



Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission



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REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD VII

WAGE ORDER NO. ROVII -20

PROVIDING FOR INCREASE IN 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, the Trade Union Congress of the Philippines (ALU-TUCP) filed on April 26, 2016 a Petition seeking for an across-the-board wage increase in the amount of One Hundred Sixty One (₱ 161.00) per day;

WHEREAS, on June 16, 2016, the Alliance of Progressive Labor (APL), Cebu Midtown Employees Union (CMHEU-NUWHRAIN-APL-IUF), Cebu Labor Coalition, Lonbisco Employees Organization (LEO), Mactan Electric Company Employees Independent Union (MEIU), NUWHRAIN-Montebello Chapter and Shemberg Employees Independent Union (SEIU-NUHWRAIN), filed a Petition for One Hundred Forty (₱140.00) per day across-the-board wage adjustment;

WHEREAS, the two petitions were filed before the expiration of the twelve (12) month period since the latest Wage Order (WO No. 19) took effect on October 10, 2015;

WHEREAS, the Board issued a resolution on August 25, 2016 declaring the non-existence of supervening condition and provided that the consolidated petitions for across-the-board wage increases shall be deliberated only after Wage Order 19 reaches its one year period.

WHEREAS, On September 7, 2016, NWPC forwarded to RTWPB VII an August 24, 2016 petition filed by PACIWU for a wage increase in Negros Island Region (NIR) at ₱101.34, ₱90.61 and ₱86.87. Considering that RTWPB NIR is not yet constituted, Negros Oriental is still considered part of Region VII.

WHEREAS, the Board conducted series of consultations in Cebu City (November 9, 2016), Bogo City (November 16, 2016) and Tagbilaran City (December 2, 2016), as part of the review and assessment of the economic conditions in the region.

WHEREAS, after publication of petitions thereof and giving due notice to all concerned sectors, a region-wide public hearing was held on December 9, 2016 in Cebu City and January 5, 2017 in Dumaguete City;

WHEREAS, as a result of its periodic and continuous review on the socio economic factors and taking into considerations the issues ventilated by the concerned stakeholders, the Board finds the need to adjust the existing minimum wage rates in Central Visayas;

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. Upon effectivity of this Wage Order, the daily minimum wage rates of all private sector workers and employees in Region VII shall be increased by Pesos (₱ 13.00). The new daily minimum wage rate in the region for each area classification including agriculture and sugar shall be as follows:

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GEOGRAPHIC AREAS	NON-AGRICULTURE	AGRICULTURE	
		NON-SUGAR	SUGAR
	NEW BASIC WAGE	NEW BASIC WAGE	NEW BASIC WAGE
CLASS A Cities of Carcar, Cebu, Danao, Lapulapu, Mandaue, Naga, Talisay and Municipalities of Compostela, Consolacion, Cordova, Liloan, Minglanilla, San Fernando, or Expanded Metro Cebu	366	348	316
CLASS B Cities of Toledo, Bogo, and the rest of Municipalities in Cebu Province except Bantayan and Camotes Islands	333	318	303
CLASS C All Cities and Municipalities in Bohol and Negros Oriental Provinces	323	303	303
CLASS D Municipalities in Siquijor Province & Municipalities in Bantayan and Camotes Islands	308	288	303

Section 2. COVERAGE. The adjustments prescribed under this Order shall apply to all minimum wage private sector workers and employees in Region VII.

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, "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 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 TRANSFER, BRANCH AND MOBILE WORKERS. The applicable minimum wage of workers in establishment which have branches in different parts of the region or where headquarters is outside the region, shall be the rate applicable to the area where the worker is based.

In case of mobile workers, the minimum wage shall be the rate applicable to the head office. In case of transfer from a high class city/municipality to a lower class city/municipality, the higher rate shall continue to be applied.

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 2016-2017 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 2017-2018.

Private educational institutions which have not increased their tuition fees for the School Year 2016-2017 may defer compliance with the increase prescribed herein until the beginning of School Year 2017-2018. In any case, private educational institutions shall implement the increase herein starting School Year 2017-2018.

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.

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Section 9. EXEMPTION. No petition for exemption shall be entertained by the Board. However, in case of a calamity, the Board may accept applications for exemption filed by establishments adversely affected by calamities such as natural and/or human-induced disasters pursuant to NWPC Resolution No. 1, series of 2014.

Section 10. PRODUCTIVITY IMPROVEMENT PROGRAMS. 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. The Regional Board shall provide the necessary technical assistance in the implementation of productivity improvement programs;

Section 11. IMPLEMENTATION OF TWO-TIERED WAGE SYSTEM. On voluntary basis and upon effectivity of this Order, employers who recognize and value the contribution of their workers, may provide productivity-based incentive pay to them based on indicators such as business performance, labor productivity, work behavior, competitiveness of establishments among others. The Board shall issue an advisory on the range of productivity incentive which may be applied by establishments.

Section 12. 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 13. 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 14. 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 15. 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) having jurisdiction over the workplace and shall be subjected to the mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code as amended.

Section 16. 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 17. 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 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 proceedings before the Board.

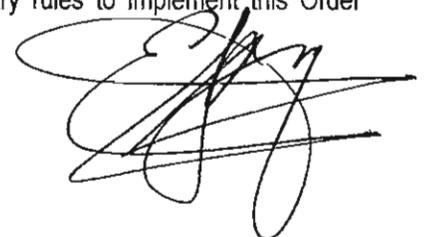
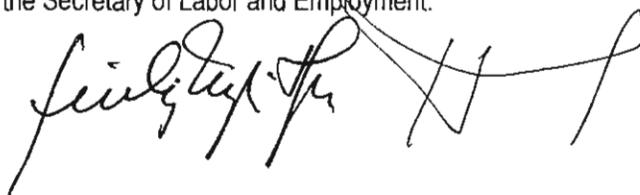
Section 19. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

Section 20. 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, 2016 and every year thereafter in accordance with the form prescribed by the Commission.

Section 21. 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.

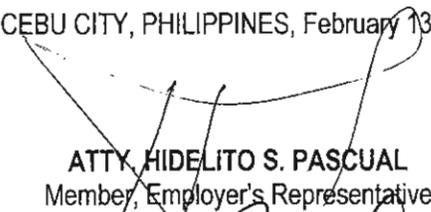
Section 22. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 23. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.



Section 24. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the region.

CEBU CITY, PHILIPPINES, February 13, 2017



ATTY. HIDELITO S. PASCUAL
Member, Employer's Representative



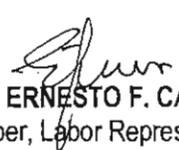
PHILIP N. TAN
Member, Employer's Representative



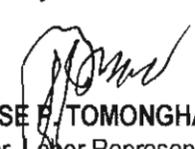
EFREN B. CARREON
Vice Chairperson



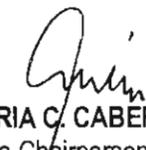
EXEQUIEL R. SARCAUGA
Chairperson



ATTY. ERNESTO F. CARREON
Member, Labor Representative



JOSE F. TOMONGHA
Member, Labor Representative



ASTERIA C. CABERTE
Vice Chairperson



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



IMPLEMENTING RULES AND REGULATIONS OF WAGE ORDER NO. ROVII – 20

Pursuant to Section 6, Rule IV of the Amended Rules of Procedure on Minimum Wage Fixing and Section 23 of Wage Order No. RBVII- 20, the following Rules are hereby issued for guidance and compliance by all concerned.

RULE I – GENERAL PROVISIONS

Section 1. Title. This Rules shall be known as the "Implementing Rules and Regulations of Wage Order No. ROVII-20".

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

- a) **"Order"** means Wage Order No. ROVII-20.
- 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, 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) **"Non-Agriculture"** refers to all other activities not falling under "Agriculture".
- h) **"Minimum Wage Rates"** refers to the lowest wage rates that an employer can pay his workers, as fixed by the Regional Board.
- i) **"Class A"** refers to the Cities of Carcar, Cebu, Danao, Lapu-Lapu, 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 Boggo 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 all the cities and municipalities in Bohol and Negros Oriental Provinces.
- l) **"Class D"** refers to the municipalities in the Province of Siquijor and municipalities in the Islands of Bantayan and Camotes.
- m) **"Establishments"** refer to economic units which engage in one or predominantly one kind of economic activity at a single fixed location. For purposes of determining eligibility, establishments under the same owner/s but separately registered with the Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI) or Cooperative Development Authority (CDA), as the case may be, irrespective of their location, shall be treated as individual and distinct establishments.
- n) **"Two-Tiered Wage System"** refers to a pay system consisting of a) minimum wage; b) incentive pay based on productivity improvement and gain-sharing.
- o) **"Productivity-Based Wage"** refers to additional income given to workers as incentives derived from successful implementation of productivity programs through any gain-sharing scheme designed by employer or by virtue of an agreement with the workers.
- p) **"Barangay Micro Business Enterprise (BMBE)"** refers to any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro-processing, trading and services, whose total assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, shall not be more than Three Million Pesos (P3,000,000.00.)
- q) **"Wage Distortion"** as defined under Article 124 of Presidential Decree No. 442, otherwise known as the Labor Code of the Philippines as amended, refers to a situation where an increase in the prescribed wage rates results in the elimination or severe contraction of

intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinction embodied in such wage structure based on skills, length of service, or other logical bases of differentiation.

RULE II – BASIC WAGE INCREASE

Section 1. NEW WAGE RATES. Upon effectivity of this Wage Order, the daily minimum wage rates of all covered workers in the private sector in Region VII shall be as follows:

GEOGRAPHIC AREAS	NON-AGRICULTURE	AGRICULTURE	
		NON-SUGAR	SUGAR
		NEW BASIC WAGE	NEW BASIC WAGE
CLASS A Cities of Carcar, Cebu, Danao, Lapulapu, Mandaue, Naga, Talisay and Municipalities of Compostela, Consolacion, Cordova, Liloan, Minglanilla, San Fernando, or Expanded Metro Cebu	₱ 366.00	₱ 348.00	₱ 316.00
CLASS B Cities of Toledo, Bogo, and the rest of Municipalities in Cebu Province except Bantayan and Camotes Islands	₱ 333.00	₱ 318.00	₱ 303.00
CLASS C All Cities and Municipalities in Bohol and Negros Oriental Provinces	₱ 323.00	₱ 303.00	₱ 303.00
CLASS D Municipalities in Siquijor Province & Municipalities in Bantayan and Camotes Islands	₱ 308.00	₱ 288.00	₱ 303.00

Section 2. Coverage. a). The adjustments prescribed under this Order shall apply to all private sector minimum wage workers and employees in Region VII 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 workers, 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). 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 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. a) In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2016-2017 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 2017-2018.

b) Private educational institutions which have not increased their tuition fees for the School Year 2016-2017 may defer compliance with the increase prescribed herein until the beginning of School Year 2017-2018.

c) In any case, private educational institutions shall implement the increase prescribed herein starting School Year 2017-2018.

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.

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Section 6. 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 7. Mobile Workers. The wage increase of workers, who by the nature of their work have to travel, shall be those applicable in the domicile or head office of the employer.

Section 8. Branch Workers. The wage increase of workers working in branches or agencies of establishments within Metro Cebu shall be those applicable in the place where they are stationed.

Section 9. Transfer / Assignment of Workers. The transfer/assignment of workers to areas with lower wage rates shall in no case result to reduction of higher wages being enjoyed by the worker prior to such transfer. However, where the worker is transferred/assigned to an area with higher wage, he shall be entitled to the higher wage therein.

Section 10. 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 11. Suggested Formulae in Determining the Equivalent Monthly 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
3 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

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

where 393.50/ year = 298 ordinary working days
67.60 52 rest days x 130%
24 12 regular holidays x 200%

$\frac{3.90}{393.50}$ 3 special days x 130%
 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.

Applicable Daily Rate x 313
 12

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.

Applicable Daily Rate x 261
 12

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 12. 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 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 13. Grounds for Appeal. An appeal may be filed on the following grounds:

- a. Non-conformity with the prescribed guidelines and/or procedures
- b. Grave abuse of discretion
- c. Questions of law.

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.

Section 15. Transmittal of Records. Immediately upon receipt of the appeal, the Board Secretariat shall transmit to the Commission Secretariat the appeal and a copy of the subject Wage Order together with the complete records of the case and all relevant documents.

RULE III - EXEMPTIONS

Section 1. Exemptions. No application for exemption shall be allowed. However, in case of calamity, the Board may accept application for exemption filed by establishments adversely affected by calamities such as natural and/or human induced disasters.

In case there is an application for exemption filed by any establishment adversely affected by calamities, the criteria, procedure and documentary requirements provided under NWPC Resolution No. 01 Series of 2014 and other applicable provisions of NWPC Guidelines No. 02, Series of 2007 shall apply.

RULE IV - CREDITABLE INCREASE

Section 1. Organized Establishment. Wage increase granted by an employer in an organized establishment within three (3) months prior to the effectivity of the Order may be credited as compliance with the prescribed increase set forth therein. Provided that an agreement to this effect has been forged between the parties or a provision in the collective bargaining agreement allowing creditability exists.

In the absence of such an agreement or provision in the CBA, any increase granted by the employer shall not be credited as compliance with the increase prescribed in this Order.

Section 2. Un-organized Establishments. In unorganized establishments, wage increase granted by the employer within five (5) months prior to the effectivity of the Order may be credited as compliance.

Section 3. Creditable Increase Given in the Form of Allowances. Where the increase given by the employer is in the form of allowances, the employer shall integrate the same into the basic wage of the workers to comply with the Three Sixty-Six Pesos (₱366.00) per day minimum basic pay prescribed under this Order.

However, if the amount of the increase is greater than the increase granted under this Wage Order, the employer has the option to integrate partially or in full the allowances earlier given. In the event of partial integration, any excess maybe retained as allowances.

Section 4. Creditable Increase Given Less than the Prescribed Adjustment. In case the increase given is less than the prescribed adjustments, the employer shall pay the difference. Such increase shall not include anniversary increases, merit wage increase, and those resulting from the regularization or promotion of employees.

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. Non-diminution of Existing 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 3. Productivity Improvement Programs. In order to sustain rising level of wages and enhance competitiveness, business 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. The Board shall provide the necessary studies and technical assistance in the implementation of productivity improvement programs.

Section 4. Impementation of Two-Tiered Wage System and Productivity Improvement Programs. On voluntary basis, and upon effectivity of this Order, employers who recognize and value the contribution of their workers, may provide productivity-based incentive pay to them base on indicators such as business performance, labor productivity, work behavior, competitiveness of establishments among others. The Board shall issue an advisory on the range of productivity incentive which may be applied by establishments.

Section 5. Complaints for Non-Compliance. Complaints for non-compliance with the Order shall be filed with the Regional Office of the Department of Labor and Employment having jurisdiction over the workplace and shall be the subjected to the mandatory thirty (30) days conciliation and mediation process under the Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 6. Penal Provision. Pursuant to the provisions of Section 12 of RA 6727, as amended by RA No. 8188, 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 (PhP 25,000.00) nor more than One Hundred Thousand (PhP100,000.00) 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 imposed 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.

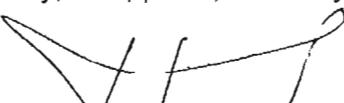
Section 9. Reporting Requirements. Any person, company, corporation, partnership or any entity, engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2018 and every year thereafter in accordance with the form prescribed by the Commission.

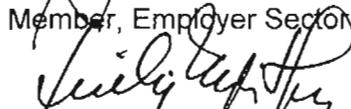
Section 10. Repealing Clause. All orders, issuances, rules and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and this Rules are hereby repealed, amended or modified accordingly.

Section 11. Separability Clause. If any provision or part of this 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 on _____.

Cebu City, Philippines, February 13, 2017


ATTY. HIDELITO S. PASCUAL
Member, Employer Sector

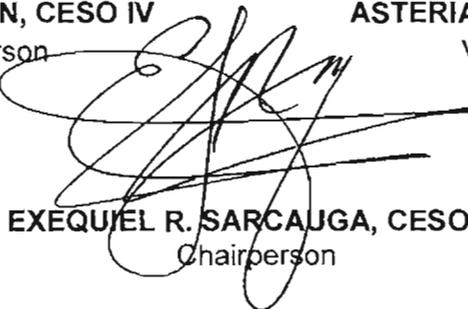

PHILIP N. TAN
Member, Employer Sector


EFREN B. CARREON, CESO IV
Vice Chairperson

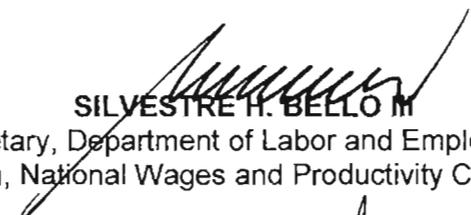

ATTY. ERNESTO F. CARREON
Member, Labor Sector


JOSE P. TOMONGHA
Member, Labor Sector


ASTERIA C. CABERTE, CESO III
Vice Chairperson


EXEQUEL R. SARCAJGA, CESO IV
Chairperson

Approved this 4th day of APRIL, 2017


SILVESTRE H. BELLO III
Secretary, Department of Labor and Employment
Chairman, National Wages and Productivity Commission