

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-13
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 to determine and fix the minimum wages in their respective Regions;

WHEREAS, on 27 April 2007 and July 4, 2007, the Alliance of Progressive Labor (APL), Shemberg Employees Independent Union, Employee's Association of Robinson's Supermarket, the Public Interest Advocacy and Litigation Office (PIALO) thru its Presidents, and the Associated Labor Union - Trade Union Congress of the Philippines (ALU-TUCP), filed with the Regional Tripartite Wages and Productivity Board-Regional Office No. 7, petitions for a P75.00 and P 136.20 across-the-board increase, respectively, in the minimum wages of workers in the Region;

WHEREAS, the Board after the publication of said petitions and giving notice to all concerned sectors, conducted a region-wide public hearing on July 6, 2007 in Cebu City;

WHEREAS, as a result of its periodic and continuous review on the socio economic factors, the Board noted an upward movement in the consumer price index (CPI) as a result of continuous changes in the prices of basic commodities from 142.6 in May 2006 to 146.4 in August 2007 or an increase of 2.66%;

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, 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 daily minimum wage rates of all minimum wage private sector workers and employees in the non-agricultural and agricultural sector in the region except agriculture sugar and sugar mills shall be increased by Nine Pesos (P9.00) per day for Class A areas and Five Pesos (P5.00) per day for Class B, Class C and Class D areas.

Section 2. APPLICATION TO SUGAR INDUSTRY. Upon effectivity of this Wage Order, the daily minimum wage rates of workers in agriculture sugar and sugar mills regardless of location shall be increased by Five Pesos (P5.00).

Section 3. COVERAGE. The adjustments prescribed under this Order shall apply to all minimum wage private sector workers and employees 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 provisions 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 valid 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. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2007-2008 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 2008-2009.

Private educational institutions which have not increased their tuition fees for the School Year 2007-2008 may defer compliance with the increase prescribed herein until the beginning of School Year 2008-2009.

In any case, private educational institutions shall implement the increase herein starting School Year 2008-2009.

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, 2008 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 in a newspaper of general circulation in the region.

CEBU CITY, PHILIPPINES, September 30, 2007.

APPROVED:

(Signed)

HIDELITO S. PASCUAL
Member, Employer Sector

I dissent:

(Signed) MARIANITO B. VENTURA
Member, Labor Sector

(Signed)

CHARLES M. STREGAN
Member, Employer Sector

I dissent:

JOSE A. BOQUECOSA JR.
Member, Labor Sector

This amount is not enough to meet the minimum
standard of living.

(Signed)

MARLENE CA. P. RODRIGUEZ
Vice Chairperson

(Signed)

ASTERIA C. CABERTE
Vice Chairperson

(Signed)

ELIAS A. CAYANONG
Chairperson

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

RULES IMPLEMENTING WAGE ORDER NO. ROVII-13

Pursuant to Section 5, Rule IV of the NWPC Revised Rules of Procedure on Minimum Wage Fixing and Section 22 of Wage Order No. ROVII-13, the following rules are hereby issued for guidance and compliance by all concerned.

Rule I – General Provisions

Section 1. This Rules shall be known as the “Rules Implementing Wage Order No. ROVII-13”.

Section 2. Definition of Terms. As used in this rules:

- a) “**ORDER**” means Wage Order No. ROVII-13;
- b) “**COMMISSION**” refers to the National Wages and Productivity Commission;
- c) “**BOARD**” means the Regional Tripartite Wages and Productivity Board, Region VII;
- d) “**DEPARTMENT**” means the Department of Labor and Employment;
- e) “**REGION VII**” is the geographic area in Central Visayas covering the Provinces of Cebu, Bohol, Negros Oriental and Siquijor and its component cities;
- f) “**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;
- g) “**BARANGAY MICRO-BUSINESS ENTERPRISE (BMBE)**” refers to any registered business entity or enterprise granted a Certificate of Authority pursuant to Republic Act 9178;
- h) “**CLASS A**” refers to the Cities of Carcar, Cebu, Danao, Lapulapu, Mandaue, Naga and Talisay and the Municipalities of Compostela, Consolacion, Cordova, Liloan, Minglanilla, and San Fernando or (expanded Metro Cebu);
- i) “**CLASS B**” refers to the Cities of Toledo and Bogo and the rest of the municipalities in the Province of Cebu except the municipalities in the Islands of Bantayan and Camotes;
- j) “**CLASS C**” refers to the cities and municipalities in the Provinces of Bohol and Negros Oriental;
- k) “**CLASS D**” refers to the municipalities in the Province of Siquijor and municipalities in the Islands of Bantayan and Camotes.

Rule II– Wage Increase

Section 1. Amount and Effectivity of Increase. The daily minimum wage rates upon effectivity of this Wage Order, for all covered private workers and employees in the Non-agricultural and Agricultural sector except Sugar and Sugar Mills in the region shall be increased by Nine Pesos (P9.00) per day for Class A areas, and Five Pesos (P5.00) per day for Class B, Class C areas and Class D areas.

Section 2. Application to Sugar Industry. The daily minimum wage rates upon effectivity of this Order for Agriculture (Sugar) and Sugar Mills in all areas shall be increased by Five (P5.00) per day.

Section 3. Coverage.

a). The wage increase prescribed in the Order shall apply to all private sector minimum wage workers and employees in the Region whether agricultural or non-agricultural, regardless of their position, designation, or status and irrespective of the method by which their wages are paid.

b). Not covered from the provisions of the Order are household or domestic helpers, workers employed in the personal service of another, including family drivers and workers of duly registered Barangay Micro-Business Enterprises with Certificates of Authority.

c). Private sector workers receiving more than the minimum wage prescribed herein are not covered by the wage increase prescribed in the Order in line with the Commission's policy on safety net wage fixing, except to correct distortions.

Section 4. New Minimum Wage Rates.

a). The new minimum wage rate in the region for each area classification including agriculture sugar and sugar mills shall be as follows:

Area Classification	Non - Agricultural Sector	Agricultural Sector		Sugar Mills
		Non-Sugar	Sugar	
Class A	250.00	232.00		220
Class B	230.00	230.00	200	
Class C	220.00	200.00		
Class D	205.00	185.00		

b). Wages of all workers and employees whose rates are less than the prescribed minimum wage rates pursuant to Sections 1 and 2 of the Order shall be adjusted accordingly.

Section 5. Basis of Minimum Wage Rates. The minimum wage rates prescribed herein shall be for the normal working hours, which shall not exceed eight (8) hours work per day.

Section 6. Application to Private Educational Institutions.

a). In the case of private educational institutions, the share of covered workers and employee in the increase in tuition fees for School Year 2007-2008 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 2008-2009.

b). Private educational institutions which have not increased their tuition fees for the School Year 2007-2008 may defer compliance with the increase prescribed herein until the beginning of School Year 2008-2009.

c). In any case private educational institutions shall implement the increase herein starting School Year 2008-2009.

Section 7. Application to Contractors. In the case of contracts for construction projects and for security, janitorial services, the prescribed wage increases 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 wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 8. Workers Paid by Results.

a). All workers paid by results, including those who are paid on piecework, 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 work a day, or a proportion thereof for work of less than the normal working hours.

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 rules and regulations.

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

1. Amount of increase in AMW*
----- X 100 = Percent increase;
Previous AMW
2. Existing rate/piece X Percent increase = Increase in rate/piece;
3. Existing rate/piece + Increase in rate/piece = Adjusted rate/piece

* Where AMW is the applicable minimum wage rate.

Section 9. Wages of Special Groups of Workers.

a) Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in the Order.

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

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

Section 10. Suggested Formulae in Determining the Equivalent Monthly Regional Minimum Wage Rates. Without prejudice to existing company practices, agreements or policies, the following computation of the Estimated Equivalent Monthly Rate (EEMR) of employees in the private sector because of the National Heroes' Day which is now observed on the Last Monday of August, shall accordingly use the following formulae in the determining the EEMR of the employees:

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

$$\begin{array}{l} \text{Equivalent} \\ \text{Monthly} \\ \text{Rate (EMR)} \end{array} = \frac{\text{Applicable Daily Wage Rate (ADR)} \times 392.80 \text{ days}}{12}$$

Where 392.80 days :

300	days	Ordinary working days
20	days	10 regular holidays x 200%
2.6	days	1 regular holiday falling on last Sunday of August X 200% + (30% of 200%)
66.30	days	51 rest days x 130%
3.90	days	3 special days x 130%

392.80	days	Total equivalent number of days

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

$$\begin{array}{l} \text{(EMR)} \\ \text{Rate (EMR)} \end{array} = \frac{\text{ADR} \times 365 \text{ days}}{12}$$

Where 365 days :

300	days	Ordinary working days
51	days	Rest days

11 days Regular holidays

3 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, the previous factor of 314 will now be 313, thus

$$\text{(EMR)} = \frac{\text{ADR} \times 313 \text{ days}}{12}$$

Where 314 days :

299 days Ordinary working days

22 days Regular holidays

67.6 days 52 rest days x 130%

3 days 3 special days x 130%

313 days Total equivalent number of days

- d. For those who do not work and are not considered paid on Saturdays and Sundays or rest days, the previous factor of 262 will now be 261, thus:

$$\text{(EMR)} = \frac{\text{ADR} \times 261 \text{ days}}{12}$$

Where 262 days :

247 days Ordinary working days

11 days Regular holidays

3 days 3 Special days (if considered paid; if actually worked this is equivalent to 3.9 days

261 days Total equivalent number of days

Section 11. Mobile and Branch Workers.

a) The prescribed minimum wage rates of workers, who by nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

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

Section 12. 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 rate applicable therein.

Section 13. Appeal to the Commission. Any party aggrieved by the Wage Order may file an appeal with the Commission through the Board within ten (10) calendar days from the publication of the Order. 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 14. 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 such Order is affirmed.

Rule III – Exemption

Section 1. No Exemption. No exemption from compliance with this Wage Order shall be allowed.

Rule IV - Special Provisions

Section 1. Effect on Existing Wage Structure. 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, the voluntary arbitrator shall decide such dispute 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. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board 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 a dispute arising from wage distortion shall not in any way delay the applicability of any 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 having jurisdiction over the workplace 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. 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 companies, Department inspectors shall always be accompanied by the president or other responsible officer of the recognized bargaining unit or of any interested union. In the case of non-unionized establishments, a worker representing the workers in the said company 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. Non-diminution of Benefits. Nothing in the Order and in this Rule 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 the employers.

Section 5. 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 6. Penal Provision.

a) Any entity that refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Order shall be punished in accordance with the provisions of Sec. 12, Art 127 of RA 6727 as amended by RA 8188, which provides as follows:

b). 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 this Act.

c). 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 7. 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 Commission or Boards.

Section 8. 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 9. Reporting Requirements. 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, 2008 and every year thereafter in accordance with the form prescribed by the Commission.

Section 10. Repealing Clause. All orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and this Rules are hereby repealed, amended or modified accordingly.

Section 11. Separability Clause. If any provision or part of the Order and this Rule, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and this Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 12. Effectivity of Rules. This rule shall take effect fifteen days upon publication from newspaper of general circulation in the region.

Done in the City of Cebu, Philippines, this 30th day of September 2007.

APPROVED.

(Signed) **HIDELITO S. PASCUAL**
Member, Employer Sector

(Signed) **MARIANITO B. VENTURA**
Member, Labor Sector

(Signed) **CHARLES M. STREEGAN**
Member, Employer Sector

(Signed) **JOSE A. BOQUECOSA JR.**
Member, Labor Sector

(Signed) **MARLENE CA. P. RODRIGUEZ**
Vice Chairperson

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

(Signed) **ELIAS A. CAYANONG**
Chairperson

Approved this ____ day of October, 2007.

ARTURO D. BRION
Secretary, Department of Labor and Employment
Chairman, National Wages and Productivity Commission