



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-15

ESTABLISHING NEW MINIMUM WAGE RATES IN CENTRAL VISAYAS

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 December 22, 2009, the Alliance of Progressive Labor (APL), Nagkaisang Lakas ng Manggawa - Katipunan (NLM-KATIPUNAN), Shernberg Employees Independent Union (SEIU-NUWHRAIN-APL), Employees Association of Robinsons Supermarket (EARS), Nagkahiusang Mamumuo sa LBF Hardware (NAMA-LBF), KAN-IRAG Employees Labor Organization (KELO), Bank of the Philippines Island (BPI-CEIU), Grand Majestic Convention Center Employees Union (GMCC-EU), Lonbisco Employees Organization (LEO), Nuwhrain-Montebello Chapter and Public Interest Advocacy and Litigation Office (PIALO, Inc.) filed a Petition seeking for an across-the-board wage adjustment in the region in the amount of One Hundred Twenty Eight and Sixty Centavos (P128.60) per day;

WHEREAS, the Trade Union Congress of the Philippines (TUCP) filed on March 8, 2010 a Petition for a One Hundred (P100.00) per day across-the-board wage increase;

WHEREAS, the two (2) petitions were consolidated for purposes of conducting joint proceedings to expedite the resolution thereof;

WHEREAS, the Board conducted series of consultations with the following sectors: Mactan Export Processing Zone, February 3, 2010; Furniture Industry, February 18, 2010; Academe, March 4, 2010, Fashion Accessories, Gifts, Toys and Housewares, March 20, 2010; Business Process Outsourcing, Hotel and Restaurants and Health & Wellness & SPA, April 6, 2010; Sugar Industry, April 23, 2010 and Construction Industry June 10, 2010 and provincial consultations in Tagbilaran City, Bohol and Dumaguete City, Negros Oriental on May 27, 2010 and July 14, 2010 respectively;

WHEREAS, after publication of petitions and giving due notice to all concerned sectors, a regional public hearing was held on July 1, 2010 in Cebu City;

WHEREAS, as a result of its review on the socio economic factors and taking into considerations the issues ventilated by the concerned stakeholders during the consultations and public hearing, the Board finds the need to grant an increase in the minimum wage rates of workers and employees in the private sector;

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 shall be increased by Eighteen Pesos (P=18.00). The new daily minimum wage rate in the region for each area classification including agriculture sugar and sugar mills shall be as follows:

Area Classification	Non Agriculture	Agriculture		Sugar Mills
		Non sugar	Sugar	
Class A	P=285.00	P=267.00	P=235.00	P=255.00
Class B	P=265.00	P=250.00		
Class C	P=255.00	P=235.00		
Class D	P=240.00	P=220.00		

Section 2. 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.

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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 3. 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 4. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takey" 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 5. 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. 7277.

Section 6. APPLICATION TO LEGITIMATE EXPORTERS. Considering that the export sector was worst hit by the economic crisis since 2007, legitimate exporters may defer compliance with the increase prescribed herein until six (6) months from the effectivity of this Order.

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 2010-2011 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 2011-2012.

Private educational institutions which have not increased their tuition fees for the School Year 2010-2011 may defer compliance with the increase prescribed herein until the beginning of School Year 2011-2012.

In any case, private educational institutions shall implement the increase herein starting School Year 2011-2012.

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.

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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.

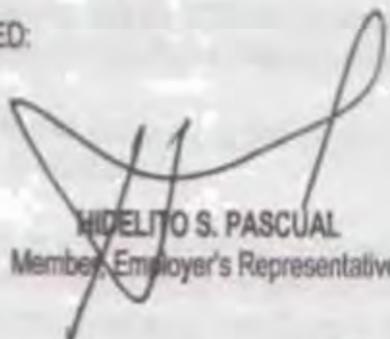
Section 21. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

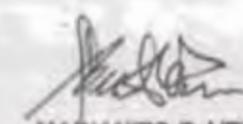
Section 22. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

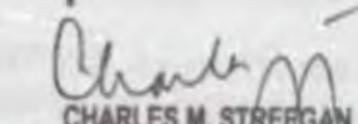
Section 23. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the region.

CEBU CITY, PHILIPPINES, August 12, 2010

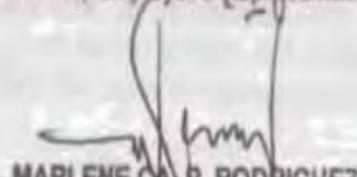
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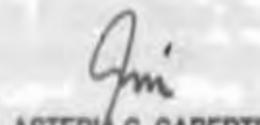

HIDELITO S. PASCUAL
Member, Employer's Representative

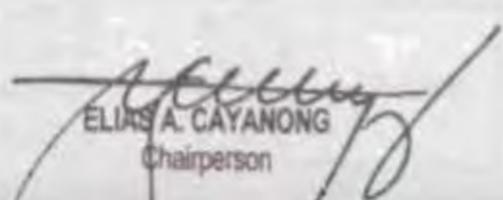

MARIANITO B. VENTURA
Member, Labor Representative


CHARLES M. STREEGAN
Member, Employer's Representative

- VACANT -
Member, Labor Representative


MARLENE C. P. RODRIGUEZ
Vice Chairperson


ASTERIA C. CABERTE
Vice Chairperson


ELIAS A. CAYANONG
Chairperson



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



IMPLEMENTING RULES AND REGULATIONS OF WAGE ORDER NO. ROVII-15

Pursuant to Section 6, Rule IV of the Amended Rules of Procedure on Minimum Wage Fixing and Section 22 of Wage Order No. ROVII-15, 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. RO VII -15".

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

- a) **"ORDER"** means Wage Order No. ROVII-15;
- 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) **"LEGITIMATE EXPORTER"** means any person, natural or juridical, licensed to do business in the Philippines, engaged directly or indirectly in the production, manufacture or trade of products or services which earns at least fifty percent [50%] of its normal operating revenues from the sale of its products or services abroad for foreign currency and duly registered with the appropriate government agency and a bonafide member of the Confederation of Philippine Exporters Foundation (Cebu, Inc.). In the case of indirect exporters, the requirement that products and services be sold abroad for foreign currency shall not apply, as by the very nature of their

product or services takes place in the Philippines and such indirect exporters are usually paid in Philippine currency.

- i) "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);
- j) "CLASS B" refers to the Cities of Toledo and Bogu and the rest of the municipalities in the Province of Cebu except the municipalities in the Islands of Bantayan and Camotes;
- k) "CLASS C" refers to the cities and municipalities in the Provinces of Bohol and Negros Oriental;
- l) "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 of Increase. Upon effectivity of this Wage Order, the daily minimum wage rates of all minimum wage private sector workers and employees shall be increased by Eighteen Pesos (P-18.00).

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

Area Classification	Non Agriculture	Agriculture		Sugar Mills
		Non sugar	Sugar	
Class A	P-285.00	P-267.00	P-235.00	P-255.00
Class B	P-265.00	P-250.00		
Class C	P-255.00	P-235.00		
Class D	P-240.00	P-220.00		

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

Section 2. Coverage. 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. 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.

Section 3. 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 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 2010-2011 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 2011-2012.

Private educational institutions which have not increased their tuition fees for the School Year 2010-2011 may defer compliance with the increase prescribed herein until the beginning of School Year 2011-2012. In any case, private educational institutions shall implement the increase prescribed herein starting School Year 2011-2012.

Section 5. 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 6. Workers Paid by Results. 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.

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. 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*
$$\frac{\text{-----}}{\text{Previous AMW}} = \text{Percent increase;}$$
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 7. 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. 7277.

Section 8. Suggested Formulae in Determining the Equivalent Monthly Regional Minimum Wage Rates. Without prejudice to existing company practices, agreements or policies, the following formulae may be used in determining the Estimated Equivalent Monthly Rates (EEMR) of the employees:

For monthly paid employees:

$$\frac{\text{Applicable Daily Rate} \times 365}{12} = \text{EEMR}$$

where 365 days/year =	298	ordinary working days
	52	rest days
	12	regular holidays
	<u>3</u>	special days
	365	Total equivalent no. of days in a year

For daily paid employees:

- a. For those who are required to work every day including Sundays, or rest days, special days and regular holidays

$$\frac{\text{Applicable Daily Rate} \times 393.50}{12} = \text{EEMR}$$

where 393.50/ year =	298	ordinary working days
	24	12 regular holidays x 200%
	67.60	52 rest days x 130%
	<u>3.90</u>	3 special days x 130%
	393.50	Total equivalent no. of days in a year

- b. For those who do not work and are not considered paid on Sundays or rest days.

$$\frac{\text{Applicable Daily Rate} \times 313}{12} = \text{EEMR}$$

where 313/ year =	298	ordinary working days
	12	12 regular holidays
	<u>3</u>	special days
	313	Total equivalent no. of days in a year

- c. For those who do not work and are not considered paid on Sundays, Saturdays or rest days.

$$\frac{\text{Applicable Daily Rate} \times 261}{12} = \text{EEMR}$$

where 261.00/ year =	246	ordinary working days
	12	12 regular holidays
	<u>3</u>	special days
	261	Total equivalent no. of days in a year

Section 9. Mobile and Branch Workers. 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. 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 10. 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 11. 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 12. 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 - DEFERMENT

Section 1. Application to Legitimate Exporters Considering that the export sector was worst hit by the economic crisis since 2007, legitimate exporters may be allowed deferment from compliance with the prescribed increase herein for six (6) months from the effectivity of this Order upon application with and as determined by the Board based on compliance with the criteria and requirements set forth herein.

Section 2. Application for Deferment Application for deferment shall be filed not later than seventy-five days from date of publication of the approved Rules Implementing this Order, provided that all 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.

Section 3. Criteria for Deferment In order to determine whether a legitimate exporter is qualified for deferment, it must show proof that it incurred losses as evidenced by the decline in sales and volume of orders by at least 10 percent during the periods 2008 and 2009.

Section 4. Documents Required

a). Application letter under oath in three (3) legible copies to be filed with the the Board by the owner/manager or duly authorized representative of the legitimate exporter, in person or by registered mail. The date of mailing shall be deemed as the date of filing. The application shall state the information on the firm's principal economic activity, amount of total assets, date of start of operation, the regular number of workers with their corresponding salaries and wages and date of employment.

b). Affidavit of compliance to minimum wage law prior to application for deferment of Wage Order 15.

c). 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 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.

Additional Supporting Documents Required:

Direct Exporters

- a. Certificate of Membership issued by the Confederation of Philippine Exporters Foundation (Cebu Inc.)
- b. Certification of at least fifty (50%) percent Export Sales Status to be secured from the appropriate government agency like the PEZA manager in the area or BOI.
- c. Certificate of Accreditation issued by the Bureau of Export Trade Promotion- Department of Trade and Industry
- d. Audited Income Statement filed with and stamped "received" by the appropriate government agency covering the full accounting periods in 2007, 2008 and 2009 and a comparative statement showing the trend in decline in sales and orders during the three (3) year period.
- e. Certified true copy of contracts with Foreign Buyers entered between the periods 2007 to 2009

Indirect Exporters

- a. Certificate of Membership issued by the Confederation of Philippine Exporters Foundation (Cebu Inc.)
- b. Sales Invoice (2007-2009)
- c. Certification from the direct exporter attesting purchase of raw materials from indirect exporter and exportation of finished goods
- d. Audited Income Statement filed with and stamped "received" by the appropriate government agency covering the full accounting periods in 2007, 2008 and 2009 and a comparative statement showing the trend in decline in sales and orders during the three year (3) year period.

Section 5. Effect of Filing of Application for Deferment. Whenever an application for deferment has been filed with the Board, action by the Regional Office of the Department on any complaint for alleged non compliance of this Order shall be deferred pending resolution of the application for deferment by the Board.

Section 6. Effect of Disapproved Application for Deferment In the event that an application for deferment is not granted, covered workers and employees 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 7. Motion for Reconsideration An aggrieved party may file with the Board a motion for reconsideration of the decision on the application for deferment within ten (10) days from its receipt and shall state the particular grounds upon which the motion is based, copy furnished to other party and the DOLE Regional Office concerned.

No second motion for reconsideration shall be entertained in any case. The decision of the Board shall be final and executory unless appealed to the Commission.

Section 8. Effect of Deferment Granted to Legitimate Exporters Deferment granted to the legitimate exporter shall not extend to its contractor in case of

contract(s) for construction, security, janitorial and similar services with respect to the employees of the latter assigned to the former.

RULE IV - EXEMPTION

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

RULE V - 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. 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:

"Sec. 12. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine not less than Twenty-five thousand pesos (P25,000) nor more than One hundred thousand pesos (P100,000) 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 this Act shall not be entitled to the benefits provided for 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 imposable under this 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 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, 2011 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.

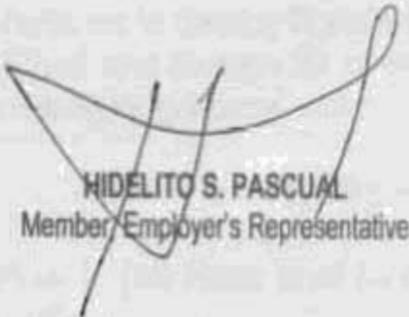
Section 11. Separability Clause. If any provision or part of the Order and this Rule, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and this Rules or the application of such

provision or part thereof to other persons or circumstances shall not be affected thereby.

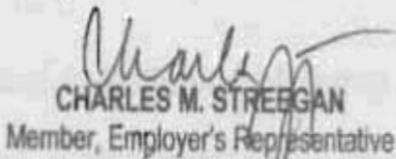
Section 12. Effectivity. This rule shall take effect on September ____, 2010.

CEBU CITY, PHILIPPINES, September 23, 2010

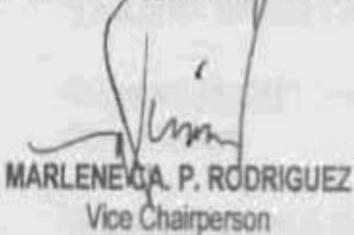
APPROVED.

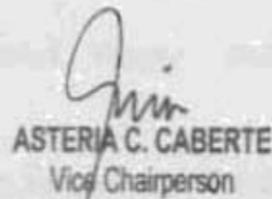

HIDELITO S. PASCUAL
Member, Employer's Representative

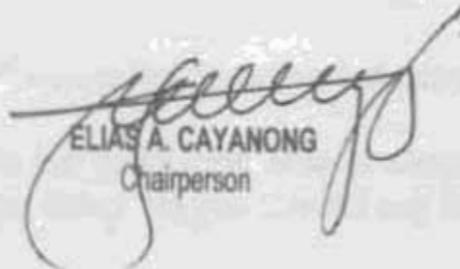

MARIANITO B. VENTURA
Member, Labor Representative


CHARLES M. STREEGAN
Member, Employer's Representative

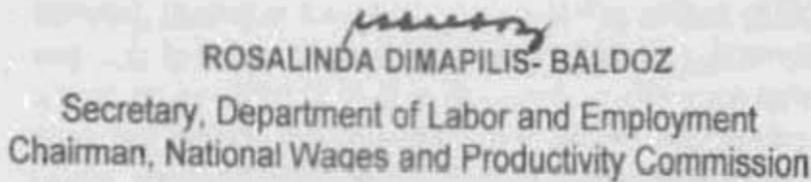
- VACANT -
Member, Labor Representative

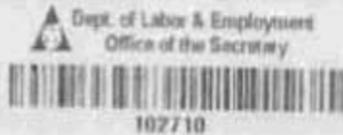

MARLENEA P. RODRIGUEZ
Vice Chairperson


ASTERIA C. CABERTE
Vice Chairperson


ELIAS A. CAYANONG
Chairperson

Approved this 13th day of October, 2010.


ROSALINDA DIMAPILIS-BALDOZ
Secretary, Department of Labor and Employment
Chairman, National Wages and Productivity Commission



RTWP67/ATTYGPT10