

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 - A

AMENDING WAGE ORDER NO. ROVII-02

WHEREAS, the violation of Wage Order No. ROVII-02 registered a marked increase from the time it took effect on February 1, 1991 up to the present;

WHEREAS, there has been a notable upsurge of unemployment rate and growing number of workers affected due to closure, retrenchment, temporary shutdown, and other forms of dislocation;

WHEREAS, reports before the office of the Department of Labor and Employment on retrenchments showed, that one of the reasons was the inability of the employer to pay, due to the increase of the labor cost vis-à-vis, the Temporary Emergency Living Allowance (TELA);;

WHEREAS, the prices of oil and other fuel products have relatively decreased to its December level while the exchange rate of the peso against the dollar have also lowered if not stabilized;

WHEREAS, the minimum jeepney fare rate in Central Visayas had finally been settled to One peso and sixty centavos (P1.60) from its provisional increase of Two pesos (P2.00) on December 6, 1990.

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 amendment:

Section 1. Upon the effectivity of this Wage Order, all employees and workers in Region VII who are entitled to a Temporary Emergency Living Allowance (TELA) under Wage Order No. ROVII-02 shall receive a monthly Cost of Living Allowance (COLA) in the following amount: One Hundred Fifty Pesos (P 150.00) for Class A areas (cities of Cebu, Mandaue, Lapu-lapu, and the municipalities of Cordova, Consolacion, Liloan, Compostela, Talisay, Minglanilla and Naga); One hundred pesos (P100.00) for Class B areas (cities of Toledo, Danao, Tagbilaran, Dumaguete, Bais, and Canlaon); and total lifting of the TELA for Class C areas (places not otherwise classified as either Class A or Class B).

Provided, that establishments in Class B and Class C areas having an annual gross sales of Ten million pesos (P10M) or more as of December 31, 1990, shall pay a Cost of Living Allowance (COLA) of One hundred fifty pesos (P150.00) per month.

Provided further, that the Cost of Living Allowance (COLA) 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 (P 4,000.00) in non-unionized establishments.

Section 2. Temporary Emergency Living Allowance (TELA) which has been granted pursuant to their Collective Bargaining Agreement (CBA) or other written agreement or contract shall be subject to the terms and condition relative thereto.

Section 3. Cost of Living Allowance (COLA) granted by employers and/or establishments in excess of what is legally mandated shall be creditable to any future mandated wage increase.

Section 4. Educational institutions shall continue to give the Temporary Emergency Living Allowance (TELA) until the end of School Year 1991-1992. Thereafter, the same shall be converted into Cost of Living Allowance (COLA) pursuant to Section 1 hereof and the amount of Emergency Tuition Fee Assessment (ETF) collected per Paragraph c of Department of Education Culture and Sports (DECS) Circular No. 30, series of 1991 shall proportionately be adjusted.

Section 5. Hotels, Resorts, Restaurants, and other similar establishments whose service charge is more than One thousand six hundred pesos (P1,600.00) per month per employee may voluntarily give a Cost Living Allowance (COLA) provided, that said establishment complies all other Labor Standards Laws.

Section 6. Establishments granted exemption pursuant to Wage Order No. ROVE-02 shall continue to enjoy the same until the expiration of said grant. Thereafter, they shall pay the Cost of Living Allowance (COLA as provided herein.

Section 7. A) In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed Temporary Emergency Living Allowance (TELA) shall correspondingly be converted into Cost of Living Allowance (COLA) pursuant to Sections 1 and 3 hereof and 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 Cost of Living Allowance (COLA), the construction/service contractors shall be jointly and severally liable with his principal or client.

B) Temporary Emergency Living Allowance (TELA) applicable to apprentices, learners, and handicapped workers pursuant to Wage Order No. ROVII-02 shall likewise be converted into Cost of Living Allowance to at least seventy-five percent (75%) of the applicable mount pursuant to Section 1 hereof.

C) All workers paid by results including those who are paid on piece work, takay, pakyaw, or task basis, and granted a Temporary Emergency Living Allowance (TELA) pursuant to Wage Order No. ROVII-02 shall receive the applicable Cost of Living Allowance (COLA) prescribed under Section 1 hereof 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.

Section 8. Any employer who refuses or fails to pay the Cost of Living Allowance (COLA) under this order shall be subject to the penalties specified under Republic Act 6727.

Section 9. If any part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid.

Section 10. Any provisions on Wage Order No. ROVII-02 that are inconsistent with any of the provisions of this Order is hereby expressly repealed.

Section 11. This Order shall take effect on October 1, 1991.

APPROVED, September 11, 1991.

(SGD) BARTOLOME C. AMOGUIS  
Chairman  
Government Sector

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

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

*I dissent for the reason that I proposed for the proportionate reduction of the amount to be incorporated to the basic pay.*

(SGD) TEOFANIO C. NUNEZ  
Member  
Labor Sector

(SGD) HIDELITO S. PASCUAL  
Member  
Employer Sector

ARMANDO M. ALFORQUE  
Member

ROGELIO Q. LIM  
Member

Labor Sector

Employer Sector

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-02-A

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-A;
- b) "BOARD" refers to the Regional Tripartite Wages and Productivity Board of Region VII;
- c) "COMMISSION" refers to the National Wages and Productivity Commission;
- d) "DEPARTMENT" means Department of Labor and Employment;
- e) "REGION VII" refers to the geographic area in Central Visayas covering the provinces and its component cities of Bohol, Cebu, Negros Oriental, and Siquijor;
- f) "CLASS A" refers to the localities in Region VII comprising the cities of Cebu, Mandaue, and Lapulapu, and the municipalities of Cordova, Consolacion, Liloan, Compostela, Talisay, Minglanilla, and Naga;
- g) "CLASS B" refers to the localities in Region VII comprising the cities of Bais, Danao, Dumaguete, Kanlaon, Tagbilaran, and Toledo;
- h) "CLASS C" refers to the localities in Region VII comprising those places not otherwise classified as either Class A or Class B;
- i) "TELA" means Temporary Emergency Living Allowance;
- j) "COLA" means Cost of Living Allowance;
- k) "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 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;
- l) "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 in a locality 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 ENTERPRISES;

m) "COLLECTIVE BARGAINING UNIT" refers to the duly recognized bargaining agent in an establishment.

Section 2. COVERAGE. a) The 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 COLA 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; and
- 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 (₱4,000.00).

Section 3. NATURE AND AMOUNT OF ADJUSTMENT. a) Effective October 1, 1991, all covered workers and employees in non-unionized or unorganized establishments shall, instead of TELA, receive a COLA of One hundred fifty pesos (₱150.00) for Class A areas, One hundred pesos (₱100.00) for Class B areas, and total lifting of TELA for Class C areas.

b) Establishments located in Class B and Class C areas with an annual gross sales of Ten million pesos (₱10M) and above as of December 31, 1990 shall pay the COLA equivalent to Class A areas.

c) Agreements entered into by and between Labor and Management pursuant to Wage Order No. ROVII-02 among organized and unionized establishments shall be respected.

Section 4. CREDITABILITY. a) COLAs given by the employer more than what is mandated in the order, the difference thereof, shall be creditable to future mandated wage increase.

b) In order to give incentives, all employers who voluntarily continue to give COLA more than what is mandated in the order may withdraw the excess amount at anytime thereafter.

Section 5. CONVERTIBILITY. COLAs voluntarily integrated into the basic pay after the effectivity of this order shall be considered as compliance thereto.

Section 6. DAILY MINIMUM WAGE RATE AND MONTHLY COLA. Workers and employees in Region VII shall receive a monthly COLA as shown in Table I and Table II pursuant to Section 1 of the order as follows:

Section 7. APPLICABILITY TO SPECIAL GROUPS OF WORKERS. a) Private educational institutions shall continue to give the TELA until the end of school year 1991-1992. Thereafter, the same shall be converted into COLA pursuant to Section 1 of the order. The Emergency Tuition Fee Assessment (ETFA) collected pursuant to paragraph c of DECS circular No. 30, series of 1991 shall likewise be adjusted proportionately.

b) Hotels, resorts, restaurants, and other similar establishments whose immediately preceding twelve (12) monthly average service charge is more than One Thousand Six Hundred Pesos (₱1,600) per employee may voluntarily give a COLA provided, all other Labor Standards Laws are complied.

c) In cases of contracts for construction projects and for security, janitorial, and similar services, the prescribed TELA shall correspondingly be converted to COLA pursuant to Sections 1 and 3 of the order and shall be borne by the principals or clients of the construction/service contractor and the contract shall be deemed amended accordingly. In the event however, that the principal or client fails to pay the prescribed COLA, the construction/service contractor shall be jointly and severally liable with his principal or client.

d) TELA applicable to apprentices, learners, and handicapped workers pursuant to Wage Order No. ROVII-02 shall likewise be converted to COLA to at least seventy-five percent (75%) of the applicable amount pursuant to Section 1 of the order.

**TABLE I: DAILY MINIMUM WAGE AND MONTHLY COLA (AGRICULTURAL ENTERPRISES)**

	Under Wage Order No ROVII-01 Effective Nov. 8, 1990	Under WO No. ROVII-02-A Effective October 1, 1991 (per month)		
		Class A	Class B **	Class C **
<b>AGRICULTURAL ENTERPRISES (NON-SUGAR)</b>				
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	150.00	100.00	lifted
With an annual gross sales of less than P 5M*	80.00	150.00	100.00	lifted
Non-Plantation Agricultural	62.50	150.00	100.00	lifted
<b>AGRICULTURAL (SUGAR)</b>				
Plantation With annual gross sales of P5M or more *	81.50	150.00	100.00	lifted
With annual gross sales of less than P5M**	74.50	150.00	100.00	lifted
Non-Plantation	62.50	150.00	100.00	lifted
<b>SUGAR MILLS</b>	100.00	150.00	100.00	lifted

\* In determining the worker's basic wage, the P5M gross sales classification as defined under Wage Order No. ROVII-01 shall be used

\*\* In determining the worker's Cost of Living Allowance (COLA), the P10M classification as determined by the Board under this order shall be used. Hence, establishments under Class B and Class C areas having an annual gross sales of P10M or more shall grant the COLA provided for Class A areas

**TABLE II: DAILY MINIMUM WAGE RATES AND MONTHLY COLA (NON-AGRICULTURAL ENTERPRISES)**

CATEGORIES	CLASS A		CLASS B *		CLASS C *	
	Under ROVII-01 per day	Under ROVII-02-A per mo.	Under ROVII-01 per day	Under ROVII-02-A per mo.	Under ROVII-01 per day	Under ROVII-02-A per mo.
<b>NON-AGRICULTURE ENTERPRISES</b>						
Employing more than 20 workers with a total asset of more than P5M	105.00	150.00	97.00	100.00	93.00	lifted
Employing not more than 20 workers with an asset of not more than P5M	99.00	150.00	94.00	100.00	89.00	lifted
<b>COTTAGE HANDICRAFT</b>						
Employing more than 30 workers	75.00	150.00	72.00	100.00	71.00	lifted
Employing not more than 30 workers	69.00	150.00	68.00	100.00	67.00	lifted
<b>PRIVATE HOSPITALS</b>	101.00	150.00	93.00	100.00	89.00	lifted
<b>RETAIL/SERVICE ESTABLISHMENT</b>						
Employing more than 15 workers	105.00	150.00	97.00	100.00	93.00	lifted
Employing 11 to 15 workers	93.00	150.00	89.00	100.00	87.00	lifted
Employing not more than 10 workers	62.00	150.00	60.00	100.00	59.00	lifted

SCHOOLS**	105.00	150.00	97.00	100.00	93.00	lifted
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\* Establishments under this classification having an annual gross sales of Ten million (P10M) pesos or more shall pay the COLA equivalent to that in Class A areas.

\*\* COLA shall be adjusted during school year 1992-1993

e) 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.  $\frac{\text{Monthly allowance}}{\text{No. of days a worker is paid in a month}} = \text{Daily Equivalent}$
2.  $\frac{\text{Daily equivalent}}{\text{Previous AMW}} \times 100 = \% \text{ Increase of allowance}$
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 8. 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 9. EXEMPTION. Establishments granted exemption pursuant to Wage Order No. ROVII-02 shall continue to enjoy the same until the expiration of said grant. Thereafter, they shall pay the COLA as provided in the order pursuant to Sections 1 and 3 thereto.

Section 10. 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 New Labor Code as amended.

Section 11. 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 (₱25,000.00) 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 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 12. 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 13. EFFECTS ON OTHER ISSUANCES. Any provisions on Wage Order No. ROVII-02 that are inconsistent with any of the provisions of this Order is hereby expressly repealed.

Section 14. EFFECTIVITY. a) The allowance prescribed under the order shall take effect on October 1, 1991, fifteen days following its complete publication in one (1) newspaper of general circulation in the Region pursuant to Section 11 thereof.

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

Done in the City of Cebu, Republic of the Philippines, this 26th day of September, 1991.

(SGD) BARTOLOME C. AMOGUIS

Chairman  
Government Sector

(SGD) RAYMUNDO E. FONOLLERA  
Vice Chairman  
Government Sector

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

(SGD) ROGELIO Q. LIM  
Member  
Management Sector

(SGD) TEOFANIO C. NUNEZ  
Member  
Labor Sector

(SGD) HIDELITO S. PASCUAL  
Member  
Management Sector

ARMANDO M. ALFORQUE  
Member  
Labor Sector

APPROVED, October \_\_\_\_, 1991

(SGD) HON. RUBEN D. TORRES  
Chairman  
National Wages and Productivity Commission