

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-04
ESTABLISHING NEW MINIMUM WAGE RATES**

WHEREAS, inflation has eroded the real wage of workers, hence, the necessity to adjust minimum wage rates;

WHEREAS, the Board recognizes the right of investors to a fair return of capital;

WHEREAS, the Board is cognizant of the need of the regional economy for both local and foreign investors to generate more employment opportunities;

WHEREAS, the Board believes that correlation of wages to productivity is a viable alternative to mandated wage increase;

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board, Region VII hereby issues this Wage Order:

Upon the effectivity of this Wage Order the new daily minimum wage rates for all the workers and employees in the private sector shall be as follows:

Section 1. AMOUNT AND MANNER OF INCREASE. a) Upon the effectivity of this Order, the new minimum wage rates shall be as follows:

1. For the cities of Cebu, Mandaue and Lapulapu:
 - i) For non agricultural enterprises:

₱131.00	- for establishments employing more than 20 workers with a total asset of more than ₱5M;
125.00	- for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
115.00	- for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
 - ii) For cottage/handicraft:

₱101.00	- for establishments employing more than 30 workers and
95.00	- for establishments employing less than 30 workers;
 - iii) For private hospitals, ₱127.00;
 - iv) For retail/service establishments:

₱131.00	- for establishments employing more than 15 workers;
119.00	- for establishments employing 11 to 15 workers; and
88.00	- for establishments employing not more than 10 workers;
 - v) For schools, ₱141.00, subject to the provision of Section 2 hereof;
 - vi) For agricultural enterprises (non-sugar):

₱113.00	- for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
106.00	- for plantation enterprises having annual gross sales of less than ₱5M; and

- 88.00 - for non-plantation;
 - vii) For agricultural (sugar):
 - ₱107.00 - for enterprises with annual gross sales of ₱5M or more;
 - 100.00 - for enterprises with gross sales of less than ₱5M; and
 - 88.00 - for non-plantation; and
 - viii) ₱126.00 for sugar mills.
2. For the municipalities of Compostela, Liloan, Consolacion, Cordova, Talisay, Minglanilla and Naga:
- i) For non agricultural enterprises:
 - ₱126.00 - for establishments employing more than 20 workers and total asset of more than ₱5M;
 - 120.00 - for enterprises employing not more than 20 workers and total asset of not more than ₱5M; and
 - 110.00 - for enterprises employing not more than 20 workers and capitalization of not more than ₱500,000.00;
 - ii) For cottage/handicraft:
 - ₱ 96.00 - for establishments employing more than 30 workers and
 - 90.00 - for establishments employing less than 30 workers;
 - iii) For private hospitals, ₱122.00;
 - iv) For retail/service establishments:
 - ₱126.00 - for establishments employing more than 15 workers;
 - 114.00 - for establishments employing 11 to 15 workers; and
 - 83.00 - for establishments employing not more than 10 workers;
 - v) For schools, ₱136.00, subject to the provision of Section 2, hereof;
 - vi) For agricultural enterprises (non-sugar)
 - ₱108.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
 - 101.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
 - 83.00 - for non-plantation;
 - vii) For agricultural (sugar)
 - ₱ 102.00 - for enterprises with annual gross sales of ₱5M or more;
 - 95.00 - for enterprises with gross sales of less than ₱5M; and
 - 83.00 - for non-plantation; and
 - viii) ₱121.00 for sugar mills.
3. For the cities of Danao, Toledo, Tagbilaran Dumaguete, Bais and Canlaon and the municipalities¹ of Manjuyod, Tanjay and Sibulan in Negros Oriental:
- i) For non agricultural enterprises:
 - ₱111.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
 - 108.00- for enterprises employing not more than 20 workers with total asset of not more than ₱5M; and
 - 98.00- for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
 - ii) For cottage/handicraft:
 - ₱ 86.00 - for establishments employing more than 30 workers and
 - 82.00 - for establishments employing less than 30 workers;
 - iii) For private hospitals, ₱107.00;
 - iv) For retail/service establishments:

Section 2. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. The increase in minimum wage rates as prescribed in the preceding section shall fully apply to all workers and employees in private educational institutions effective school year 1996-1997.

Section 3. EXEMPTIONS. Exempted from the provision of this order are household or domestic helpers including family drivers and workers in the personal service of another; and establishments employing not more than ten (10) workers and a capitalization of not more than P250,000.00.

Establishments adopting productivity gainsharing scheme may be exempted from this order upon application with and approval of the same by the Board.

Should the application for exemption be denied, employees shall receive the appropriate compensation due them as provided for by this Order, plus one percent (1%) interest per month retroactive to the effectivity hereof.

Section 4. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increases in the wage rates under Section 1, results in the distortions 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.

The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of any increase prescribed in this Order.

Section 5. PAYMENT BY SPECIAL ARRANGEMENTS. All workers paid by piecework, takay, pakyaw or task basis, shall receive not less than the prescribed wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours

Section 6. 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 wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 7. APPLICATION TO SPECIAL GROUP OF WORKERS. All recognized learnership and apprenticeship agreements shall be considered automatically modified insofar as their wage clauses are concerned to reflect the prescribed wage rates.

Section 8. PENAL PROVISION. Any person, corporation, trust, firm, partnership, association or entity who 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.

Section 9. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by the any court, tribunal or other entity against any proceeding before the Board.

Section 10. IMPLEMENTING RULES. The Board shall prepare the necessary rules and regulations to implement this Order, subject to the approval of the Secretary of Labor.

Section 11. REPEALING/SEPARABILITY CLAUSE. All laws, order, issuances rules and regulations or parts thereof inconsistent with the provisions of the Order are hereby repealed, amended or modified accordingly. If any provision or part of this Order, or the application thereof to any person or circumstance, is held invalid or unconstitutional, the remainder of the Order of the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Nothing in this Order shall be construed to reduce any existing wage rate, allowances and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract of agreement between the workers and the employers.

Section 12. EFFECTIVITY. This order takes effect on January 1, 1996.

CEBU CITY, PHILIPPINES, November 17, 1995.

APPROVED:

I dissent.

(SGD) FABRECIANO P. CATIPAY
Member

(SGD) HIDELITO S. PASCUAL
Member

*With my dissent. **

(SGD) CELSO C. REALES
Member

(SGD) ROGELIO Q. LIM
Member

Out of the Country

JOSE ROMEO C. ESCANDOR
Vice Chairman

(SGD) ALBERTO T. GUMARAO
Vice Chairman

(SGD) ALAN M. MACARAYA
Chairman

* *The wage increase runs counter to the NEDA and DTI loss (statistics) of purchasing power of peso and the supposed demanded restoration.*

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 -04

Pursuant to Section 5, Rule IV on the NWPC Rules of procedure on Minimum Wage Fixing and Section 10 of ROVII-04 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-04;
- b) "COMMISSION" refers to the National Wages and Productivity Commission;
- c) "BOARD" means the Regional Tripartite Wages and Productivity Board;
- 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) "CLASS AA" refer to the cities of Cebu, Mandaue and Lapulapu;
- g) "CLASS A" refer to the municipalities of Cordova, Compostela, Liloan, Consolacion, Talisay, Minglanilla and Naga;
- h) "CLASS B" refer to the cities of Danao, Toledo, Tagbilaran, Dumaguete, Bais, and Canlaon and the municipalities of Manjuyod, Tanjay and Sibulan of Negros Oriental;
- i) "CLASS C" are places not elsewhere classified above;
- j) "RETAIL ESTABLISHMENT" is one primarily 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) "COTTAGE/HANDICRAFT ESTABLISHMENTS" is one engaged in an economic endeavor in which the products are primarily done in the home or such other places for profit which requires manual dexterity and craftsmanship whose capitalization does not exceed ₱1,500,000.00.
- m) "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;

- n) "PLANTATION AGRICULTURAL ENTERPRISES" are those engaged in agriculture with an area of more than twenty-four (24) hectares in a locality or which employs at least twenty (20) or with an annual gross sales of five million pesos (P5M). Any other agricultural enterprises with an area of less than twenty-four (24) hectares, employing less than twenty (20) workers with an annual income of less than five million shall be considered as "NON-PLANTATION AGRICULTURAL ENTERPRISE";
- o) "CAPITALIZATION" means paid-up capital in case of corporation, and total invested capital, in case of partnership or single proprietorship;
- p) "BASIC WAGE" refer to all remunerations or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include cost-of-living allowances, profit sharing payments, 13th month pay, and other monetary benefits which are not considered part of or integrated into the regular salary of the workers on the date the wage order became effective;
- q) "MINIMUM WAGE RATE" the lowest wage rate fixed by the Board;
- r) "WAGE DISTORTION" means a situation where an increase in prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among groups in an establishment as to effectively obliterate the distinction embodied in such wage structure based on skills, length or service or other logical basis of differentiation;
- s) "PRODUCTIVITY INCENTIVE SCHEME" a formal agreement established by the employer and the employees indicating the process that will promote gainful employment, improved working conditions and result in increased productivity, including cost saving where the latter are granted salary bonuses proportionate to increases in current productivity versus the base period subject to the supplemental guidelines on Productivity Gainsharing Program;

Section 2. Coverage. a) The applicability of the new wage rates shall be determined on the basis of the employee's workplace. Should he be relocated, the higher rate in either locality should apply.

b) The wage order shall apply to all employers in the private sector of Region VII whether agricultural or non-agricultural, including undertakings, organizations and/or institutions primarily organized for non-profit except the following:

- i) Household or domestic helpers, including family drivers and workers in the personal service of another;
- ii) Workers and employees in establishments regularly employing not more than ten (10) workers, and a capitalization of not more than P250,000.00; and
- iii) Workers and employees in establishments adopting a productivity gainsharing scheme, when exempted from compliance by the Board and in accordance with the guidelines that may be issued by the Commission;

Section 3. Effectivity. The wage increase prescribed under the order shall take effect in the following manner: for Class AA and Class A areas the first increase takes effect on January 1, 1996, another increase takes effect on July 1, 1996 while the other increase takes effect on October 1, 1996 and for Class B and Class C areas, the first increase takes effect on January 1, 1996, another increase takes effect on April 1, 1996, while the other increase takes effect on July 1, 1996.

Section 4. Nature And Amount Of Increase. a) Effective January 1, 1996 the daily minimum wage rates of covered workers and employees in the Region shall be as follows:

1. For the cities of Cebu, Mandaue and Lapulapu:
 - i) For non agricultural enterprises:
 - ₱131.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
 - 125.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
 - 115.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
 - ii) For cottage/handicraft:
 - ₱101.00 - for establishments employing more than 30 workers and
 - 95.00 - for establishments employing less than 30 workers;
 - iii) For private hospitals, ₱127.00;
 - iv) For retail/service establishments:
 - ₱131.00 - for establishments employing more than 15 workers;
 - 119.00 - for establishments employing 11 to 15 workers; and
 - 88.00 - for establishments employing not more than 10 workers;
 - v) For schools, ₱141.00, subject to the provision of Section 2 of the Order and Section 8 hereof;
 - vi) For agricultural enterprises (non-sugar):
 - ₱113.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
 - 106.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
 - 88.00 - for non-plantation;
 - vii) For agricultural (sugar):
 - ₱107.00 - for enterprises with annual gross sales of ₱5M or more;
 - 100.00 - for enterprises with gross sales of less than ₱5M; and
 - 88.00 - for non-plantation; and
 - viii) ₱126.00 for sugar mills.
2. For the municipalities of Compostela, Liloan, Consolacion, Cordova, Talisay, Minglanilla and Naga:
 - i) For non agricultural enterprises:
 - ₱126.00 - for establishments employing more than 20 workers and total asset of more than ₱5M;
 - 120.00 - for enterprises employing not more than 20 workers and total asset of not more than ₱5M; and
 - 110.00 - for enterprises employing not more than 20 workers and capitalization of not more than ₱500,000.00;
 - ii) For cottage/handicraft:
 - ₱ 96.00 - for establishments employing more than 30 workers and establishments employing less than 30 workers;
 - iii) For private hospitals, ₱122.00;
 - iv) For retail/service establishments:

- i) For non agricultural enterprises:
- ₱ 98.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
 - 94.00 - for enterprises employing not more than 20 workers with total asset of not more than ₱5M; and
 - 84.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
- ii) For cottage/handicraft:
- ₱ 76.00 - for establishments employing more than 30 workers and
 - 72.00 - for establishments employing less than 30 workers;
- iii) For private hospitals, ₱94.00;
- iv) For retail/service establishments:
- ₱ 98.00 - for establishments employing more than 15 workers;
 - 92.00 - for establishments employing 11 to 15 workers; and
 - 64.00 - for establishments employing not more than 10 workers;
- v) For schools, ₱108.00, subject to the provision of Section 2 of the Order and Section 8, hereof;
- vi) For agricultural enterprises (non-sugar)
- ₱ 92.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
 - 85.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
 - 67.50 - for non-plantation;
- vii) For agricultural (sugar)
- ₱ 86.50 - for enterprises with annual gross sales of ₱5M or more;
 - 79.50 - for enterprises with gross sales of less than ₱5M; and
 - 67.50 - for non-plantation; and
- viii) ₱105.00 for sugar mills.

b) Effective July 1, 1996 all rates under paragraphs a1 and a2 above except schools shall be increased by Five Pesos (₱5.00) and another Five Pesos (₱5.00) effective October 1, 1996 while all rates under paragraphs a3 and a4 except schools shall be increased by Five Pesos (₱5.00) effective April 1, 1996 and another Five Pesos (₱5.00) effective July 1, 1996.

Section 5. New Daily Minimum Wage Rates. All covered workers in the Region upon the effectivity of this Order shall receive the daily minimum wage rates as shown in Tables I, II, III and IV below:

Table I. New minimum wage rates and its effectivity for Class AA areas.

CATEGORY	Under WO No. 03 Effective Dec. 19, 1993				Under WO No. 04		
	390.90	365.00	314.00	262.00	Effective Jan 1 '96	Effective Jul 1 '96	Effective Oct 1 '96
NON-AGRICULTURAL							
Employing more than 20 workers w/ a total asset of more than P5M	119.60	119.93	120.73	121.87	131.00	136.00	141.00
Employing not more than 20 workers w asset of not more than P5M*	113.60	113.93	114.73	115.87	125.00	130.00	135.00
Employing 11-19 workers with a capitalization of at least 250,000.00 or employing less than 10 workers and a capitalization of more than P250,000.00	103.60	103.93	104.73	105.87	115.00	120.00	125.00
COTTAGE/HANDICRAFT							
Employing more than 30 workers	89.60	89.93	90.73	91.87	101.00	106.00	111.00
Employing 11-29 workers with a capitalization of at least P250,000.00 or employing less than 10 workers and a Capitalization of more than P250,000.00	83.60	83.93	84.73	85.87	95.00	100.00	105.00
PRIVATE HOSPITALS	115.60	115.93	116.73	117.87	127.00	132.00	137.00
RETAIL/SERVICE ESTABLISHMENTS							
Employing more than 15 workers	119.60	119.93	120.73	121.87	131.00	136.00	141.00
Employing 11-15 workers	107.60	107.93	108.73	109.87	119.00	124.00	129.00
Employing not more than 10 and a capitalization of more than P250,000.00	76.60	76.93	77.73	78.87	88.00	93.00	98.00
SCHOOLS	119.60	119.93	120.73	121.87		141.00**	

AGRICULTURAL ENTERPRISES (NON-SUGAR)							
Plantation Agricultural							
More than 24 hectares or employing more than 20 workers with annual gross sales of more than P5M or more	101.60	101.93	102.73	103.87	113.00	118.00	123.00
With annual gross sales of less than P5M	94.60	94.93	95.73	96.87	106.00	111.00	116.00
Non-Plantation	77.10	77.43	78.23	79.37	88.00	93.00	98.00
AGRICULTURAL (SUGAR)							
Plantation							
With annual gross sales of P5M or more	96.10	96.43	97.23	98.37	107.00	112.00	117.00
With annual gross sales of less than P5M	89.10	89.43	90.23	91.37	100.00	105.00	110.00
Non-Plantation	77.10	77.43	78.23	79.37	88.00	93.00	98.00
SUGAR MILLS	114.60	114.93	115.73	116.87	126.00	131.00	136.00

* For places not herein classified, the general rule shall apply.

** Takes effect pursuant to Section 2 hereof.

Table II. New minimum wage rates and its effectivity for Class A areas.

CATEGORY	Under WO No. 03				Under WO No. 04		
	390.90	365.00	314.00	262.00	Effective Jan 1 '96	Effective Jul 1 '96	Effective Oct 1 '96
NON-AGRICULTURAL							
Employing more than 20 workers with a total asset of more than P5M	114.60	114.93	115.73	116.87	126.00	131.00	136.00
Employing not more than 20 workers with an asset of not more than P5M*	108.60	108.93	109.73	110.87	120.00	125.00	130.00
Employing 11-19 workers with a capitalization of at least P250,000.00 or employing less than 10 workers and a capitalization of more than P250,000.00	98.60	98.93	99.73	100.87	110.00	115.00	120.00
COTTAGE/HANDICRAFT							
Employing more than 30 workers	84.60	84.93	85.73	86.87	96.00	101.00	106.00
Employing 11-29 workers with a capitalization of at least P250,000.00 or employing less than 10 workers and a capitalization of more than P250,000.00	78.60	78.93	79.73	80.87	90.00	95.00	100.00
PRIVATE HOSPITALS	110.60	110.93	111.73	112.87	122.00	127.00	132.00
RETAIL/SERVICE ESTABLISHMENTS							
Employing more than 15 workers	114.60	114.93	115.73	116.87	126.00	131.00	136.00
Employing 11-15 workers	102.60	102.93	103.73	104.87	114.00	119.00	124.00
Employing not more than 10 and a capitalization of more than P250,000.00	71.60	71.93	72.73	73.87	83.00	88.00	93.00
SCHOOLS	114.60	114.93	115.73	116.87		136.00**	
AGRICULTURAL ENTERPRISES (NON-SUGAR)							
Plantation Agricultural							
More than 24 hectares or employing more than 20 workers with annual gross sales of more than P5M or more	96.60	96.93	97.73	98.87	108.00	113.00	118.00
With annual gross sales of less than P5M	89.60	89.93	90.73	91.87	101.00	106.00	111.00
Non-Plantation	72.10	72.43	73.23	74.37	83.00	88.00	93.00
AGRICULTURAL (SUGAR)							
Plantation							
With annual gross sales of P5M or more	91.10	91.43	92.23	93.37	102.00	107.00	112.00
With annual gross sales of less than P5M	84.10	84.43	85.23	86.37	95.00	100.00	105.00
Non-Plantation	72.10	72.43	73.23	74.37	83.00	88.00	93.00
SUGAR MILLS	109.60	109.93	110.73	111.87	121.00	126.00	131.00

* For places not herein classified, the general rule shall apply.

** Takes effect pursuant to Section 2 hereof.

Table III. New minimum wage rates and its effectivity for Class B areas.

CATEGORY	Under WO No. 03 Effective Dec 19, 1993				Under WO No. 04		
	390.90	365.00	314.00	262.00	Effective Jan 1 '96	Effective Apr 1 '96	Effective Jul 1 '96
NON-AGRICULTURAL							
Employing more than 20 workers with a total asset of more than P5M	105.07	105.29	105.82	106.58	111.00	116.00	121.00
Employing not more than 20 workers with an asset of not more than P5M*	102.07	102.29	102.82	103.58	108.00	113.00	118.00
Employing 11-19 workers with a capitalization of at least P250,000.00 or employing less than 10 workers and a capitalization of more than P250,000.00	92.07	92.29	92.82	93.58	98.00	103.00	108.00
COTTAGE/HANDICRAFT							
Employing more than 30 workers	80.07	80.29	80.82	81.58	86.00	91.00	96.00
Employing 11-29 workers with a capitalization of at least P250,000.00 or employing less than 10 workers and a capitalization of more than P250,000.00	76.07	76.29	76.82	77.58	82.00	87.00	92.00
PRIVATE HOSPITALS	101.07	101.29	101.82	102.58	107.00	112.00	117.00
RETAIL/SERVICE ESTABLISHMENTS							
Employing more than 15 workers	105.07	105.29	105.82	106.58	111.00	116.00	121.00
Employing 11-15 workers	97.07	97.29	97.82	98.58	103.00	108.00	113.00
Employing not more than 10 and a capitalization of more than P250,000.00	68.07	68.29	68.82	69.58	74.00	79.00	84.00
SCHOOLS	105.07	105.29	105.82	106.58		121.00**	
AGRICULTURAL ENTERPRISES (NON-SUGAR)							
Plantation Agricultural							
More than 24 hectares or employing more than 20							

workers with annual sales of more than P5M or more	95.07	95.29	95.82	96.58	101.00	106.00	111.00
With annual gross sales of less than P5M	88.07	88.29	88.82	89.58	94.00	99.00	104.00
Non-Plantation	70.57	70.79	71.32	72.08	76.00	81.00	86.00
AGRICULTURAL (SUGAR)							
Plantation							
With annual gross sales of P5M or more	89.57	89.79	90.32	91.08	95.00	100.00	105.00
With annual gross sales of less than P5M	82.57	82.79	83.32	84.08	88.00	93.00	98.00
Non-Plantation	70.57	70.79	71.32	72.08	76.00	81.00	86.00
SUGAR MILLS	108.07	108.29	108.82	109.58	114.00	119.00	124.00

* For places not herein classified, the general rule shall apply.

** Takes effect pursuant to Section 2 hereof.

Table IV. New minimum wage rates and its effectivity for Class C areas.

CATEGORY	Under WO No. 03 Effective Dec 19, 1993	Under WO No. 04		
		Effective Jan 1 '96	Effective Apr 1 '96	Effective Jul 1 '96
NON-AGRICULTURAL				
Employing more than 20 workers with a total asset of more than P5M	93.00	98.00	103.00	108.00
Employing not more than 20 workers with an asset of not more than P5M*	89.00	94.00	99.00	104.00
Employing 11-19 workers with a capitalization of at least P250,000.00 or or employing less than 10 workers and a capitalization of more than P250,000.00	79.00	84.00	89.00	94.00
COTTAGE/HANDICRAFT				
Employing more than 30 workers	71.00	76.00	81.00	81.00
Employing 11-29 workers with a capitalization of at least P250,000.00 or employing less than 10 workers and a capitalization of more than P250,000.00	67.00	72.00	77.00	82.00
PRIVATE HOSPITALS	89.00	94.00	99.00	104.00
RETAIL/SERVICE ESTABLISHMENTS				
Employing more than 15 workers	93.00	98.00	103.00	108.00
Employing 11-15 workers	87.00	92.00	97.00	102.00
Employing not more than 10 and a capitalization of more than P250,000.00	59.00	64.00	69.00	74.00
SCHOOLS	93.00		108.00**	
AGRICULTURAL ENTERPRISES (NON-SUGAR)				
Plantation Agricultural				
More than 24 hectares or employing more than 20 workers with annual gross sales of more than P5M or more	87.00	92.00	97.00	102.00
With annual gross sales of less than P5M	80.00	85.00	90.00	95.00
Non-Plantation	62.50	67.50	72.50	77.50
AGRICULTURAL (SUGAR) Plantation				
With annual gross sales of P5M or more	81.50	86.50	91.50	96.50
With annual gross sales of less than P5M	74.50	79.50	84.50	89.50
Non-Plantation	62.50	67.50	72.50	77.50
SUGAR MILLS	100.00	105.00	110.00	115.00

* For places not herein classified, the general rule shall apply.

** Takes effect pursuant to Section 2 hereof.

Section 6. Suggested Formula In Determining The Equivalent Monthly Wage Rates. Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the equivalent monthly minimum wage rates:

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

$$\frac{\text{Applicable Daily Rate} \times 391.50^1}{12} = \text{EMR}$$

where 391.50 days/year =

302	- ordinary days
20.60	- nine regular holidays x 200% plus one regular holiday/Sunday x 260%
66.30	- 51 rest days x 130%
<u>2.60</u>	- 2 special days ² x 130%
391.50	- Total equivalent number of days in a year

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

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

where 365 days/year =

302	- ordinary days
51	- rest days ³
10	- regular holidays
<u>2</u>	- special days
365	- Total equivalent number of days in a year

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

$$\frac{\text{Applicable Daily Rate} \times 314}{12} = \text{EMR}$$

where 314 days/year =

302	- ordinary days
10	- regular holidays

2.6 days)	<u>2</u>	- special days (If considered paid; if actually worked, equivalent to
	314	- Total equivalent number of days in a year

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

$$\frac{\text{Applicable Daily Rate} \times 262}{12} = \text{EMR}$$

where 262 days/year =	250	- ordinary days
	10	- rest days
	<u>2</u>	- regular holidays
	262	- Total equivalent number of days in a year

¹ Includes premium for holidays, special days and rest days

² November 1 and December 31 pursuant to Executive Order No. 203 (EO 203) dated June 30, 1987.

³ For workers whose rest days fall on Sundays, the number of rest days in a year is reduced from 52 to 51 days, the last Sunday of August being a regular holiday under Executive Order No. 203. For purposes of computation, said holiday, although still a rest day for them, is included in the ten (10) regular holidays. For workers whose rest days do not fall on Sundays, the number of rest days is 52 days as there are 52 weeks in a year.

Nothing here shall be construed as authorizing the reduction of benefits granted under existing agreements or employer practices/policies

Section 7. Basis Of The Minimum Wage Rates. The minimum wage rates prescribed under the Order shall be for the normal working hours, which shall not exceed eight (8) hours a day.

Section 8. Special Applications a) Application To Private Educational Institutions. The wage increase prescribed for private schools shall apply to all workers and employers entitled thereof effective school year 1996-1997.

The share of the covered workers and employees on tuition fee increases during said school year, pursuant to RA 6728 shall be considered as compliance to this Order, Provided, the share is not less than the increase prescribed therein.

b) Application To Contractors. In cases of contracts for construction projects and for security, janitorial and similar services, entered into prior to the promulgation of the 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 minimum wage increase provided herein. 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 and/or client.

c) Payments by Special Arrangements. 1) All workers paid by special arrangements including those who are paid on *piece work, 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.

2) The adjusted minimum wage rates for workers paid by special arrangements shall be computed in accordance with the following steps:

- i. $\frac{\text{Amount of Increase in AMW}^1}{\text{Previous AMW}} \times 100 = \text{Percent (\%) Increase};$
- ii. Existing Rate per Piece x Percent (%) Increase = Increase in Rate per Piece;
- iii. Existing Rate per Piece + Increase in Rate per Piece = Adjusted Rate per Piece.

¹ Where AMW is the applicable minimum wage rate.

3) The wage rates of workers who are paid by special arrangements shall continue to be established in accordance with Article 101 of the Labor Code as amended and its implementing Regulations.

d) Wages of Special Groups of Workers. 1) All existing learnership and apprenticeship agreements upon the effectivity of this order are *ipso facto* deemed modified insofar as their wage clauses are concerned to reflect the prescribed wage rates.

2) Wages of apprentices, learners and handicapped workers shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates.

Section 9. Exemption. a) Establishments with existing productivity gainsharing scheme may be exempted from compliance with the wage increase prescribed under the order upon application with and as determined by the Board in accordance with the rules prescribed by the Commission, Provided, said application is filed within sixty (60) days from the date of publication of its supplemental guideline.

b) All applications filed beyond said period, if approved by Board, shall cover only the unimplemented increase or increases.

c) Whenever an application has been filed with the Board, action by the Regional Office of the Department of Labor and Employment (DOLE) on any complaint for alleged non-compliance with the order shall be referred to the Board for appropriate action or advice.

d) In the event that the application for exemption is denied, the employers must pay the appropriate compensation due to the workers/employees as provided for under the order plus compounded interest of one percent (1%) per month retroactive to the date of its effectivity.

Section 10. Wage Distortion. a) Where the application of the wage increase prescribed herein results in distortions in the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortion shall be resolved through the grievance procedure under the Collective Bargaining Agreement. If it remains unresolved, it shall be decided through voluntary arbitration, unless otherwise agreed by the parties in writing.

b) In cases where there are no collective agreements or recognized labor unions, the employers and the workers shall endeavor to correct the wage distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board (NCMB). And, if it remains unresolved after ten (10) calendar days of conciliation, it shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). It shall be mandatory for the NLRC to conduct continuous hearings and decide the dispute within twenty (20) days from the time said dispute is submitted for compulsory arbitration.

c) The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of the increase prescribed in this Order.

d) Any issue involving wage distortion shall not be a ground for strike/lockout.

Section 11. Non-Diminution Benefits. Nothing in the 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 12. Penal Provision. a) 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 the Act shall be punished by a fine not exceeding Twenty-five thousand (₱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 under the Probation Law.

b) 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 13. Complaints for Non-Compliance. Complaints for non-compliance with the wage increase provided in the order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) and shall be subject of enforcement proceedings under Articles 128 and 129 of the Labor Code as amended.

Section 14. 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 15. Reporting Requirement. Any person, company, corporation, partnership or any other entity engaged in business shall submit annually a verified itemized listing using NWPC Form No. 1 to the Regional Tripartite Wages and Productivity Board not later than January 31 1996 and on the same date every year thereafter.

Section 16. Review of Existing Wage Structure. In case supervening conditions take place in the Region within the next twelve (12) months from the effectivity of the order, thereby resulting in gross economic reversals, the Board may *motu proprio* review the prevailing wage structure and make the necessary wage adjustments if necessary.

Section 17. Repealing/Separability Clause. All laws, orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of the Order and this Rules are hereby repealed, amended or modified accordingly. If any provision or part of the Order 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 circumstance shall not be affected thereby.

Done in the City of Cebu, this 28th day of December 1995.

(SGD) FABRECIANO P. CATIPAY
Member

(SGD) HIDELITO S. PASCUAL
Member

(SGD) CELSO C. REALES
Member

(SGD) ROGELIO Q. LIM
Member

(SGD) JOSE ROMEO C. ESCANDOR
Vice Chairman

(SGD) ALBERTO T. GUMARAO
Vice Chairman

(SGD) ALAN M. MACARAYA
Chairman

Approved this 14th day of February 1996, subject to the notations contained on page 17, hereof.

(SGD) HON. LEONARDO QUISUMBING
Secretary, Department of Labor and Employment
and NWPC Chairman

NOTATIONS TO IMPLEMENTING RULES OF WAGE ORDER No. VII-04

1. *The definition of “cottage/handicraft establishment” under Section 1(k) should conform with the SMED Council Resolution No. 3, Series of 1995 which provides for a minimum capitalization of P1,500,000 for cottage industries.*
2. *The definition of “Plantation Agriculture Enterprises” under Section 1(n) should be revised to read as follows:
“Plantation Agriculture Enterprise” is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least 20 workers. Any other agricultural enterprise shall be considered as non-plantation Agricultural Enterprises.”*
3. *The Board shall issue an amended Wage Order to the effect that the grant exemption to establishments employing not more than 10 workers shall only be allowed upon application with the Board, consistent with existing policy. The additional requirement on amount of capitalization shall be removed.*
4. *Section 8(a), first paragraph, shall be revised to read as follows:
“The increase in minimum wage rates as prescribed herein shall fully apply to all workers and employers in private educational institution effective SY 1996-1997.”*
5. *The grant of exemption to establishments adopting productivity gainsharing schemes under Section 2(b) iii and Section 9(a) shall not be allowed.*
6. *A simple 1% interest shall be imposed on disapproved applications, in conformity with Section 3 of WO NCR-04 and Section 11 of the NWPC Guidelines on Exemption.*

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-04-A
(Amending Section 3 of Wage Order No. ROVII-04 as to Establishments
That May Be Exempted from Compliance Thereof)

WHEREAS, NWPC Guidelines NO. 01, Series of 1992 allows exemption among establishments from compliance with the Order only upon application with and the same is duly approved by the Board;

WHEREAS, one of the issues raised during one of the conferences conducted by the Commission stressing it as a matter of policy not to grant automatic exemption among establishments from compliance with the minimum wage;

NOW, THEREFORE, the Board resolves, as it is hereby resolved, to amend Section 3 of Wage Order No. ROVII-04 to read as follows:

“Section 3. EXEMPTION. Exempted from the provision of this order are household or domestic helpers including family drivers and workers in the personal service of another. Establishments employing not more than 10 workers may be exempted from the order upon application with and the same is duly approved by the Board.

The Board further resolves, as it is hereby resolved, to declare, in view of this amendment that, establishment exempted by the Board upon application are retail/service establishments employing not more than ten (10) workers.

CEBU CITY, PHILIPPINES, February 21, 1996.

APPROVED:

(SGD) FABRECIANO P. CATIPAY
Member

(SGD) HIDELITO S. PASCUAL
Member

(SGD) CELSO C. REALES
Member

(SGD) ROGELIO Q. LIM
Member

(SGD) JOSE ROMEO C. ESCANDOR
Vice-Chairman

Out of town
ALBERTO T. GUMARAO
Vice-Chairman

(SGD) ALAN M. MACARAYA
Chairman