

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-05  
ESTABLISHING NEW MINIMUM WAGE RATES**

*WHEREAS*, the Board recognizes the need of workers to meet the increasing cost of living;

*WHEREAS*, there is also an equal need to consider fair return on capital invested and the capacity of employers to pay;

*WHEREAS*, the Board duly adhere to the policy of government in promoting investment and job creation;

*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 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:
    - ₱145.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
    - 139.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
    - 129.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
  - ii) For cottage/handicraft:
    - ₱115.00 - for establishments employing more than 30 workers and
    - 109.00 - for establishments employing less than 30 workers;
  - iii) For private hospitals, ₱141.00;
  - iv) For retail/service establishments:
    - ₱145.00 - for establishments employing more than 15 workers;
    - 133.00 - for establishments employing 11 to 15 workers; and
    - 102.00 - for establishments employing not more than 10 workers;
  - v) For schools \*;
  - vi) For agricultural enterprises (non-sugar):
    - ₱127.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
    - 120.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
    - 102.00 - for non-plantation;
  - vii) For agricultural (sugar) and sugar mills \*\*:

2. For the municipalities of Compostela, Liloan, Consolacion, Cordova, Talisay, Minglanilla and Naga:

- i) For non agricultural enterprises:
  - ₱140.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
  - 134.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
  - 124.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
- ii) For cottage/handicraft:
  - ₱110.00 - for establishments employing more than 30 workers and
  - 104.00 - for establishments employing less than 30 workers;
- iii) For private hospitals, ₱136.00;
- iv) For retail/service establishments:
  - ₱140.00 - for establishments employing more than 15 workers;
  - 128.00 - for establishments employing 11 to 15 workers; and
  - 97.00 - for establishments employing not more than 10 workers;
- v) For schools \*;
- vi) For agricultural enterprises (non-sugar):
  - ₱122.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
  - 115.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
  - 97.00 - for non-plantation;
- vii) For agricultural (sugar) and sugar mills;\*\*

3. For the cities of Danao, Toledo, Tagbilaran, Dumaguete, Bais and Canlaon and the municipalities of Manjuyod, Tanjay and Sibulan in Negros Oriental:

- i) For non agricultural enterprises:
  - ₱125.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
  - 122.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
  - 112.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
- ii) For cottage/handicraft:
  - ₱100.00 - for establishments employing more than 30 workers and
  - 96.00 - for establishments employing less than 30 workers;
- iii) For private hospitals, ₱121.00;
- iv) For retail/service establishments:
  - ₱125.00 - for establishments employing more than 15 workers;
  - 117.00 - for establishments employing 11 to 15 workers; and
  - 88.00 - for establishments employing not more than 10 workers;
- v) For schools \*;
- vi) For agricultural enterprises (non-sugar):
  - ₱115.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
  - 108.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
  - 90.00 - for non-plantation;
- vii) For agricultural (sugar) and sugar mills;\*\*

4. For places other than those classified above:
  - i) For non agricultural enterprises:
    - ₱110.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
    - 106.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
    - 96.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
  - ii) For cottage/handicraft:
    - ₱ 88.00 - for establishments employing more than 30 workers and
    - 84.00 - for establishments employing less than 30 workers;
  - iii) For private hospitals, ₱106.00;
  - iv) For retail/service establishments:
    - ₱110.00 - for establishments employing more than 15 workers;
    - 104.00 - for establishments employing 11 to 15 workers; and
    - 76.00 - for establishments employing not more than 10 workers;
  - v) For schools \*;
  - vi) For agricultural enterprises (non-sugar):
    - ₱104.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
    - 97.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
    - 79.50 - for non-plantation;
  - vii) For agricultural (sugar) and sugar mills\*\*

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\* Increase is subject to Section 2, hereunder

\*\* Adjustment shall be made in accordance with paragraph c, Section 2 hereof.

b) On July 1, 1997 all rates above shall be increased by Five Pesos (₱5.00). On October 1, 1997, areas covered under items a1 and a2 hereof shall have another increase of Five Pesos (₱5.00); Provided, all increases above-mentioned, does not include schools, agricultural (sugar) and sugar mills pursuant to paragraph c, Section 1 and Section 2 hereunder.

- c) Increases in the sugar industry is hereby deferred until such time that the industry has recovered and achieved stability and the Board deem it proper and reasonable.

Section 2. INCREASES IN EDUCATIONAL INSTITUTIONS. Increases in private educational institutions is likewise deferred pending results of consultations to be conducted by the Board for the purpose.

Section 3. EXEMPTIONS. a) Exempted from the provisions of this order are household or domestic helpers including family drivers and workers in the personal service of another.

b) The following maybe exempted from the applicability of this Order upon application with and as determined by the Board:

- i) Retail/Service establishments regularly employing not more than ten (10) workers;
- ii) Distressed establishments as defined in the NWPC Guidelines No. 01, series of 1996; and
- iii) New business enterprises (NBEs).

c) All applications for exemption from compliance shall be filed within sixty (60) days from the date of the publication of the Rules implementing this Order except new business enterprises, the deadline of which is subject to NWPC Guidelines No. 01, series of 1996. As regards distressed establishments, the Board has the discretion to grant full or partial exemption to such employer with respect to the amount or period of exemption but in no case shall it exceed one (1) year from the effectivity of this Wage Order.

d) Whenever an application for exemption has been duly filed with the Board, action on any complaint for alleged non-compliance with this Order shall be deferred pending its resolution.

e) In the event that the application for exemption is not granted, the employees of the applicant firm shall receive the appropriate compensation due them as provided for in this Order together with the payment of interest amounting to one percent (1%) per month retroactive to the effectivity of this Order.

Section 4. PRODUCTIVITY GAINS. All productivity improvement programs agreed upon by both parties and implemented after the effectivity this Order shall be credited as compliance hereof. Should the increase on account of productivity increases be less than the prescribed minimum wage, the employer shall pay the difference.

Section 5. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increases in the wage rates under Section 1 hereof, 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 wage distortion shall not in any way delay the applicability of any increase prescribed in this Order.

Section 6. 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 7. 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 8. 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 rates which shall in no case lower than seventy-five percent (75%) the prescribed minimum wage.

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

Section 10. SEPARABILITY CLAUSE. 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 or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 11. NON-DIMINUTION CLAUSE. 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 employers.

Section 12. PENAL PROVISION. Any 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 as amended by RA 8188, which provides as follows:

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

Section 14. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general publication in the region.

CEBU CITY, PHILIPPINES, February 25, 1997.

APPROVED:

(SGD) HIDELITO S. PASCUAL  
Member

*Resigned*  
FABRECIANO P. CATIPAY  
Member

(SGD) EDGAR L. GODINEZ  
Member

*With my dissent. \**  
(SGD) CELSO C. REALES  
Member

(SGD) ALBERTO T. GUMARAO  
Vice-Chairman

*Out of town*  
JOSE ROMEO C. ESCANDOR  
Vice-Chairman

(SGD) ALAN M. MACARAYA  
Chairman

\* *Data based agreement from NEDA/DTI where wage increase is determined, was not followed. While labor supported its demand with data/statistic, management concentrated on the ill-effect of wage increase. Briefly, the interest of labor was undermined.*

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

**RULES IMPLEMENTING WAGE ORDER NO. ROVII-05**

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 13 of Wage Order No. ROVII-05 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-05;
- b) "COMMISSION" refers to the National Wages and Productivity Commission;
- c) "BOARD" means the Regional Tripartite Wages and Productivity Board Regional Office No. 7;
- 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" refers to one primarily engaged in the sale of goods to end-users for personal or household use.

A retail establishment that regularly engages in wholesale activities loses its retail character;

- k) "SERVICE ESTABLISHMENT" refers to 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 pursuant to SMED Council Resolution No. 3, Series of 1995;
- 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" is one engaged in agriculture with an area of more than twenty-four (24) hectares in a locality or which employs at least twenty (20) workers. Any other agricultural enterprises shall be considered as "NON-PLANTATION AGRICULTURAL ENTERPRISE";
  - o) "CAPITAL" means paid-up capital at the end of last full accounting period, in the case of corporations or total invested capital at the beginning of the period under review, in the case of partnership and single proprietorship;
  - p) "FULL ACCOUNTING PERIOD" refers to a period of twelve (12) months or one year of business operations.
  - q) "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 of service or other logical basis of differentiation;
  - r) "PARTNERSHIP" refers to an association of two (2) or more persons who bind themselves to contribute money, property, or industry to a common fund with the intention of dividing the profits among themselves or for the exercise of a profession;
  - s) "SINGLE PROPRIETORSHIP" refers to a business unit owned and controlled by only one (1) person;
  - t) "NEW BUSINESS ENTERPRISES" refer to establishments, including non-profit institutions, established within two (2) years from effectivity of the Wage Order based on the latest registration with the appropriate government agency such as SEC, DTI, CDA and Mayor's Office.
  - u) "NON-STOCK/NON-PROFIT ORGANIZATION" refers to one organized principally for public purposes such as charitable, educational, cultural or similar purposes and does not issue shares of stock to its members.
  - v) "PRODUCTIVITY IMPROVEMENT PROGRAMS" are defined process or processes, agreed upon by labor and management, that promote gainful employment, improved working conditions, maintain industrial peace and results in improved productivity;
  - w) "PRODUCTIVITY INCREASES" are financial incentives or package of financial incentives given to the workers as a result of the adoption of productivity improvement programs.

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 applies.

b) The wage increase prescribed under the Wage Order shall apply to all covered workers and employees 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 household or domestic helpers, including family drivers and workers in the personal service of another;

Section 3. Effectivity and Amount of Increase. The wage increase prescribed under the order shall take effect on a staggered basis and in the following manner:

SCHEDULE AND AMOUNT OF INCREASES

<u>CLASSIFICATION</u>	<u>UPON</u>			<u>TOTAL INCREASE</u>
	<u>EFFECTIVITY</u>	<u>JULY 1, 1997</u>	<u>OCT 1, 1997</u>	
CLASS AA	4.00	5.00	5.00	14.00
CLASS A	4.00	5.00	5.00	14.00
CLASS B	4.00	5.00		9.00
CLASS C	2.00	5.00		7.00

Section 4. Nature of Increase. a) Upon the effectivity of this Order, 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:
    - ₱145.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
    - 139.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
    - 129.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
  - ii) For cottage/handicraft:
    - ₱115.00 - for establishments employing more than 30 workers and
    - 109.00 - for establishments employing less than 30 workers;
  - iii) For private hospitals, ₱141.00;
  - iv) For retail/service establishments:
    - ₱145.00 - for establishments employing more than 15 workers;
    - 133.00 - for establishments employing 11 to 15 workers; and
    - 102.00 - for establishments employing not more than 10 workers;
  - v) For private educational institutions\*;
  - vi) For agricultural enterprises (non-sugar):
    - ₱127.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
    - 120.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
    - 102.00 - for non-plantation;
  - vii) For agricultural (sugar) and sugar mills\*:
2. For the municipalities of Compostela, Liloan, Consolacion, Cordova, Talisay, Minglanilla and Naga:
  - i) For non agricultural enterprises:
    - ₱140.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;

- 134.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
- 124.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
- ii) For cottage/handicraft:
  - ₱110.00 - for establishments employing more than 30 workers and
  - 104.00 - for establishments employing less than 30 workers;
- iii) For private hospitals, ₱136.00;
- iv) For retail/service establishments:
  - ₱140.00 - for establishments employing more than 15 workers;
  - 128.00 - for establishments employing 11 to 15 workers; and
  - 97.00 - for establishments employing not more than 10 workers;
- v) For private educational institutions\*;
- vi) For agricultural enterprises (non-sugar):
  - ₱122.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
  - 115.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
  - 97.00 - for non-plantation;
- vii) For agricultural (sugar) and sugar mills\*:
- 3. For the cities of Danao, Toledo, Tagbilaran Dumaguete, Bais and Canlaon and the municipalities of Manjuyod, Tanjay and Sibulan in Negros Oriental:
  - i) For non agricultural enterprises:
    - ₱125.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;
    - 122.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and
    - 112.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
  - ii) For cottage/handicraft:
    - ₱100.00 - for establishments employing more than 30 workers and
    - 96.00 - for establishments employing less than 30 workers;
  - iii) For private hospitals, ₱121.00;
  - iv) For retail/service establishments:
    - ₱125.00 - for establishments employing more than 15 workers;
    - 117.00 - for establishments employing 11 to 15 workers; and
    - 88.00 - for establishments employing not more than 10 workers;
  - v) For private educational institutions\*;
  - vi) For agricultural enterprises (non-sugar):
    - ₱115.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;
    - 108.00 - for plantation enterprises having annual gross sales of less than ₱5M; and
    - 90.00 - for non-plantation;
  - ii) For agricultural (sugar) and sugar mills\*:
- 4. For places other than those classified above:
  - i) For non agricultural enterprises:
    - ₱110.00 - for establishments employing more than 20 workers with a total asset of more than ₱5M;

- 106.00 - for enterprises employing not more than 20 workers with an asset of not more than ₱5M; and  
 96.00 - for enterprises employing not more than 20 workers with a capitalization of not more than ₱500,000.00;
- ii) For cottage/handicraft:  
 ₱ 88.00 - for establishments employing more than 30 workers and  
 84.00 - for establishments employing less than 30 workers;
- iii) For private hospitals, ₱106.00;
- iv) For retail/service establishments:  
 ₱110.00 - for establishments employing more than 15 workers;  
 104.00 - for establishments employing 11 to 15 workers; and  
 76.00 - for establishments employing not more than 10 workers;
- v) For private educational institutions\*;
- vi) For agricultural enterprises (non-sugar):  
 ₱104.00 - for plantation enterprises with more than 24 hectares or employing more than 20 workers with annual gross sales of ₱5M or more;  
 97.00 - for plantation enterprises having annual gross sales of less than ₱5M; and  
 79.50 - for non-plantation;
- vii) For agricultural (sugar) and sugar mills\*:

\* Applicable rates under these categories are those provided for under Wage Order No. ROVII-04 pursuant to paragraph c, Section 1 and Section 2 of the Order and paragraph b, Section 4 and Section 5 hereunder.

b) On July 1, 1997 all rates above shall be increased by Five Pesos (₱5.00). On October 1, 1997, areas covered under items a1 and a2 hereof shall have another increase of Five Pesos (₱5.00); Provided, all increases abovementioned, does not include schools, agricultural (sugar) and sugar mills pursuant to paragraph c, Section 1 and Section 2 of the Order and Section 5 hereunder.

Section 5. Increases in Educational Institutions. Increases in educational institutions shall be deferred until such time that consultations shall have been conducted among the concerned sector:

Section 6. 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.

CATEGORY	Under WO No. RO7-04	Under Wage Order No. RO7-05		
		Effective Mar 15, '97	Effective Jul 1, '97	Effective Oct 1, '97
NON-AGRICULTURAL				
Employing more than 20 workers with a total asset of more than P5M	141.00	145.00	150.00	155.00
Employing not more than 20 workers with an asset of not more than ₱5M <sup>1</sup>	135.00	139.00	144.00	149.00
Employing not more than 20 workers with capitalization of not more than ₱500,000.00	125.00	129.00	134.00	139.00
COTTAGE/HANDICRAFT				
Employing more than 30 workers	111.00	115.00	120.00	125.00
Employing less than 30 workers	105.00	109.00	114.00	119.00
PRIVATE HOSPITALS	137.00	141.00	146.00	151.00
RETAIL/SERVICE ESTABLISHMENTS				
Employing more than 15 workers	141.00	145.00	150.00	155.00
Employing 11-15 workers	129.00	133.00	138.00	143.00

Employing not more than 10 workers <sup>2</sup>	98.00	102.00	107.00	112.00
SCHOOLS	141.00	141.00 <sup>3</sup>		
AGRICULTURAL ENTERPRISES (NON-SUGAR)				
Plantation Agricultural				
More than 24 hectares or employing more than 20 workers with annual gross sales of P5M or more	123.00	127.00	132.00	137.00
With annual gross sales of less than P5M	116.00	120.00	125.00	130.00
Non-Plantation	98.00	102.00	107.00	112.00
AGRICULTURAL (SUGAR)				
Plantation				
With annual gross sales of P5M or more	117.00	117.00 <sup>3</sup>		
With annual gross sales of less than P5M	110.00	110.00 <sup>3</sup>		
Non-Plantation	98.00	98.00 <sup>3</sup>		
SUGAR MILLS	136.00	136.00 <sup>3</sup>		

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

CATEGORY	Under WO No. RO7-04	Under Wage Order No. RO7-05		
		Effective Mar 15, '97	Effective Jul 1, '97	Effective Oct 1, '97
NON-AGRICULTURAL				
Employing more than 20 workers with a total asset of more than P5M	136.00	140.00	145.00	150.00
Employing not more than 20 workers with an asset not more than P5M <sup>1</sup>	130.00	134.00	139.00	144.00
Employing not more than 20 workers with capitalization of not more than P500,000.00	120.00	124.00	129.00	134.00
COTTAGE/HANDICRAFT				
Employing more than 30 workers	106.00	110.00	115.00	120.00
Employing less than 30 workers	100.00	104.00	109.00	114.00
PRIVATE HOSPITALS	132.00	136.00	141.00	146.00
RETAIL/SERVICE ESTABLISHMENTS				
Employing more than 15 workers	136.00	140.00	145.00	150.00
Employing 11-15 workers	124.00	128.00	133.00	138.00
Employing not more than 10 workers <sup>2</sup>	93.00	97.00	102.00	107.00
SCHOOLS	136.00	136.00 <sup>3</sup>		
AGRICULTURAL ENTERPRISES (NON-SUGAR)				
Plantation Agricultural				
More than 24 hectares or employing more than 20 workers with annual gross sales of P5M or more	118.00	122.00	127.00	132.00
With annual gross sales of less than P5M	111.00	115.00	120.00	125.00
Non-Plantation	93.00	97.00	102.00	107.00
AGRICULTURAL (SUGAR)				
Plantation				
With annual gross sales of P5M or more	112.00	112.00 <sup>3</sup>		
With annual gross sales of less than P5M	105.00	105.00 <sup>3</sup>		
Non-Plantation	93.00	93.00 <sup>3</sup>		
SUGAR MILLS	131.00	131.00 <sup>3</sup>		

1 Establishments not herein classified, the general rule shall apply.

2 May be exempted from the Order upon application with the Board.

3 Increases are deferred pursuant to paragraph b, Section 1 and Section 2 of the Order and paragraph c, Section 4 and Section 5 herein.

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

CATEGORY	Under WO No. RO7-04	Under Wage Order No. RO7-05	
		Effective Mar 15, '97	Effective Jul 1, '97
NON-AGRICULTURAL			
Employing more than 20 workers with a total asset of more than P5M	121.00	125.00	130.00
Employing not more than 20 workers with an asset of not more than P5M <sup>1</sup>	118.00	122.00	127.00
Employing not more than 20 workers with capitalization of not more than P500,000.00	108.00	112.00	117.00
COTTAGE/HANDICRAFT			
Employing more than 30 workers	96.00	100.00	105.00
Employing less than 30 workers	92.00	96.00	101.00
PRIVATE HOSPITALS	117.00	121.00	126.00
RETAIL/SERVICE ESTABLISHMENTS			
Employing more than 15 workers	121.00	125.00	130.00
Employing 11-15 workers	113.00	117.00	122.00
Employing not more than 10 workers <sup>2</sup>	84.00	88.00	93.00
SCHOOLS	121.00	121.00 <sup>3</sup>	
AGRICULTURAL ENTERPRISES (NON-SUGAR)			
Plantation Agricultural			

More than 24 hectares or employing more than 20 Workers with annual gross sales of P5M or more	111.00	115.00	120.00
With annual gross sales of less than P5M	104.00	108.00	113.00
Non-Plantation	86.00	90.00	95.00
AGRICULTURAL (SUGAR)			
Plantation			
With annual gross sales of P5M or more	105.00	105.00 <sup>3</sup>	
With annual gross sales of less than P5M	98.00	98.00 <sup>3</sup>	
Non-Plantation	86.00	86.00 <sup>3</sup>	
SUGAR MILLS	124.00	124.00 <sup>3</sup>	

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

CATEGORY	Under WO No. RO7-04	Under Wage Order No. RO7-05	
		Effective Mar 15, '97	Effective Jul 1, '97
NON-AGRICULTURAL			
Employing more than 20 workers with a total asset of not more than P5M of more than P5M	108.00	110.00	115.00
Employing not more than 20 workers with an asset of not more than P5M <sup>1</sup>	104.00	106.00	111.00
Employing not more than 20 workers with capitalization of not more than P500,000.00	94.00	96.00	101.00
COTTAGE/HANDICRAFT			
Employing more than 30 workers	86.00	88.00	93.00
Employing less than 30 workers	82.00	84.00	89.00
PRIVATE HOSPITALS	104.00	106.00	111.00
RETAIL/SERVICE ESTABLISHMENTS			
Employing more than 15 workers	108.00	110.00	115.00
Employing 11-15 workers	102.00	104.00	109.00
Employing not more than 10 workers <sup>2</sup>	74.00	76.00	81.00
SCHOOLS	108.00	108.00 <sup>3</sup>	
AGRICULTURAL ENTERPRISES (NON-SUGAR)			
Plantation Agricultural			
More than 24 hectares or employing more than 20 workers with annual gross sales of P5M or more	102.00	104.00	109.00
With annual gross sales of less than P5M	95.00	97.00	102.00
Non-Plantation	77.50	79.50	84.50
AGRICULTURAL (SUGAR)			
Plantation			
With annual gross sales of P5M or more	96.50	96.50 <sup>3</sup>	
With annual gross sales of less than P5M	89.50	89.50 <sup>3</sup>	
Non-Plantation	77.50	77.50 <sup>3</sup>	
SUGAR MILLS	115.00	115.00 <sup>3</sup>	

<sup>1</sup> Establishments not herein classified, the general rule shall apply.

<sup>2</sup> May be exempted from the Order upon application with the Board.

<sup>3</sup> Increases are deferred pursuant to paragraph b, Section 1 and Section 2 of the Order and paragraph c, Section 4 and Section 5 herein.

Section 7. 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%  
2.60 - 2 special days<sup>2</sup> 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<sup>3</sup>  
10 - regular holidays  
2 - 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 - special days (If considered paid; if actually worked, this is equivalent to (2.6 days)  
314.6 - 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  
2 - 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.

Section 8. 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 9. Exemption. a) The following establishments 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 NWPC Guideline No. 01, series of 1996:

- i. Retail/Service establishment employing not more than ten (10) workers;
- ii. Distressed establishments as defined in the NWPC Guidelines No. 01, series of 1996; and
- iii. New business enterprises (NBEs);

b) All applications for exemption from compliance shall be filed within sixty (60) days from the date of the publication of the Rules Implementing this Order except New business enterprises, the deadline of which is subject to NWPC Guidelines No. 01, series of 1996. As regards distressed establishments, the Board has the discretion to grant full or partial exemption to such employer with respect to the amount or period of exemption but in no case shall it exceed one (1) year from the effectivity of this Wage Order.

c) Whenever an application for exemption has been filed with the Board, action on any complaint for alleged non-compliance with this order shall be deferred pending its resolution.

d) In the event that an application for exemption is not granted, the employees of the applicant firm shall receive the appropriate compensation due them as provided for in this Order together with the payment of the interest amounting to one percent (1%) per month retroactive to the effectivity of this Order.

Section 10. Productivity Gains. a) All benefits or financial rewards given to the worker as a result of the implementation of productivity improvement programs agreed upon by labor and management after the effectivity of the Order shall be credited as compliance thereof.

b) If the financial incentives given to the workers on account of productivity increases, are less than the prescribed minimum wage, the employer shall pay the difference subject to the supplemental rules and guidelines to be issued by the Board.

Section 11. 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 thereat 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).

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 12. Special Applications. a) 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.

b) Payments by Special Arrangement. i) 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.

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

1.  $\frac{\text{Amount of Increase in AMW}^1}{\text{Previous AMW}} \times 100 = \text{Percent (\%)} \text{ Increase};$
2.  $\text{Existing Rate/Piece} \times \text{Percent (\%)} \text{ Increase} = \text{Increase in Rate/Piece};$
3.  $\text{Existing Rate/Piece} + \text{Increase in Rate/Piece} = \text{Adjusted Rate/Piece}.$

<sup>1</sup> Where AMW is the applicable minimum wage rate.

iii) 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 rules and regulations.

c) Wages For Special Groups of Workers. i) 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.

ii) 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 13. 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 14. Separability Clause. If any provisions or part of this Wage Order, or the application thereof to any person or circumstance, is held invalid or unconstitutional, the remainder of the Order or the application of such provision or part thereof to other persons or circumstance shall not be affected thereby.

Section 15. Non-Diminution Benefits. Nothing in this order shall be construed to reduce any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between the workers and employers.

Section 16. Penal Provision. Any 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 RA 8188, which provides as follows:

"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 or 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 17. 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, 1998 and on the same date every year thereafter.

Section 18. 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 19. Effectivity. The order shall take effect on March 15, 1997, fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

Done in the City of Cebu, this 25th day of February 1997.

(SGD) HIDELITO S. PASCUAL  
Member

*Resigned*  
FABRECIANO P. CATIPAY  
Member

(SGD) EDGAR L. GODINEZ  
Member

(SGD) CELSO C. REALES  
Member

(SGD) ALBERTO T. GUMARAO  
Vice Chairman

*Out of Town*  
JOSE ROMEO C. ESCANDOR  
Vice Chairman

(SGD) ALAN M. MACARAYA  
Chairman

Approved this 9th day of May 1997

(SGD) HON. LEONARDO A. QUISUMBING  
Secretary, Department of Labor and Employment  
Chairman, National Wages and Productivity Commission

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-05-A  
SUPPLEMENTAL ORDER TO WAGE ORDER NO. ROVII-05 PURSUANT  
TO PARAGRAPH C SECTION 1 AND SECTION 2 THEREOF**

WHEREAS, Section 2 of Wage Order No. ROVII-05 deferred the increase in the minimum wage among private schools and the sugar industry pending consultations to be conducted by the Board;

WHEREAS, relative thereto, the Board conducted consultations on April 3, 1997 and April 4 and June 5, 1997 for schools and sugar industry respectively;

NOW THEREFORE, by virtue of the power vested under Republic Act 6727, the Regional Tripartite Wages and Productivity Board, Region VII, hereby issues this Supplemental Order complying for the purpose, the provisions of Section 2 and paragraph c Section 1 of Wage Order No. ROVII-05 as follows:

Section 1. AMOUNT AND MANNER OF INCREASE. a) Upon the effectivity of this Order the new minimum wage rates for all the workers and employees in private educational institutions and sugar industry in the Region shall be as follows:

1. P155.00 for schools in the cities of Cebu, Mandaue and Lapulapu.
2. P150.00 for schools in the municipalities of Compostela, Liloan, Consolacion, Cordova, Talisay, Minglanilla and Naga in the province of Cebu.
3. In the cities of Danao, Toledo, Tagbilaran, Dumaguete, Bais and Canlaon and the municipalities of Majuyod, Tanjay and Sibulan in Negros Oriental:
  - i. For schools, P130.00;
  - ii. For agricultural (sugar):
    - P114.00 - for enterprises with annual gross sales of P5M or more;
    - 107.00 - for enterprises with annual gross sales of less than P5M;
    - 95.00 - for non plantation; and
  - iii. P133.00 - for Sugar Mills.
4. In places other than those classified above:
  - i) For schools, P115.00;
  - ii) For agricultural (sugar):
    - P103.50 - for enterprises with annual gross sales of P5M or more;
    - 96.50 - for enterprises with annual gross sales of less than P5M;
    - 84.50 - for non plantation; and
  - iii) P122.00 - for Sugar Mills.

Section 2. EXEMPTION. a) Establishments in the sugar industry may be exempted from the applicability of the Order in accordance with the provisions of Section 3 of Wage Order No. ROVII-05.

- b) Educational institutions receiving tuition fee supplement pursuant to Section 5a of Republic Act 6727 and those who did not file any petition for tuition fee increase for school year 1997-1998 may be exempted from the applicability of this Order upon application with and as determined by the Board.

Section 3. EFFECTIVITY. a) The minimum wage rates for educational institutions established pursuant to Section 1 hereof, shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation in the region.

- b) The minimum wage rates for the sugar industry mandated pursuant to Section 1 hereof shall take effect at the beginning of crop year 1997-98.

Cebu City, Philippines, June 10, 1997.

APPROVED:

(SGD) CELSO C. REALES  
Member

(SGD) HIDELITO S. PASCUAL  
Member

(SGD) ALBERTO T. GUIMARAO  
ESCANDOR  
Vice Chairman

(SGD) EDGAR L. GODINEZ  
Member

(SGD) JOSE ROMEO C.  
Vice Chairman

(SGD) HENRY M. PAREL  
Chairman

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-05-A AND  
SUPPLEMENTAL RULES ON EXEMPTION FOR EDUCATIONAL INSTITUTIONS**

Pursuant to Section 5, Rule IV of the NWPC Rules of Procedure on Minimum Wage Fixing and Section 13 of Wage Order No. ROVII-05 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-05-A;
- b) "BOARD" means the Regional Tripartite Wages and Productivity Board Regional Office No. 7;
- c) "REGION" is the geographical area in Central Visayas covering the provinces of Cebu, Bohol, Negros Oriental and Siquijor and its component cities;
- d) "CLASS AA" refer to the cities of Cebu, Mandaue, and Lapulapu;
- e) "CLASS A" refer to the municipalities of Cordova, Compostela, Liloan, Consolacion, Talisay, Minglanilla, and Naga in the province of Cebu;
- f) "CLASS B" refer to the cities of Danao, Toledo, Tagbilaran, Dumaguete, Bais, and Canlaon and the municipalities of Manjuyod, Tanjay and Sibulan in Negros Oriental;
- g) "CLASS C" are places not elsewhere classified above;
- h) "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 and horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farm 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 products;
- i) "PLANTATION AGRICULTURAL ENTERPRISES" is one engaged in agriculture with an area of more than twenty-four (24) hectares in a locality or which employs at least twenty (20) workers. Any other agricultural enterprises shall be considered as "NON-PLANTATION AGRICULTURAL ENTERPRISE";
- j) "SRA" refers to the Sugar Regulatory Administration;
- k) "MILLING SEASON" refers to the period of grinding sugar cane in a mill district;
- l) "MILLING DISTRICT" refers to a centrifugal sugar mill together with all plantations adherent thereto. A plantation is deemed adherent by virtue of sugarcane being

delivered to a mill regardless of contract relation between the mill and the plantation owner and/or any other persons cultivating sugarcane in the plantation contiguous to the mill;

- m) "CROP YEAR" refers to the 12<sup>th</sup>-month milling period declared by SRA. The crop year commences September 1 and ends August 31 of the following year;
- n) "TUITION FEE SUPPLEMENT" is the financial assistance provided by the government for students who enrolled in private high schools charging less than one thousand five hundred pesos (P1,500.00) per year or such an amount in subsequent years as may be determined from time to time by the State Assistance Council.

Section 2. Coverage. The wage increase prescribed under the Order shall apply to all covered workers and employees in the private sector among private educational institutions and sugar industry of the Region.

Section 3. Effectivity and Amount of Increase. a) Wage increase for private educational institutions prescribed in the Order shall take effect on July 3, 1997 fifteen (15) days after its publication in a newspaper of general circulation; and

- b) Increases prescribed for the sugar industry shall take effect at the beginning of crop year 1997-98 in the following amount:

Year 1997-98	CLASSIFICATION	Schools	Sugar	Beginning Crop
		Effective July 3, 1997		
	CLASS AA & A	14.00	14.00	
	CLASS B	9.00	9.00	
	CLASS C	7.00	7.00	

- c) Upon the effectivity of this Order, the daily minimum wage rates of covered workers and employees in the Region shall be as follows:
  1. P155.00 - for private educational institutions in the cities of Cebu, Mandaue and Lapulapu;
  2. P150.00 - for private educational institutions in the municipalities of Compostela, Liloan, Consolacion, Cordova, Talisay, Minglanilla and Naga in the province of Cebu;
  3. P130.00 - for private educational institutions in the cities of Danao, Toledo, Tagbilaran, Dumaguete, Bais and Canlaon and the municipalities of Manjuyod, Tanjay and Sibulan in Negros Oriental, and;
    - i) For agricultural enterprises (sugar):
      - P114.00 - for enterprises with annual gross sales of P5M or more;
      - 107.00 - for enterprises with annual gross sales of less than P5M; and
      - 95.00 - for non-plantation;
    - ii) P133.00 - for sugar mills;
  5. P115.00 – for private educational institutions in places other than those classified above, and;
    - i) For agricultural enterprises (sugar):
      - P103.50 - for enterprises with annual gross sales of P5M or more;

- P5M; 96.50 - for enterprises with annual gross sales of less than  
 84.50 - for non-plantation;  
 ii) P122.00 - for sugar mills;

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 ?? *Sugar industry does not exist within these areas, hence, the rates corresponding thereto are no longer reflected*

d) Tables I and II below are the abstract of the daily minimum wage rates for all covered in educational institutions and sugar industry in the Region pursuant to the Order:

Table I. New minimum wage rates for private educational institutions

CLASSIFICATION	Under W. O. ROVII-04 Effective Oct. 1, 1996	Under W. O. ROVII-5-A Effective Jul. 3, 1997
CLASS AA	141.00	155.00
CLASS A	136.00	150.00
CLASS B	121.00	130.00
CLASS C	108.00	115.00

Table II. New minimum wage rates for sugar industry:

CATEGORY	CLASS B		CLASS C	
	Under WO ROVII-04 Eff October 1, 1996	Under WO ROVII-5-A Beginning Crop Year '97-98	Under WO ROVII-04 Eff October 1, 1996	Under WO ROVII-5-A Beginning Crop Year '97-98
AGRICULTURAL (SUGAR)				
Plantation				
With annual gross sales of P5M or more	105.00	114.00	96.50	103.50
With annual gross sales of less than P5M	98.00	107.00	89.50	96.50
Non-Plantation	86.00	95.00	77.50	84.50
SUGAR MILLS	124.00	133.00	115.00	122.00

Section 4. Exemption. a) Establishments in the sugar industry may be exempted from the Order in accordance with the provisions of Section 3 of Wage Order No. ROVII-05.

- b) The following educational institutions may be exempted from compliance with the Order and upon application with the Board:
- i) Those who are receiving tuition fee supplement pursuant to Section 5 paragraph 1(a) of Republic Act No. 6728;
  - ii) Those who did not apply for tuition fee increase for school year 1997-1998.
- c) All applications filed pursuant to this Order should not be later than sixty (60) days from its publication.
- d) All applications for exemption must be accomplished in three (3) copies and filed before the Regional Tripartite Wages and Productivity Board by the owner/manager or duly authorized representative, in person or by registered mail. The date of mailing shall be deemed the date of filing.
- e) Applications shall be filed not later than sixty (60) days from publication of the approved supplemental rules.
- f) The application shall be under oath and accompanied by complete supporting documents as enumerated hereunder. In the case of an application with incomplete

supporting documents, the applicant shall be notified to complete the same within ten (10) days from receipt of notice; otherwise, the applicant shall be dismissed.

- g) Any worker or, if unionized, the union in the applicant establishment, may file with the appropriate Board within fifteen (15) days from receipt of the notice of the filing of the application, an opposition thereto, stating the reasons why the same should not be approved, furnishing the applicant a copy thereof. The fifteen (15) day period shall run only upon receipt of complete supporting documents. The opposition shall be in three (3) legible copies, under oath and accompanied by pertinent documents, if any.
- h) Applications for exemptions should be supported with the following documents:
  - i. Proof of notice of filing of the application to the President of the union if organized, or if there is no union, a copy of a circular giving general notice thereof, to all the workers in the establishment. The proof of notice, which may be translated in the vernacular, shall state that the workers' representative was furnished a copy of the application with all the supporting documents. The notice shall be posted in a conspicuous place in the establishment.
  - ii. In addition thereto, private educational institution should likewise submit a certification from the concerned agency that applicant is receiving a tuition fee subsidy or that applicant is one of those who did not apply for tuition fee increase for school year 1997-1998.

Done in the City of Cebu, this 10<sup>th</sup> day of June 1997.

(SGD) CELSO C. REALES  
Member

(SGD) HIDELITO S. PASCUAL  
Member

(SGD) ALBERTO T. GUMARAO  
ESCANDOR  
Vice Chairman

(SGD) EDGAR L. GODINEZ  
Member

(SGD) JOSE ROMEO C.  
Vice Chairman

(SGD) HENRY M. PAREL  
Chairman

Approved this 14<sup>th</sup> day of July 1997, subject to the notations below:

(SGD) HON. LEONARDO A. QUISUMBING  
Secretary, Department of Labor and Employment  
Chairman, National Wages and Productivity Commission

**SUPPLEMENTAL GUIDELINE FOR SUGAR INDUSTRY**  
**(PAKYAW RATES)**

To ensure uniformity in the implementation of the wage increase prescribed under Wage Order No. ROVII-05-A, the following supplemental guidelines in the sugar industry are hereby issued for compliance by all concerned:

1. Effective September 1, 1997, the daily minimum wage rates of all workers in the sugar industry including sugar mills shall be as follows:

CATEGORY	Class B*		Class C*	
	Under WO-04 Effective Jul 1, 96	Under WO-5-A Effective Sep 1, 97	Under WO-4 Effective Jul 1, 96	Under WO-5-A Effective Sep 1, 97
Plantation				
With annual gross sales of P5M or more	105.00	114.00	96.50	103.50
With annual gross sales of less than P5M	98.00	107.00	89.50	96.50
Non-Plantation	86.00	95.00	77.50	84.50
Sugar Mills	124.00	133.00	115.00	122.00

\*Class AA and A are not being reflected above, since no sugar industry are situated in these areas.

2. Distortions created as a result of the wage increase shall be corrected in accordance with Section 10 of the Implementing Rules of the order.

3. Workers paid by results or pakyaw basis shall be paid not less than the rates appearing in Annex "A". The adjusted minimum wage rates for workers paid by results shall be computed in accordance with the following steps:

- a)  $\frac{\text{Amount of increase in AMW} \times 100}{\text{Previous AMW}} = \% \text{ Increase}$
- b) Existing rate per piece  $\times$  % Increase = Increase in rate per piece
- c) Existing rate per piece + Increase in rate per piece = Adjusted rate per piece

4. The implementation of this Order shall be governed by the provisions of Wage Order No. ROVII-05-A and its implementing rules whichever is applicable.

5. This supplemental guideline takes effect on September 1, 1997.

For Compliance.

Done this 9th day of July 1997, City of Cebu.

(SGD) CELSO C. REALES  
Member

(SGD) HIDELITO S. PASCUAL  
Member

(SGD) ALBERTO T. GUMARAO  
Vice Chairman

(SGD) EDGAR L. GODINEZ  
Member

(SGD) JOSE ROMEO C. ESCANDOR  
Vice Chairman

(SGD) HENRY M. PAREL  
Chairman

Approved this 18<sup>th</sup> day of August 1997

(SGD) LEONARDO A. QUISUMBING  
Secretary of Labor