



**WAGE ORDER NO. ARMM-17**

**PROVIDING FOR A NEW BASIC WAGE RATE INCREASE AT P 15.00/DAY FOR BOTH NON-AGRICULTURE AND AGRICULTURE SECTORS**

**WHEREAS**, per R.A. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board is mandated to determine and fix the minimum wage rates applicable in the region;

**WHEREAS**, it has been two (2) years since the Regional Wage Board issued Wage Order No. ARMM-16 providing for a basic wage increase at P15.00/day for Non-Agriculture and P5.00/day for Agriculture Sectors, thus making the Minimum Wage Rate for the former at P265.00/day and for the latter at P255.00/day effective March 01, 2016;

**WHEREAS**, the Regional Wage Board, *motu proprio*, conducted public consultations/dialogues with the Tripartite Sectors regionwide scheduled on February 16, 2018 in Lamitan City, Basilan; February 17, 2018 in Jolo, Sulu; February 17, 2018 in Bongao, Tawi-Tawi; February 22, 2018 in Marawi City, Lanao del Sur; and February 27, 2018 for Maguindanao in Cotabato City;

**WHEREAS**, after the conduct of said public consultations, the Regional Wage Board made the following assessments, to wit:

- a) That both the EMPLOYERS and WORKERS support a minimum wage increase for all sectors;
- b) That the EMPLOYERS shall continue to develop and improve their policies on non-wage benefits, bonuses and other related incentives;
- c) That all sectors supported the productivity based scheme on the firm level, in a form of income augmentation;
- d) That the ARMM, under the leadership of RG MUJIV S. HATAMAN, maintains to offer the lowest minimum wage rate compared to neighboring regions, in order to attract more local and foreign investors;

**NOW, THEREFORE**, by virtue of the power and authority vested under Republic Act No. 6727, known as the "Wage Rationalization Act", the Regional Tripartite Wages and Productivity Board - Autonomous Region in Muslim Mindanao (RTWPB-ARMM), hereby issues this Wage Order:

**Section 1. New Wage Rate.** Upon effectively of this Wage Order, all minimum wage earners of private sector in the region shall receive a FIFTEEN PESOS (P15.00) per day increase in their basic wage.

The NEW MINIMUM WAGE RATES of the covered workers in the private sector in ARMM shall be as follows:

| Sector/Industry   | Minimum Wage under Wage Order No. ARMM-16 | Basic Wage Increase | New Daily Minimum Wage Rate |
|---|---|---------------------|-----------------------------|
| A. Non – Agriculture (Industrial/Manufacturing/Construction/Commercial/Mining/Academe)                  | P265.00/day                               | P15.00/day          | <b>P280.00/day</b>          |
| B. Agriculture <ul style="list-style-type: none"> <li>• Plantation</li> <li>• Non-Plantation</li> </ul> | P255.00/day                               | P15.00/day          | <b>P270.00/day</b>          |

**Section 2. Coverage.** This Wage Order applies to all minimum wage earners in the region, except family drivers, those employed in the personal service of another, and workers in registered Barangay Micro Business Enterprises with certificates of authority pursuant to R. A. 9178.

**Section 3. Productivity Based Wages.** In order to sustain rising levels of wages and enhance competitiveness, business establishments are encouraged strongly to adopt productivity improvement tools, Labor Management Corporation, as well as implement gain-sharing programs that will provide more incentives to the workers through increased productivity. Accordingly, the Board shall provide the necessary studies and technical assistance pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990”.

**Section 4. Basis of Minimum Wage.** The minimum basic wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

**Section 5. Workers Paid by Results.** All workers paid by results, including those who are paid on piecework, “takay”, “pakyaw” or task basis, shall be entitled to receive the prescribed minimum basic wage rate per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours work a day.

**Section 6. Wages of Special Groups of Workers.** Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in the region.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

All qualified handicapped workers shall receive the full amount of increase in this Order pursuant to R. A. 7277.

**Section 7. Application to Private Educational Institution.** In the case of private educational institutions, the share of covered workers and employees in the increase of tuition fees for school year 2017-2018 shall be considered as compliance with the minimum basic wage increase set forth herein; provided, that if such minimum basic wage increase is less than the prescribed adjustment, the employer shall pay the difference in the school year 2018-2019.

Private educational institutions which have not increased their tuition fees for the school year 2017-2018, may defer compliance with the provisions of this Order until the beginning of School Year 2018-2019.

In any case, all private educational institutions shall implement the Minimum Basic Wage increase prescribed herein starting School Year 2018-2019.

**Section 8. Appeal to the Commission.** Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

**Section 9. Effect of Filing of Appeal.** The filing of the appeal does not operate to stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding basic wage increase to employees affected by the Order, in the event such Order is affirmed.

**Section 10. Exemptions.** Upon application with and as determined by the Board, in accordance with the NWPC Guidelines No. 02, series of 2007 ( The Amended Rules on Exemption), the following may be exempted from the applicability of this Wage Order:

- a. Retail and Service Establishments regularly employing not more than 10 workers.
- b. Distressed Establishments;
- c. New Business Enterprises; and
- d. Establishments adversely affected by calamities such as Natural and Human-Induced Disaster.

**Section 11. Complaints for Non-Compliance.** Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subjected to the mandatory thirty day (30) conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

**Section 12. Non-Diminution of Benefits.** Nothing in this Order shall be construed to reduce any existing wage rates, allowances and benefits of any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers.

**Section 13. Penal Provision.** Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to comply to this Order, shall be subjected to the penal provisions under R. A. 6727, as amended by R. A. 8188.

**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. Freedom to Bargain.** This Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages with their respective employers.

**Section 16. Reporting Requirement.** Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2019 and every year thereafter in accordance with the form prescribed by the Commission..

**Section 17. Repealing Clause.** All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended, or modified accordingly.

**Section 18. Separability Clause.** If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

**Section 19. Implementing Rules.** The Board shall prepare the necessary Rules to implement this Order subject to approval of the Regional Governor of ARMM.

**Section 20. Effectivity.** This Order shall take effect fifteen (15) days after publication in at least one (1) newspaper of general circulation in the region.


Approved this 23<sup>rd</sup> day of April 2018 in Cotabato City, Philippines.



**HON. MUSLIMIN A. JAKILAN**  
Board Chairperson  
DOLE-ARMM Regional Secretary




**HON. BAIN TAN A. AMPATUAN**  
Vice-Chairperson  
RPDO Executive Director



**HON. ANWAR A. MALANG**  
Vice-Chairperson  
DTI-ARMM Regional Secretary



**HON. AL B. TUBA**  
Workers' Representative



**HON. EDGAR L. BULLECER**  
Employers' Representative



**HON. ALMARIO U. LERIOS**  
Workers' Representative

**Vacant**  
Employers' Representative

Attested by:



**LILIAN RUTH C. CABANBAN**  
Board Secretary VI