

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

WAGE ORDER NO. ROVII-01

PROVIDING A MINIMUM WAGE INCREASE

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

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

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

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

NOW, therefore, by virtue of the power and authority vested under Republic Act No. 6727, known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region VII hereby issues this Wage Order:

Upon the effectivity of this Wage Order, the minimum wage rates of all workers and employees in the private sector shall be:

Section 1. For non-agricultural enterprises in the cities of Cebu, Mandaue, Lapulapu and the municipalities of Cordova, Compostela, Consolacion, Talisay, Minglanilla and Naga shall be increased by sixteen pesos (P16.00) per day except::

a) Business establishments or enterprises with not more than 20 employees and a total asset of not more than five million pesos (P5M) shall be paid by an increase of ten pesos (P 10.00) per day.

b) COTTAGE/HANDICRAFT
Employing more than 30 workers P 5.00 per day
Employing not more than 30 workers 3.00 per day

c) PRIVATE HOSPITALS P 16.00 per day

d) RETAIL/SERVICE
Employing more than 15 workers P 16.00 per day
Employing 11 to 15 workers 8.00 per day
Employing not more than 10 workers 4.00 per day

e) SCHOOLS P 16.00 per day

Section 2. Non-agricultural business enterprises in the cities of Toledo, Danao, Tagbilaran, Dumaguete, Bais and Canlaon shall be given an increase of eight pesos (P 8.00) per day except:

a) Enterprises employing not more than 20 employees and a total asset of not more than five million pesos (P5M) shall be paid an increase of five pesos (P 5.00) per day.

b) COTTAGE/HANDICRAFT
Employing more than 30 workers P 8.00 per day

Employing not more than 30 workers	4.00 per day
c) PRIVATE HOSPITALS	8.00 per day
d) RETAIL/SERVICE	
Employing more than 15 workers	8.00 per day
Employing 11 to 15 workers	4.00 per day
Employing not more than 10 workers	2.00 per day
e) SCHOOLS	8.00 per day

Section 3. Non-agricultural business enterprises other than those places mentioned in the foregoing Sections 1 and 2 shall be paid an increase of four pesos (P 4.00) per day.

a) COTTAGE/HANDICRAFT	
Employing more than 30 workers	4.00 per day
Employing not more than 30 workers	2.00 per day
b) PRIVATE HOSPITALS	4.00 per day
c) RETAIL/SERVICE	
Employing more than 15 workers	4.00 per day
Employing 11 to 15 workers	2.00 per day
Employing not more than 10 workers	1.00 per day
d) SCHOOLS	4.00 per day

Section 4. Agricultural enterprises (non-sugar) shall grant the following daily wage increases:

- Any agricultural enterprise or plantation of more than 24 hectares or employing 20 or more workers or with annual gross sales of five million pesos (P 5M) or more as of the end of calendar year December 31, 1989 shall grant an increase of P 8.00 per day.
- Any agricultural enterprise or plantation with annual gross sales of less than five million pesos (P 5M) shall grant an increase of P 6.00 per day.
- Non-plantation shall give the increase of P 4.00 per day.

Section 5. Sugar Mills. 9.00 per day

Section 6. Agricultural (Sugar)

a) Plantation with annual gross sales of P 5M or more	8.00 per day
b) Plantation with annual gross sales of less than P 5M	6.00 per day
c) Non-plantation	4.00 per day

Section 7. Exempted from the provisions of this Wage Order are household or domestic helpers and persons in the personal service of another, including family drivers.

Section 8. Retail/Service establishment regularly employing not more than ten (10) workers or business enterprises duly registered with the local government pursuant to the provisions of the Kalakalan Law (RA 6810) may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. Whenever an application for exemption has been duly filed with the Regional Board, action on any complaint for alleged non-compliance with this Wage Order shall be deferred pending resolution of the application for the exemption by the Regional Board.

Section 9. Distressed employers whose capital has been impaired by at least twenty-five percent (25%) during the preceding year may be exempted from the applicability of this Wage Order upon application with and as determined by the Regional Board in accordance with the applicable rules and regulations. The Regional Board has the option whether to grant full or partial exemption to such

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

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

Section 10. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed provisional minimum wage increase for covered workers shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed increase the construction/service contractor shall be jointly and severally liable with the principal or client.

Section 11. All workers paid by result, including those who are paid on piecework, takay, pakyaw or task basis, shall be entitled to receive the prescribed minimum wage increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 12. Wage Increases granted by an employer on or after 1 August 1990 shall be credited as compliance with the minimum wage increase prescribed under this Wage Order. Provided that, where such increases are less than the prescribed adjustment, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

Section 13. Where the application of the prescribed minimum wage increase under this Wage Order results in distortions of the wage structure in any establishment, such distortions shall be corrected using the procedure and specified under Article 124 of the Labor Code as amended.

Section 14. The Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to approval of the Secretary of Labor and Employment.

Section 15. The wage increase prescribed for the private schools shall apply to all workers and employees entitled to the same in said schools as soon as they have increased or are granted authority to increase their tuition fees during school year 1990-1991, otherwise, such increase shall be so applicable not later than the opening of next school year beginning 1991.

Section 16. Any employer who refuses or fails to pay the minimum wage increase provided under this Wage Order shall be subject to the penalties specified under RA 6727.

Section 17. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rate, allowances or other benefit under existing laws, decrees, issuances, executive order and/or under any contract or agreement between workers and employers.

Section 18. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

Approved.

(SGD) ARMANDO M. ALFORQUE
Worker Representative

(SGD) ROGELIO Q. LIM
Employer Representative

TEOFANIO C. NUNEZ
Worker Representative

(SGD) HIDELITO S. PASCUAL
Employer Representative

(SGD) RAYMUNDO E. FONOLLERA
Vice-Chairman

(SGD) JOEL MARI S. YU
Vice-Chairman

(SGD) BARTOLOME C. AMOGUIS

Chairman

Approved, 22 October 1990.

(SGD) RUBEN D. TORRES
Secretary of Labor and Employment

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region VII, Cebu City

AMENDED RULES IMPLEMENTING WAGE ORDER NO. ROVII-01

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 14, ROVII-01, as well as the amendments proposed by the National Wages and Productivity Commission, Manila, the following rules are hereby issued as amended for guidance and compliance by all concerned;

Section 1. DEFINITION OF TERMS. As used in this Rules:

- a) "ORDER" means Wage Order No. ROVII-01;
- b) "COMMISSION" refers to the National Wages and Productivity Commission;
- c) "REGIONAL BOARD" means the Regional Tripartite Wages and Productivity Board;
- d) "REGION VII" refers to the geographic area in Central Visayas covering the provinces and its component cities of Cebu, Bohol, Negros Oriental, and Siquijor;
- e) "AGRICULTURE" refers to farming in all its branches and among others, include the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural and horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any activities performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, but does not include the manufacturing and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products;
- f) "PLANTATION AGRICULTURAL ENTERPRISE" are those engaged in agriculture with an area of more than twenty-four (24) hectares in a locality or which employs at least twenty (20) or with an annual gross sales of five million pesos (P5M) or more; and those engaged in agriculture with an area of more than twenty-four (24) hectares in a locality or which employs at least twenty (20) workers but with an annual gross sales of less than five million (P5M). Any other agricultural enterprise with an area of less than twenty-four (24) hectares, employing less than twenty (20) workers with an annual income of less than five million shall be considered as "NON-PLANTATION AGRICULTURAL ENTERPRISE";
- g) "CLASS A" refers to localities in Region VII, comprising the cities of Cebu, Mandaue, Lapu-lapu, and the municipalities of Cordova, Compostela, Liloan, Consolacion, Talisay, Minglanilla, and Naga;
- h) "CLASS B" refers to localities in Region VII comprising the cities of Toledo, Danao, Tagbilaran, Dumaguete, Bais and Canlaon;
- i) "CLASS C" refers to localities in Region VII, comprising those places not otherwise classified as either Class A or Class B;
- j) "RETAIL ESTABLISHMENT" is one principally engaged in the sale of goods to end-users for personal or household use and is generally recognized as such;
- k) "SERVICE ESTABLISHMENT" is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such;

- l) "COTTAGE/HANDICRAFT ESTABLISHMENT" is one engaged in an economic endeavor in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship whose capitalization does not exceed five hundred thousand pesos (P500,000.00), regardless of previous registration with defunct NACIDA;
- m) "DISTRESSED ESTABLISHMENT" refers to establishments with capital impairment in the preceding year as may be determined by the Board;
- n) "CAPITALIZATION" means paid-up capital, in the case of corporation, and total invested capital, in the case of partnership or single proprietorship;
- o) "DEPARTMENT" refers to the Department of Labor and Employment;
- p) "BASIC WAGE" means all remunerations or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include cost-of-living allowances, profit sharing payments, 13th month pay and other monetary benefits which are not considered part of or integrated into the regular salary of the workers on the date the wage order became effective;
- q) "STATUTORY MINIMUM WAGE" is the lowest wage rate fixed by law that an employer can pay his workers;
- r) "MINIMUM WAGE RATE" refers to the lowest wage rates that an employer can pay his workers, as fixed by the Board, and which shall not be lower than the applicable statutory minimum wage rates;
- s) "WAGE DISTORTION" means a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among groups in an establishment as to effectively obliterate the distinction embodied in such wage structure based on skills, length of service, or other logical basis of differentiation.

Section 2. COVERAGE. a) The applicability of the new wage rate shall be determined on the basis of the employee's workplace. Should the employee be relocated to a place with a higher rate, he shall receive such rate; should he be relocated to a place with a lower rate, he shall continue to receive his rate without any diminution. (i.e. An employee working in Tagbilaran is transferred to Cebu should receive the adjusted minimum wage rate applicable to Cebu. On the other hand, an employee working in Cebu is transferred to Tagbilaran should retain his Cebu minimum wage rate.)

b) The wage order shall apply to all employers in the private sector in Region VII whether agricultural or non-agricultural including undertakings, organizations and/or institutions primarily organized for non-profit except those mentioned in subsection c, hereunder.

c) The wage increase prescribed under the order shall likewise apply to all private sector workers and employees in Region VII regardless of their position, designation or status, and irrespective of the nature by which their wages are paid, except:

- i) Household or domestic helpers, including family drivers and workers in the personal service of another;
- ii) Workers and employees in retail/service establishments regularly employing not more than ten (10) workers and employees in establishments and countryside barangay business enterprises (CBBE's) duly registered pursuant to Republic Act 6810 (Kalakalan Law) when exempted from compliance with the order for a period fixed by the Board in accordance with applicable guidelines;
- iii) Workers and employees of distressed establishments, when exempted from compliance with the order for a period fixed by the Board in accordance with applicable guidelines;

- iv) Workers and employees of non-stock and non-profit institutions, like hospitals, asylums, orphanages, and schools for disabled, deaf and blind, when exempted from compliance in accordance with applicable guidelines.

Section 3 EFFECTIVITY. The wage increase prescribed under the order shall take effect on November 8, 1990, fifteen (15) days following its complete publication in one newspaper of general circulation in the Region pursuant to Section 18 thereof.

Section 4 AMOUNT OF MINIMUM WAGE INCREASE Effective November 8, 1990 the daily minimum wage rates of covered workers and employees shall be increased as follows:

- a) For non-agricultural enterprises employing more than twenty (20) workers and a total asset of more than five million pesos (P5M)
P16.00 for Class A Category
P 8.00 for Class B Category
P 4.00 for Class C Category
- b) For non-agricultural enterprises employing not more than twenty (20) employees and a total asset of not more than five million pesos (P5M):
P10.00 for Class A Category
P 5.00 for Class B Category
- c) For Cottage/Handicraft:
Employing more than thirty (30) workers;
P8.00 for Class A Category
P5.00 for Class B Category
P4.00 for Class C Category
- Employing not more than thirty (30) workers
P4.00 for Class A Category
P3.00 for Class B Category
P2.00 for Class C Category
- d) For Private Hospitals:
P16.00 for Class A Category
P 8.00 for Class B Category
P 4.00 for Class C Category
- e) For Retail/Service Establishment:
Employing more than fifteen (15) workers;
P16.00 for Class A Category
P 8.00 for Class B Category
P 4.00 for Class C Category
- Employing eleven (11) to fifteen (15) workers;
P8.00 for Class A Category
P4.00 for Class B Category
P2.00 for Class C Category
- Employing not more than ten (10) workers; *
P4.00 for Class A Category
P2.00 for Class B Category
P1.00 for Class C Category
- f) For Private Schools:
P16.00 for Class A Category
P 8.00 for Class B Category
P 4.00 for Class C Category

g) For agricultural enterprises (Non-Sugar):

P8.00 for plantation of more than twenty-four (24) hectares or employing twenty or more workers with an annual gross sales of more than five million pesos (P5M) ;

P6.00 for plantation of more than twenty-four (24) hectares or employing twenty or more workers with an annual gross sales of less than five million pesos (P5M) ;

P4.00 for Non-plantation.

h) For Agricultural Enterprises (Sugar)::

P8.00 for plantation with annual gross sales of five million pesos (P5M) or more;

P6.00 for plantation with annual gross sales of less than five million pesos (P5M) ;

P4.00 for Non-plantation.

i) For Sugar Mills:

P9.00

* *May be exempted from wage increase under the order upon application with the Board.*

Section 5. DAILY MINIMUM WAGE RATES. a) The daily minimum wage rates in Region VII is not a mandatory across-the-board increase. Establishments already granting a daily wage above the old statutory minimum wage rate but below the new one are required to pay the difference (i.e. Old statutory wage for non-agricultural enterprises is P89.00 per day. Under ROVII-01, its new minimum wage for Class A Category is P89.00 plus P16.00 is equal to P105.00 per day. If establishment "A" is already paying a minimum wage of P100.00 then it should grant P5.00 more to comply with the mandated minimum wage). This of course is without prejudice to the provision in Section 14 of this rule.

b) Workers and employees in Region VII, upon effectivity of this order shall receive the daily minimum wage rates as shown in Table 1 of the next page;

	Under R.A. 6727 Effective July 1, 1989	Under ROVII-01 Effective November 8, 1990		
		CLASS A	CLASS B	CLASS C
NON-AGRICULTURAL ENTERPRISES				
Employing more than 20 workers with a total asset of more than P5M	89.00	105.00	97.00	93.00
Employing not more than 20 workers with an asset of not more than P5M	89.00	99.00	94.00	89.00
COTTAGE/HANDICRAFT				
Employing more than 30 workers	67.00	75.00	72.00	71.00
Employing not more than 30 workers	65.00	69.00	68.00	67.00
PRIVATE HOSPITALS				
RETAIL/SERVICE	85.00	101.00	93.00	89.00
Employing more than 15 workers	89.00	105.00	97.00	93.00

Employing 11 to 15 workers	85.00	93.00	89.00	87.00
Employing not more than 10 workers	58.00	62.00	60.00	59.00
SCHOOLS	89.00	105.00	97.00	93.00
AGRICULTURAL ENTERPRISES (NON-SUGAR)				
Plantation Agricultural				
More than 24 hectares, or employing more than 20 workers with annual gross sales of P5M or more as of December 1989	79.00		87.00	
With annual gross sales of less than P5M	74.00		80.00	
Non-Plantation Agricultural	58.50		62.50	
AGRICULTURAL (SUGAR)				
Plantation				
With annual gross sales of P5M or more	73.50		81.50	
With annual gross sales of less than P5M	68.50		74.50	
Non-Plantation	58.50		62.50	
SUGAR MILLS	91.00		100.00	

*May be exempted from the wage increase under the order upon application with the Board

Section 6. SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT MONTHLY 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:

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{Applicable Daily Wage Rates} \times 390.90 \text{ days}^*}{12}$$

Where 390.90 days =

302	days	= ordinary working days
20	days	= 10 regular holidays x 200%
66.30	days	= 51 rest days X 130%
2.60	days	= special days** X 130%
390.90	days	= Total Equivalent Number of Days

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

$$\text{EMR} = \frac{\text{ADR} \times 365 \text{ days}}{12}$$

Where 365 days =

302	days	= ordinary working days
10	days	= regular holidays
51	days	= rest days
2	days	= special days**
365	days	= Total Equivalent Number of Days

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

$$\text{EMR} = \frac{\text{ADR} \times 314 \text{ days}}{12}$$

Where 314 days =

302	days	= ordinary working days
10	days	= regular holidays
2	days	= special days** (if considered paid, if actually worker, this is equivalent to 2.6 days)

314 days = Total Equivalent Number of Days

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

$$\text{EMR} = \frac{\text{ADR} \times 262 \text{ days}}{12}$$

Where 262 days =

250	days	= ordinary working days
10	days	= regular holidays
2	days	= special days** (if considered paid, if actually worker, this is equivalent to 2.6 days)
262	days	= Total Equivalent Number of Days

* Include premium for holidays, special days, and rest days.

** November 1 and December 31 under Executive Order No. 203 dated June 30, 1987.

Note: For workers whose rest days falls on Sundays, the number of rest days in a year is reduced from 52 to 51 days, the last Sunday of August being a regular holiday under Executive No. 203. For purposes of computation, said holiday although still a rest day for them, is included in the ten (10) regular holidays. For workers whose rest days do not fall on Sundays, the number of rest days is 52 as there are 52 weeks in a year.

Nothing here shall be construed as authorizing the reduction of benefits granted under existing agreements or employer practices/policies.

Section 7. BASIS OF MINIMUM WAGE RATES. The minimum wage rates prescribed under the rule shall be for the normal working hours, which shall not exceed eight (8) hours a day.

Section 8. CREDITABLE WAGE INCREASE a) No wage increase shall be credited as compliance with the increase prescribed under the order unless such increase was given within the period August 1, 1990 to November 8, 1990.

b) Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

Section 9. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. The wage increase prescribed for private schools shall apply to all workers and employees entitled to the same in said schools as soon as they have increased or are granted authority to increase their tuition fees during school year 1990-1991, otherwise, such increase shall be so applicable not later than the opening of the next school year beginning 1991.

Section 10. APPLICATION TO CONTRACTORS. a) In cases of contracts for construction projects entered into prior to the promulgation of the Wage Order the principal or client shall make the necessary adjustments in the salary of the contractor's increase provided herein. 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 and/or client.

b) In cases for contracts for security, janitorial and similar services, the payment of the minimum wage increase of the employees, shall be borne by the principal and/or client of the service contractor and the contract shall be deemed amended accordingly.

Section 11. COMPLIANCE REPORT. All covered employers shall report to the Department of Labor and Employment Region VII thru the Labor Standards and Enforcement Division the minimum wage increase granted to their employees not later than January 30, 1991 and on the same date every year thereafter. The report shall conform substantially to the following form:

Report on Compliance with Wage Order No. ROVII-01

1. Name of Establishment

2. Address
3. Principal Product/Business
4. Capital Structure
 - a) Authorized Capital
 - b) Paid-up Capital
 - c) Total Asset
5. Total Employment
6. Particulars of the Minimum Wage Increase Granted:
 - a) Mode of payment
 - b) Date of effectivity
 - c) Mode of granting (voluntary, CBA, etc.)
 - d) Total value of benefits granted per month
 - e) Total number of workers benefited
 - f) Other details if necessary
- 7) Name/position and Telephone Number of persons filing the report.

Section 12. EXEMPTION.

a) The following establishments may be exempted from compliance with the wage increase prescribed under the order upon application with and as determined by the Board in accordance with applicable rules and regulations:

- 1) Retail/service establishments regularly employing not more than ten (10) workers and establishments and countryside and barangay business enterprises (CBBE's) duly registered pursuant to Republic Act 6810 (Kalakalan Law);
- 2) Distressed establishments whose capitalization has been impaired by at least twenty-five percent (25%) during the preceding year of application; and
- 3) Non-stock and non-profit institutions like hospitals, asylums, orphanages, and schools for the disabled, deaf and blind.

b) The Board has the option to grant full or partial exemption with respect to the amount and the period which shall not exceed one year from the effectivity of the order.

c) Whenever an application for exemption has been duly filed with the Board, action by the Regional Office of the Department in Region VII on any complaint for alleged non-compliance with the order shall be deferred pending resolution of the application.

d) In the event that the application for exemption is not granted, the workers and the employees shall receive the appropriate compensation due them as provided for under the order plus compounded interest of one percent (1%) per month retroactive November 8, 1990.

e) Companies/enterprises enjoying exemption under Republic Act 6727 are not automatically exempted from this wage order. Exemption pursuant to said order may be GRANTED ONLY upon application with the Regional Board.

Section 13. WORKERS PAID BY RESULTS. a) All workers paid by results including those who are paid on piece work, takay, pakyaw, or task basis, shall receive not less than the applicable minimum wage rates prescribed under the order for the normal working hours which shall not exceed eight (8) hours a day, or a proportion thereof for work of less than the normal working hours.

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

- 1)
$$\frac{\text{Amount of Increase in AMW}^*}{\text{Previous AMW}} \times 100 = \% \text{ Increase}$$
- 2) Existing Rate/Piece X % Increase = Increase in Rate/Piece

3) Existing Rate/Piece + Increase in Rate/Piece = Adjusted Rate/Piece

*Where AMW is the applicable minimum wage rate

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

Section 14. WAGE DISTORTIONS.

a) Where the application of the wage increase provided under the order results in distortion in the wage structure within the establishment, the employer and employee shall negotiate to correct the distortions. Any dispute arising from wage distortion shall be resolved through the grievance procedure under the 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 twenty (20) days from the time said dispute was referred to voluntary arbitration.

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

c) The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of the increase prescribed in this order.

d) Any issue involving wage distortion shall not be a ground for strike/lockout.

Section 15. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with the wage increase provided in the order shall be filed in the Regional Office of the Department in Region VII 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 the 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 any contract of agreement between the workers and the employers or employer practices or policies.

Section 17. PENAL PROVISION. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase under the order shall be punished by a fine not exceeding twenty-five thousand pesos (P25,000.00) and/or imprisonment of not less than one (1) year nor more than two (2) years. Provided, that any person convicted under the order shall be entitled to the benefits provided for under the probation law.

If the violation is committed by a corporation, trust, 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 18. 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 19. EFFECTS ON OTHER ISSUANCES. The provisions of existing laws and decrees on wages and their implementing rules and regulations and issuances not otherwise repealed, modified or inconsistent with the order and this rules shall continue to have full force and effect.

Section 20. EFFECTIVITY. This rules shall take effect on November 8, 1990.

Done in the City of Cebu, Republic of the Philippines, this 22nd day of February, 1991.

ARMANDO M. ALFORQUE
Member
Labor Sector

TEOFANIO C. NUNEZ
Member
Labor Sector

(SGD) ROGELIO Q. LIM
Member
Employer Sector

(SGD) HIDELITO S. PASCUAL
Member
Employer Sector

(SGD) RAYMUNDO E. FONOLLERA
Vice-Chairman

(SGD) JOEL MARI S. YU
Vice-Chairman

(SGD) BARTOLOME C. AMOGUIS
Chairman

Approved this 21st day of December 1990.

(SGD) RUBEN D. TORRES
Secretary