

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

WAGE ORDER NO. ROVII-11
ESTABLISHING NEW MINIMUM WAGE RATES

WHEREAS, Republic Act 6727 otherwise known as the Wage Rationalization Act of 1989 mandated the Regional Tripartite Wages and Productivity Boards (RTWPBs) to determine and fix the minimum wage in their Region;

WHEREAS, RTWPB-VII issued Wage Order No. ROVII-10 granting wage increase to all covered private sector workers in the region effective 8 August 2004;

WHEREAS, Section 3, Rule IV of NWPC Revised Rules of Procedures on Minimum Wage Fixing provides that any Wage Order issued by the Board may not be disturbed within twelve (12) months from effectivity and no petition for wage increase shall be entertained within said period, except when there is supervening condition such as extraordinary increase in prices of petroleum products and basic goods/services which demands a review of minimum wage rates as determined by the Board and confirmed by the Commission;

WHEREAS, the Board has determined as confirmed by the National Wages and Productivity Commission that a supervening condition exists in the region due to:

1. continued rise in the price of oil since August 2004 when Wage Order No. ROVII-10 took effect until April 2005 thereby raising the prices of unleaded gasoline from P26.41 to P 32.06 and diesel from P 20.90 to P 28.20 or an increase of 21.39% and 34.92%, respectively;
2. continued decline in the real wage brought about by increases in the consumer price index (cpi) thereby bringing it to P156.98 in April 2005 as against P 162.25 in August 2004 (year 2000 = 0.00 or year 2000 as the base year); and
3. the need for additional cash outlay for a family of (6) to absorb the P1.00 increase in the transport fare for the first four (4) kilometers as mandated by Land Franchising and Regulatory Board (LTFRB);

WHEREAS, on 3 and 19 May 2005, the Associated Labor Union - Trade Union Congress of the Philippines (ALU-TUCP), the Alliance of Progressive Labor (APL) and the Public Interest Advocacy and Litigation Office (PIALO) thru its President, filed a petition for a P78.00 and P 112.00 across-the-board increase, respectively in the minimum wage for the Region;

WHEREAS, the Board after publication of one of the petitions and notice to all concerned sectors, conducted a region-wide public hearings on May 19, 2005 in Cebu City;

WHEREAS, there is a need to grant relief to private sector workers in Region VII to help them cope with the rising cost of living without impairing the productivity and viability of business and industry therein;

WHEREAS, consistent with the government's policy of achieving higher levels of productivity to promote economic growth and generate employment, and to augment the income of workers, there is a need to build the capacity of business enterprises to be competitive through productivity improvement and gain sharing program;

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

Section 1. AMOUNT OF INCREASE. Upon effectivity of this Wage Order, the existing daily minimum wage rates of all covered private workers and employees in the region shall be increased by Fifteen Peso (P15.00) per day for Class A areas and Twelve Pesos (P12.00) per day for Class B, Class C, and Class D areas for all categories in all sectors.

Section 2. APPLICATION TO SUGAR INDUSTRY. The prescribed daily minimum wage rates upon effectivity of this Order for Agriculture (Sugar) and Sugar Mills shall be increased by Fifteen Pesos (P15.00) per day.

Section 3. COVERAGE. The adjustments prescribed under this Order shall apply to all covered workers and employees in private sector in the region, regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid.

Not covered from the provision of this order are household or domestic helpers; persons in the personal service of another, including family drivers; and workers of registered Barangay Micro Business Enterprises with Certificates of Authority.

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

Section 5. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay" or task basis, shall be entitled to receive not less than the prescribed minimum wage increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 6. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in this Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

All qualified handicapped workers shall receive the full amount of increase in this Order pursuant to R.A. 6727.

Section 7. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. The increase in minimum wage rates prescribed under this Order shall fully apply to all workers and employees in private educational institutions effective School Year 2005 - 2006.

Section 8. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increases in the wage rates of the 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 or new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 9. EXEMPTION. No exemption from compliance with this Wage Order shall be allowed.

Section 10. PRODUCTIVITY -BASED WAGES. In order to sustain rising level of wages and enhance competitiveness, businesses are strongly encouraged to adopt productivity improvement schemes, such as time and motion studies, good housekeeping, quality circles, labor-management cooperation, as well as implement gain sharing programs. Accordingly, the Regional Board shall provide the necessary studies and technical assistance pursuant to RA 6971, the productivity Incentives Act of 1990.

Section 11. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

Section 12. EFFECT OF FILING AN 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 of the corresponding increase to employees affected by the Order in the event such Order is affirmed.

Section 13. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increases in the wage rates under this Order results in distortion of the wage structure within an

establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code as amended.

Section 14. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) and shall be the subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution, which may be undertaken against those who fail to comply.

Section 15. 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 16. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase/allowance/rates in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 17. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board.

Section 18. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 19. 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, 2006 and every year thereafter in accordance with the form prescribed by the Commission.

Section 20. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 21. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 22. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

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

CEBU CITY, PHILIPPINES, May 27, 2005.

APPROVED:

(SGD.) **HIDELITO S. PASCUAL**
Member, Employer's Representative

I Dissent
(SGD.) **MARIANITO B. VENTURA**
Member, Labor Representative
I dissent on the ground that the amount does not respond to the worker's want.

(SGD.) **CHARLES M. STREEGAN**
Member, Employer Representative

I Dissent
(SGD.) **FERDINAND A. PEPITO**
Member, Labor Representative

(SGD.) **ROMEO C. ESCANDOR**
Vice Chairperson

(SGD.) **ASTERIA C. CABERTE**
Vice Chairperson

(SGD.) **RODOLFO M. SABULAO**
Chairperson

Note:

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