Bangko Sentral ng Pilipinas that it is under receivership or liquidation as provided in Section 30 of RA 7653, otherwise known as the New Central Bank Act.

b. Under controllership/conservatorship

A bank or quasi-bank under controllership/conservatorship may apply for exemption as a distressed establishment under Section 2 A of this Rule.

5. Establishments Under Corporate Rehabilitation

Exemption may be granted to corporations, partnerships and associations under corporate rehabilitation when there is an order from a court of competent jurisdiction that it is under rehabilitation as provided in Section 6, Rule IV of the Interim Rules of Procedure on Corporate Rehabilitation (2000), as amended by Section 7, Rule 3 of the 2008 Rules of Procedure on Corporate Rehabilitation.

**B. 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 P3 Million.**

Exemption may be granted to an establishment whose total assets are not more than P3 Million when:

1. Its total assets during the current year of effectivity of the Order amount to not more than Three Million Pesos (P3,000,000.00).
2. Total Assets refer to all kinds of properties, real or personal used for the conduct of business, including proceeds of loans, but excluding the land on which the particular business entity's office, plant and equipment are situated.
3. Establishment is not registered as a Barangay Micro Business Enterprise (BMBE).

**C. Retail/Service Establishments Regularly Employing Not More Than Ten (10) Workers**

Exemption may be granted to a retail/service establishment when:

1. It is engaged in the retail sale of goods and/or services to end users for personal or household use.
2. It is regularly employing not more than ten (10) workers regardless of status, except the owner/s, for at least six (6) months in any calendar year.

**D. Establishments Adversely Affected by Natural Calamities**

1. The establishment must be located in an area declared by a competent authority as under a state of calamity.
2. The natural calamities, such as earthquakes, lahar flow, typhoons, volcanic eruptions, fire, floods and similar occurrences, must have occurred within 6 months prior to the effectivity of the Order.

3. Losses suffered by the establishment as a result of the calamity that exceed the insurance coverage should amount to 20% or more of the stockholders' equity as of the last full accounting period in the case of corporations and cooperatives, total invested capital in the case of partnerships and single proprietorships and fund balance/members' contribution in the case of non-stock non-profit organizations.

Only losses or damage to properties directly resulting from the calamity and not incurred as a result of normal business operations shall be considered.

4. Where necessary, the Board or its duly authorized representative shall conduct an ocular inspection of the establishment or engage the services of experts to validate the extent of damages suffered.

### **Section 3. DOCUMENTS REQUIRED**

The following supporting documents shall be submitted together with the application:

#### ***For All Categories of Exemption***

Proof of notice of filing of the application to the President of the union/contracting party if one is organized in the establishment, or if there is no union, a copy of a circular giving general notice of the filing of the application to all the workers in the establishment. The proof of notice, which may be translated in the vernacular, shall state that the workers' representative was furnished a copy of the application with all the supporting documents. The notice shall be posted in a conspicuous place in the establishment.

#### **A. For Distressed Establishments**

1. For corporations, cooperatives, single proprietorships, partnerships, non-stock, non-profit organizations.

##### ***a. Full or Partial Exemption***

- a.1. Audited financial statements (together with the Auditor's opinion and the notes thereto) for the last two (2) full accounting periods preceding the effectivity of the Order filed with and stamped "received" by the appropriate government agency.

##### ***b. Conditional Exemption***

- b.1. Audited financial statement (together with the Auditor's opinion and the notes thereto) for the last full accounting period and interim quarterly financial statement/s for the period immediately preceding the effectivity of the Order.
- b.2. To confirm the grant of conditional exemption, audited financial statements for the last full accounting period, stamped received by the appropriate government agency, to be submitted within 30 days from the lapse of the one-year exemption period.

2. For Banks and Quasi-banks

Certification from Bangko Sentral ng Pilipinas that it is under receivership/ liquidation.

3. For Establishments Under Corporate Rehabilitation

Order from a court of competent jurisdiction that the establishment is under rehabilitation.

B. For Retail/Service Establishments Employing Not More Than Ten (10) Workers:

1. Affidavit executed by employer stating the following:
  - a. It is a retail/service establishment; and
  - b. It is regularly employing not more than ten (10) workers for at least six (6) months in any calendar year.
2. Business Permit for the current year from the appropriate government agency.

C. For Establishments Adversely Affected by Natural Calamities

1. Affidavit executed by the General Manager or Chief Executive Officer of the establishment regarding the following:
  - a. Date and type of calamity;
  - b. Amount of losses/damages suffered as a direct result of the calamity;
  - c. List of properties damaged/lost together with estimated valuation; and
  - d. For properties that are not insured, a statement that the same are not covered by insurance.
2. Copies of insurance policy contracts covering the properties damaged, if any.
3. Adjuster's report for insured properties.
4. Audited financial statements for the last full accounting period preceding the effectivity of the Order stamped "received" by the appropriate government agency.

D. For Establishments which 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 P3 Million.

1. Business permit from the appropriate government agency/ies.
2. Sworn Statement that its total assets are not more than P3 Million and enumerating the properties being used in the conduct of the business, with its corresponding values and reflecting the following information:
  - i) Date of acquisition;
  - ii) Acquisition cost; and
  - iii) Depreciated value.
3. Copy of Loan Contract and duly notarized Certification of Amortization Payments on the loan, if any.
4. Duly notarized copy of Contract of Lease for assets used in the conduct of business covered by lease agreement, if any.

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The Board may require the submission of other pertinent documents to support the application for exemption.

#### Section 4. EXTENT AND DURATION OF EXEMPTION.

- A. Full Exemption of one (1) year from effectivity of the Order shall be granted to all categories of establishments that meet the applicable criteria for exemption under Section 3A of NWPC Guidelines No. 02, series of 2007.
- B. Partial exemption of 50% from effectivity of the Order with respect to the amount or period of exemption shall be granted only in the case of distressed establishments under Section 3A of NWPC Guidelines No. 02, series of 2007, when the deficit amounts to at least 10% but less than 20% of the paid-up capital for the same period.
- C. Conditional exemption of one (1) year from effectivity of the Order shall be granted only in the case of distressed establishments under Section 3A of NWPC Guidelines 02, series of 2007. The conditional exemption shall be confirmed, as follows:

- c.1. For Corporations

When deficit, as defined in Section I (N) of the abovementioned Guidelines, as of the last full accounting period amounts to 20% or more of the paid-up capital for the same period;

- c.2. For Single Proprietorships and Partnerships

When net loss for the last two (2) full accounting periods immediately preceding the effectivity of the Order amounts to 20% or more of the total invested capital at the beginning of the period under review;

- c.3. For Non-Stock, Non-Profit Organizations

When net loss for the last two (2) full accounting periods immediately preceding the effectivity of the Order amounts to 20% or more of the fund balance/members' contribution at the beginning of the period.

In the absence of such actual losses, the company shall pay its workers the wage increases due them under the Order, retroactive to the effectivity of the Order.

#### SECTION 5. ACTION ON APPLICATION FOR EXEMPTION

Upon receipt of an application with complete documents, the Board shall take the following steps:

- a. Notify the DOLE Regional Office having jurisdiction over the workplace of the pendency of the application requesting that action on any complaint for non-compliance with the Order be deferred pending resolution of the application by the Board.
- b. Request the DOLE Regional Office to conduct ocular inspection, if necessary, of establishments applying for exemption to verify number of workers, nature of business and other relevant information.

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- c. Act and decide on the application for exemption with complete documents, as much as practicable, within 45 days from the date of filing. In case of contested application, the Board may conduct conciliation or call hearings thereon.
- d. Transmit the decision of the Board to the applicant establishment, the workers or president of the union, if any, and the Commission, for their information; and the DOLE Regional Office concerned, for their implementation/enforcement.

The Board may create a Special Committee with one representative from each sector to expedite processing of applications for exemption.

## **SECTION 6. APPLICATION FOR PROJECTS/BRANCHES/DIVISIONS**

Where the exemption being sought is for a particular project/branch/division not separately registered and licensed, the consolidated audited financial statements of the establishment shall be used as basis for determining its distressed condition.

## **SECTION 7. DISTRESSED PRINCIPAL**

Exemption granted to a distressed principal shall not extend to its contractor in case of contract (s) for construction, security, janitorial and/or similar services with respect to the employees of the latter assigned to the former.

## **SECTION 8. EFFECT OF DISAPPROVED APPLICATION FOR EXEMPTION**

In the event that the application for exemption is not approved, covered workers shall be paid the mandated wage increase/allowance as provided for under the Order retroactive to the date of effectivity of the Order plus simple interest of one percent (1%) per month.

## **SECTION 9. PROCEDURES ON EXEMPTION**

### **A. For Filing of Application**

1. An application, in three (3) legible copies, may be filed with the appropriate Board by the owner/manager or duly authorized representative of an establishment, in person or by registered mail.

The date of mailing shall be deemed as the date of filing.

Applications for exemption filed with the DOLE regional, district or provincial offices are considered filed with the appropriate Board in the region.

2. Applications for all categories shall be filed not later than 75 days from publication of the approved implementing rules of the Order, provided that all the required documents in support of the application must be filed within the said 75-day filing period and that no further extension of filing and submission of required documents shall be allowed.
3. The application shall be under oath and accompanied by complete supporting documents as enumerated under Section 4 of NWPC Guidelines 02, series of 2007.



**RULE IV  
CREDITABLE INCREASE**

**Section 1. ORGANIZED ESTABLISHMENTS.** Wage increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of the Order may be credited as compliance with the prescribed increase set forth therein; Provided that an agreement to this effect has been forged between the parties or a provision in the collective bargaining agreement 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.

**Section 2. UNORGANIZED ESTABLISHMENTS.** In unorganized establishments, wage increases granted by the employer within five (5) months prior to the effectivity of the Order may be credited as compliance.

**Section 3. CREDITABLE INCREASES GIVEN IN THE FORM OF ALLOWANCES.** Where the increase given by the employer is in the form of allowances, the same shall be integrated into the basic wage of the workers to comply with the Four Hundred Twenty Six Pesos (P426.00) or Three Hundred Eighty Nine Pesos (P389.00) per day minimum basic pay prescribed under this Wage Order.

**Section 4. CREDITABLE INCREASES GIVEN LESS THAN THE PRESCRIBED ADJUSTMENTS.** In case the increases given are less than the prescribed adjustments, 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.

**RULE V  
SPECIAL PROVISIONS**

**Section 1. EFFECT ON EXISTING WAGE STRUCTURE.** Should the application of the wage adjustment prescribed in this Wage Order result in distortions in the wage structure within the establishment, the management and/or labor union shall initiate the correction of the same within thirty (30) days from the effectivity of this Wage Order. Further, 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 therefrom shall be settled through the National Conciliation and Mediation Board (NCMB); 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 increase 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. 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 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 4. 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 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 increase in the Order shall be punished by a fine not less than Twenty-Five Thousand Pesos (P 25,000.00) nor more than One Hundred Thousand Pesos (P 100,000.00) 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 imposed 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, 2013 and every year thereafter in accordance with the form prescribed by the Commission.

**Section 10. 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 11. REPEALING CLAUSE.** All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of the Wage Order and this Implementing Rules are hereby repealed, amended or modified accordingly.

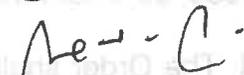
**Section 12. ADVISORY ON PERFORMANCE BASED PAY.** In line with the two tiered wage system where the 1<sup>st</sup> tier is the mandatory wage adjustment prescribed in this Wage Order, within sixty (60) days from the issuance of NWPC Guidelines on the implementation of the two tiered wage system, the Board shall issue an advisory on the 2<sup>nd</sup> tier or the performance based pay which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise or industry may provide based on agreement between workers and management.

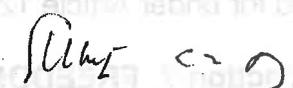
**Section 13. EFFECTIVITY.** These Rules shall take effect on \_\_\_\_\_ 2012.

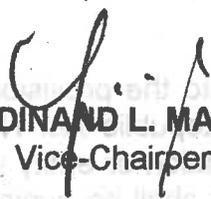
Done in the City of Manila, Philippines, 24 May 2012.

  
**JESSIE L. AGUILAR**  
Labor Representative

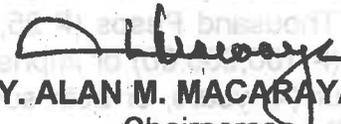
  
**\*VICENTE LEOGARDO, JR.**  
Employers' Representative

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

  
**\*ALBERTO R. QUIMPO**  
Employers' Representative

  
**FERDINAND L. MANFOSTE**  
Vice-Chairperson

  
**MARITES B. OLIVA**  
Vice-Chairperson

  
**ATTY. ALAN M. MACARAYA, CEO III**  
Chairperson

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Approved this 1st day of June, 2012.

*Rosalinda Dimapilis Baldoz*  
**ROSALINDA DIMAPILIS-BALDOZ**  
**Secretary**  
**Department of Labor and Employment**

Dept. of Labor & Employment  
Office of the Secretary



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**\*DISSENTING OPINION OF ATTYS. LEOGARDO and QUIMPO:**

Consistent with our dissent to Wage Order No. NCR-17, we reiterate this dissension to the Implementing Rules based on the following grounds:

1. Grave abuse of discretion in granting an excessive increase in the minimum wage rates contrary to law and policy and which is confiscatory in nature particularly in so far as covered employers are concerned, most of which are micro and small establishments; and
2. Commission of an *ultra vires* act when it prescribed a minimum wage rate for registered Barangay Micro Business Enterprises (BMBEs) in violation of R.A. No. 9178 and NWPC Guidelines No. 01, Series of 2003.

Approved this \_\_\_\_\_, 2012.

Sp. Atty. LEOGARDO

Sp. Atty. QUIMPO

**APPLICATION FOR EXEMPTION FROM COMPLIANCE WITH  
WAGE ORDER NO. NCR-17  
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 P3MILLION**

Date: \_\_\_\_\_

Name of Applicant Firm : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Economic Activity : \_\_\_\_\_  
 Principal Product : \_\_\_\_\_  
 Number of Employees : \_\_\_\_\_  
 Union : \_\_\_\_\_

*\*This serves as your official notice. The Board may further require the submission of other supporting documents pertinent to the determination of your eligibility for exemption.*

**GENERAL REQUIREMENTS**

- Application letter under oath (stating the particular exemptible category applied for)
- Proof of notice to Union/s and/or all workers under oath
- Affidavit subscribed and sworn to by the Applicant's Chairman, President, CEO, Gen. Manager Owner, Proprietor or any authorized officer, stating under oath and providing the following:
  - Principal Economic Activity
  - True and correct total number of workers; and
  - Wage structure of all employees
- Certificate of registration from
  - The Securities and Exchange Commission (SEC) for corporation, partnership or association;
  - The Cooperative Development Authority (CDA) for cooperative; or
  - The Department of Trade and Industry (DTI) for sole proprietorship.
- Valid and updated Local Business Permit from appropriate LGU

**ADDITIONAL SUPPORTING DOCUMENTS**

- Sworn Statement stating that its total assets are not more than P3Million and enumerating the properties being used in the conduct of the business, whether real or personal, with its corresponding values and reflecting the following information: a) date of acquisition; b) acquisition cost; and, c) depreciated value
- Copy of Loan Contract/s and Duly Notarized Certification of Amortization Payments on the Loan, if any, and,
- Duly Notarized copy of Contract of Lease for assets used in the conduct of business covered by the lease agreement, if any.
- Audited financial statement (together with the Auditor's opinion and notes thereto) for the last full accounting period (2011)
- 2011 Annual Income tax return, filed with and stamped "received" by the Bureau of Internal Revenue
- First and second quarter income tax returns for 2012, filed with and stamped "received" by the Bureau of Internal Revenue, where applicable.

Please submit the following documentary requirement in **THREE (3) legible copies** up to \_\_\_\_\_ or ten (10) days from this date, and **not later than \_\_\_\_\_ 2012, WHICHEVER IS EARLIER.** NON-COMPLIANCE WITH THE PRESCRIBED PERIOD SHALL CONSTITUTE AS **WAIVER** AND A GROUND FOR THE **DISMISSAL** OF THE APPLICATION.

**Application for Exemption for all categories together with all required documents in support of the application must be filed not later than 75 days or until August 23, 2012. No further extension of filing and submission of required documents should be allowed.**

Submitted and Received by: (Applicant Firm)

Received by: (RTWPB-NCR)

Contact Person : \_\_\_\_\_  
 Position : \_\_\_\_\_  
 Contact No. : \_\_\_\_\_  
 Date : \_\_\_\_\_

Name : \_\_\_\_\_  
 Position : \_\_\_\_\_  
 Date : \_\_\_\_\_  
 Time : \_\_\_\_\_

**APPLICATION FOR EXEMPTION FROM COMPLIANCE WITH  
WAGE ORDER NO. NCR-17  
RETAIL / SERVICE ESTABLISHMENTS  
REGULARLY EMPLOYING NOT MORE THAN TEN (10) WORKERS**

Date: \_\_\_\_\_

Name of Applicant Firm : \_\_\_\_\_  
 Address : \_\_\_\_\_  
 Economic Activity : \_\_\_\_\_  
 Principal Product : \_\_\_\_\_  
 Number of Employees : \_\_\_\_\_  
 Union : \_\_\_\_\_

*\*This serves as your official notice. The Board may further require the submission of other supporting documents pertinent to the determination of your eligibility for exemption.*

**GENERAL REQUIREMENTS**

- Application letter under oath (stating the particular exemptible category applied for)
- Proof of notice to Union/s and/or all workers under oath
- Affidavit subscribed and sworn to by the Applicant's Chairman, President, CEO, Gen. Manager Owner, Proprietor or any authorized officer, stating under oath and providing the following:
  - Principal Economic Activity
  - True and correct total number of workers; and
  - Wage structure of all employees
- Certificate of registration from
  - The Securities and Exchange Commission (SEC) for corporation, partnership or association;
  - The Cooperative Development Authority (CDA) for cooperative; or
  - The Department of Trade and Industry (DTI) for sole proprietorship.
- Valid and updated Local Business Permit from appropriate LGU

**ADDITIONAL SUPPORTING DOCUMENTS**

- Affidavit stating under oath that the establishment is engaged in the retail sale of goods or services to end-users/individuals for their own, personal or household use, as defined in the Rules; and that it is regularly employing not more than ten (10) workers regardless of status except the owner/s for at least six (6) months in any calendar year.

Please submit the following documentary requirement in **THREE (3) legible copies** up to \_\_\_\_\_ or ten (10) days from this date, and **not later than** \_\_\_\_\_ **2012, WHICHEVER IS EARLIER.** NON-COMPLIANCE WITH THE PRESCRIBED PERIOD SHALL CONSTITUTE AS **WAIVER** AND A GROUND FOR THE **DISMISSAL** OF THE APPLICATION.

**Application for Exemption for all categories together with all required documents in support of the application must be filed not later than 75 days or until August 23, 2012. No further extension of filing and submission of required documents should be allowed.**

Submitted and Received by: (Applicant Firm)

Received by: (RTWPB-NCR)

Contact Person : \_\_\_\_\_  
 Position : \_\_\_\_\_  
 Contact No. : \_\_\_\_\_  
 Date : \_\_\_\_\_

Name : \_\_\_\_\_  
 Position : \_\_\_\_\_  
 Date : \_\_\_\_\_  
 Time : \_\_\_\_\_

**APPLICATION FOR EXEMPTION FROM COMPLIANCE WITH  
WAGE ORDER NO. NCR-17  
DISTRESSED ESTABLISHMENTS**

Date: \_\_\_\_\_

Name of Applicant Firm : \_\_\_\_\_  
Address : \_\_\_\_\_  
Economic Activity : \_\_\_\_\_  
Principal Product : \_\_\_\_\_  
Number of Employees : \_\_\_\_\_  
Union : \_\_\_\_\_

**\*This serves as your official notice. The Board may further require the submission of other supporting documents pertinent to the determination of your eligibility for exemption.**

**GENERAL REQUIREMENTS**

- Application letter under oath (stating the particular exemptible category applied for)
- Proof of notice to Union/s and/or all workers under oath
- Affidavit subscribed and sworn to by the Applicant's Chairman, President, CEO, Gen. Manager Owner, Proprietor or any authorized officer, stating under oath and providing the following:
  - Principal Economic Activity
  - True and correct total number of workers; and
  - Wage structure of all employees
- Certificate of registration from
  - The Securities and Exchange Commission (SEC) for corporation, partnership or association;
  - The Cooperative Development Authority (CDA) for cooperative; or
  - The Department of Trade and Industry (DTI) for sole proprietorship.
- Valid and updated Local Business Permit from appropriate LGU

**ADDITIONAL SUPPORTING DOCUMENTS**

**1. For corporations, cooperatives, single proprietorships, partnerships, non-stock, non-profit organizations:**

- Audited financial statements (together with the Auditor's opinion and notes thereto), filed with and stamped "received" by the Securities and Exchange Commission (SEC) and/or the Bureau of Internal Revenue (BIR) for;
  - 2010
  - 2011
- Audited interim quarterly financial statements (together with the Auditor's opinion and notes thereto) for the 1st and 2nd quarter of 2012, where applicable, or un-audited financial statements for the 1st & 2nd quarter of 2012 made under oath by the applicant's internal accountant or auditor and noted by its president or any authorized officer;
  - 1<sup>st</sup> Quarter and 2nd Quarter
- Annual Income tax returns filed with and stamped "received" by the BIR;
  - 2010
  - 2011
- First and second quarter income tax return for 2012, filed with and stamped "received" by the BIR, where applicable.
  - 1<sup>st</sup> Quarter and 2nd Quarter

**2. For Banks and Quasi-Banks**

- Certification from the Bangko Sentral ng Pilipinas that it is under receivership/liquidation.

**3. For Establishments Under Corporate Rehabilitation**

- Order from a court of competent jurisdiction that the establishment is under rehabilitation.

Please submit the following documentary requirement in **THREE (3) legible copies** up to \_\_\_\_\_ or ten (10) days from this date, and **not later than** \_\_\_\_\_ **2012, WHICHEVER IS EARLIER.** NON-COMPLIANCE WITH THE PRESCRIBED PERIOD SHALL CONSTITUTE AS **WAIVER** AND A GROUND FOR THE **DISMISSAL** OF THE APPLICATION.

**Application for Exemption for all categories together with all required documents in support of the application must be filed not later than 75 days or until August 23, 2012. No further extension of filing and submission of required documents should be allowed.**

Submitted and Received by: (Applicant Firm)

Received by: (RTWPB-NCR)

Contact Person : \_\_\_\_\_  
Position : \_\_\_\_\_  
Contact No. : \_\_\_\_\_  
Date : \_\_\_\_\_

Name : \_\_\_\_\_  
Position : \_\_\_\_\_  
Date : \_\_\_\_\_  
Time : \_\_\_\_\_