

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF LABOR AND EMPLOYMENT
NATIONAL WAGES AND PRODUCTIVITY COMMISSION
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region VII, Cebu City

* * WAGE ORDER NO. ROVII-02 * *

WHEREAS, the recent round of increase in the price of oil and other fuel products coupled with the declining rate of exchange of our PESO against the DOLLAR inevitably triggered a chain reaction on the prices of our prime commodities vis-à-vis the consumer products;

WHEREAS, in support of the Government's effort to minimize if not eliminate the corresponding movement within our economy it is imperative to provide our workers as well as their families, an 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 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board of Region VII hereby issues this Wage Order:

Section 1. Upon the effectivity of this Wage Order, all employees and workers in unorganized or non-unionized establishments of Region VII are hereby granted Temporary Emergency Living Allowance of Two Hundred Fifty Pesos (P 250.00) per month in all areas, irrespective of capitalization, nature of business, number of employees, and status of employment;

PROVIDED, however, that the allowance granted herein shall not apply to household or domestic helpers and persons employed in the personal service of another, including family drivers and those already receiving a monthly salary of more than Four Thousand Pesos (P4,000.00).

Section 2. Labor and Management in organized or unionized establishments with existing Collective Bargaining Agreements are hereby given fifteen (15) days from the effectivity of this Wage Order within which to negotiate and conclude an agreement for a fair amount of allowance or wage adjustment or any arrangement which the parties may deem just and proper considering the employment, economic, and business condition of the time within their respective areas of concern retroactive to the date this Order shall have become effective: PROVIDED, that if negotiation results in failure or deadlock, the amount granted herein to workers and employees in unorganized on non-unionized establishments shall automatically apply to all the workers and employees covered by existing Collective Bargaining Agreements retroactive to the date this Order shall have been effective.

Section 3. Any employer who refuses or fails to pay the wage adjustment provided under this Wage Order shall be subject to the penalties specified under Republic Act 6727.

Section 4. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid. Nothing in this Wage Order shall be construed to reduce any existing wage rate, allowances or other benefits under existing laws, decrees, issuances, executive order and/or under any contract or agreement between workers and employers.

Section 5. This order shall remain in force unless otherwise amended.

Section 6. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

A P P R O V E D, January 14, 1991.

(SGD) ARMANDO M. ALFORQUE
Member
Labor Sector

I Dissent. P250/month and P4,000 ceiling is too high.
ROGELIO Q. LIM
Member
Employer Sector

(SGD) TEOFANIO C. NUNEZ
Member
Labor Sector

(SGD) HIDELITO S. PASCUAL
Member
Employer Sector

(SGD) RAYMUNDO E. FONOLLERA
Vice-Chairman
Government Sector

(SGD) JOEL MARI S. YU
Vice-Chairman
Government Sector

(SGD) BARTOLOME C. AMOGUIS
Chairman
Government Sector

Approved: January 15, 1991.

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

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF LABOR AND EMPLOYMENT
NATIONAL WAGES AND PRODUCTIVITY COMMISSION
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Region VII, Cebu City

RULES IMPLEMENTING WAGE ORDER NO. ROVII-02

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing, the following rules are hereby issued for guidance and compliance by all concerned:

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

- a) "ORDER" means Wage Order No. ROVII-02;
- 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 Bohol, Cebu, Negros Oriental, and Siquijor;
- e) "AGRICULTURE" refers to farming in all its branches and among others, includes the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any 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 more than twenty (20) workers or with an annual gross sales of more than Five Million Pesos (₱ 5M) 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 Pesos (₱ 5M). Any other agricultural enterprise with an area of less than twenty-four (24) hectares, employing less than twenty (20) workers, and with an annual income of less than Five Million Pesos (₱ 5M) shall be considered as "NON-PLANTATION AGRICULTURAL ENTERPRISE";
- g) "CLASS A" refers to the localities in Region VII comprising the cities of Cebu, Mandaue, Lapulapu, and the municipalities of Cordova, Compostela, Liloan, Consolacion, Talisay, Minglanilla and Naga;
- h) "CLASS B" refers to the localities in Region VII comprising the cities of Toledo, Danao, Tagbilaran, Dumaguete, Bais, and Canlaon';
- i) "CLASS C" refers to the 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) "DISTRESSED ESTABLISHMENT" refers to establishments with capital impairment in the preceding year as may be determined by the Board;
- m) "CAPITALIZATION" means paid-up capital, in the case of a corporation, and a total invested capital, in the case of a partnership or single proprietorship;

- n) "ALLOWANCE" means Temporary Emergency Living Allowance;
- o) "MINIMUM WAGE RATE" refer 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;
- p) "DEPARTMENT" refers to the Department of Labor and Employment;
- q) "COLLECTIVE BARGAINING UNIT" refers to the duly recognized bargaining agent in an establishment;

Section 2. COVERAGE. a) The wage order shall apply to all employers in the private sector of region VII whether agricultural or non-agricultural except those mentioned in subsection b, hereunder.

b) The allowance prescribed under the order shall apply to all private sector workers and employees in Region VII regardless of their position, designation, or status of employment, 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 not covered by any existing Collective Bargaining Agreement (CBA) who are receiving a monthly salary of more than Four Thousand Pesos (P 4,000.00).

Section 3. NATURE AND AMOUNT OF WAGE ADJUSTMENT. a) Effective February 1, 1991, all covered workers and employees in non-unionized or unorganized companies shall receive a Temporary Emergency Living allowance (TELA) of Two Hundred Fifty Pesos (P 250.00) a month.

b) Labor and Management in organized or unionized companies and/or establishments with existing Collective Bargaining Agreements (CBA) are given fifteen (15) days from the effectivity of the order or until February 15, 1991 within which to negotiate and conclude an agreement for a fair and equitable amount of allowance or wage adjustment or any arrangement or agreement which the parties may deem just and proper with due consideration to employment, economic, and business condition of the time within their respective areas of concern retroactive to the date the order became effective.

When upon negotiation there is failure or deadlock, the amount granted pursuant to Section 1 of the order shall automatically apply to all the workers and employees covered by existing Collective Bargaining Agreement (CBA) retroactive to the date the order became effective.

- c) The allowance provided herein shall remain in force unless otherwise amended.

Section 4. DAILY MINIMUM WAGE RATES AND MONTHLY ALLOWANCE. Workers and employees in Region VII shall receive the monthly allowance as shown in Table 1A and 1B pursuant to Section 1 of the order as follows:

TABLE 1A: DAILY MINIMUM WAGE RATES AND MONTHLY ALLOWANCE

CATEGORIES	CLASS A		CLASS B		CLASS C	
	Under ROVII-01 per day	Under ROVII-02 per mo.	Under ROVII-01 per day	Under ROVII-02 per mo.	Under ROVII-01 per day	Under ROVII-02 per mo.
NON-AGRICULTURAL ENTERPRISES						
Employing more than 20 workers with a total asset of more than P5M	105.00	250.00	97.00	250.00	93.00	250.00
Employing not more than 20 workers with an asset of not more than P5M	99.00	250.00	94.00	250.00	89.00	250.00
COTTAGE HANDICRAFT						
Employing more than 30 workers	75.00	250.00	72.00	250.00	71.00	250.00
Employing not more than 30 workers	69.00	250.00	68.00	250.00	67.00	250.00
PRIVATE HOSPITALS	101.00	250.00	93.00	250.00	89.00	250.00

RETAIL/SERVICE ESTABLISHMENT						
Employing more than 15 workers	105.00	250.00	97.00	250.00	93.00	250.00
Employing 11 to 15 workers	93.00	250.00	89.00	250.00	87.00	250.00
Employing not more than 10 workers	62.00	250.00	60.00	250.00	59.00	250.00
SCHOOLS	105.00	250.00	97.00	250.00	93.00	250.00

* May be exempted from the allowance prescribed in the order upon application with the Board

TABLE IB: DAILY MINIMUM WAGE AND MONTHLY ALLOWANCE

	Under ROVII-01 per day November 8, '90	Under ROVII-02 per month February 1, '91
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 1990	87.00	250.00
With an annual gross sales of less than P 5M	80.00	250.00
Non-Plantation Agricultural	62.50	250.00
AGRICULTURAL (SUGAR)		
Plantation		
With annual gross sales of P5M or more	81.50	250.00
With annual gross sales of less than P5M	74.50	250.00
Non-Plantation	62.50	250.00
SUGAR MILLS	100.00	250.00

Section 5. APPLICABILITY TO SPECIAL GROUP OF EMPLOYERS AND EMPLOYEES.

a) Private educational institutions shall pay the allowance. However, the allowance provided in the order shall be given as soon as they have increased or granted the authority to increase their tuition fees during the school year 1991-1992 subject to the provisions of Republic Act 6728.

b) 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 employees for the remaining work to include the allowance provided herein. In the event however, that the principal or client fails to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with his principal and/or client.

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

c) 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 allowance 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 rate (allowance included) for workers paid by results shall be computed in accordance with the following steps:

1. Monthly allowance / No. of days a workers paid in a month = Daily Equivalent
2. Daily Equivalent / Previous AMW X 100 = % of Allowance Increase
3. Existing Rate per Piece X % Increase = Equivalent Allowance
4. Existing Rate per Piece + Equivalent Allowance = Adjusted Rate per Piece

Where AMW is the Applicable Minimum Wage.

The allowance 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 6. NO WORK NO PAY SCHEME: SUGGESTED FORMULA IN DETERMINING THE DAILY EQUIVALENT. The allowance granted under the order shall apply on a no work no pay basis. Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the daily equivalent (DE):

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

$$DE = 12 \times MA / 365 \text{ days}$$

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

$$DE = 12 \times MA / 365 \text{ days}$$

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

$$DE = 12 \times MA / 314 \text{ days}$$

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

$$DE = 12 \times MA / 262 \text{ days}$$

Where MA is the monthly allowance.

Section 7. COMPLIANCE REPORT. All covered employers are required to submit a compliance report by filling in the NWPC Form No. 1 available in the Department pursuant to Section 3 of R.A. 6727 and Chapter II, Section 2 of its Implementing Rules and Regulations not later than March 1, 1991 and January 31 every year thereafter.

Section 8. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with the allowance provided in the order shall be filed with 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 9. NON-DIMINUTION OF BENEFITS. Nothing in the order shall be construed as authorizing the reduction of any existing wage rates, allowances, executive orders, and/or under any contract or agreement between the workers and employers or employer practices or policies.

Section 10. 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 of 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 not 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 11. 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 12. 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 13. EFFECTIVITY.

a) The allowance prescribed under the order shall take effect on February 1, 1991, fifteen (15) days following its complete publication in one newspaper of general circulation in Region VII pursuant to Section 6, thereof.

b) This rules shall take effect on February 1, 1991.

Done in the City of Cebu, Republic of the Philippines, this 5th day of February, 1991.

(SGD) TEOFANIO C. NUNEZ
Member
Labor Sector

(SGD) HIDELITO S. PASCUAL
Member
Employer Sector

(SGD) ARMANDO M. ALFORQUE
Member
Labor Sector

(SGD) ROGELIO Q. LIM
Member
Employer Sector

(SGD) JOEL MARI S. YU
Vice-Chairman
Government Sector

(SGD) RAYMUNDO E. FONOLLERA
Vice-Chairman
Government Sector

(SGD) BARTOLOME C. AMOGUIS
Chairman
Government Sector

Approved this 27th day of February 1991.

(SGD) RUBEN D. TORRES
Secretary