

Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
Regional Tripartite Wages and Productivity Board-X
Region 10, Northern Mindanao

WAGE ORDER NO. RX-20
Prescribing New Minimum Wage Rates in Region X

WHEREAS, the Regional Tripartite Wages and Productivity Board - X (Board) is mandated under the Wage Rationalization Act (RA 6727) to periodically assess the wage rates and conduct continuing studies in the determination of the minimum wage applicable in the region or industry;

WHEREAS, the Board issued Wage Order No. RX-19 which took effect on July 16, 2017 and has been enforced for a period of twelve (12) months from the date of its effectivity in compliance with Section 3, Rule IV of the Amended Rules of Procedure on Minimum Wage Fixing issued by the National Wages and Productivity Commission (NWPC);

WHEREAS, in the exercise of its function to monitor and review the socio-economic conditions in the region, the Board conducted consultations with relevant government institutions such as, the Bureau of Internal Revenue on March 14, 2018, the Bangko Sentral ng Pilipinas on April 10, 2018, the Philippine Statistics Authority on April 25, 2018, the Department of Agriculture on July 16, 2018, and the Department of Energy on July 30, 2018;

WHEREAS, after the lapse of one (1) year period from the implementation of Wage Order No. RX-19, and with due regard to the instruction of the President for all the Regional Tripartite Wages and Productivity Boards to immediately convene and review the existing Wage Orders, the Board decided to commence *motu proprio* review of Wage Order No. RX-19 through publication of the notice of public hearings on minimum wage adjustment in Mindanao Daily on July 19, 2018;

WHEREAS, after due notice to all concerned stakeholders, region-wide public hearings were conducted on August 3, 2018 in Valencia City for the province of Bukidnon; August 8, 2018 in Ozamiz City for the province of Misamis Occidental; August 9, 2018 in Iligan City for the province of Lanao del Norte; August 14, 2018 in the Municipality of Mambajao for the province of Camiguin; August 23, 2018 in Gingoog City for the province of Misamis Oriental; and August 29, 2018 in Cagayan de Oro City for the province of Misamis Oriental;

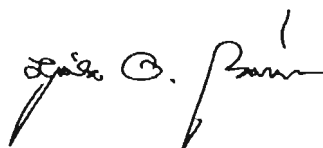
WHEREAS, taking into account the significant economic indicators as well as the inputs derived from the consultations and public hearings, the Board decided to make necessary adjustment of the minimum wage in the region considering the criteria provided under RA 6727;

WHEREAS, due to the recent economic growth and development in the municipalities of Lugait and Balingasag which generated more employment in the area, and considering the higher capacity of the employers therein to pay, the Board deemed to reclassify the Municipality of Lugait from Wage Category III to Wage Category II, and the Municipality of Balingasag from Wage Category IV to Wage Category III;

NOW, THEREFORE, after determination of the need to increase the prevailing minimum wage rates consistent with the government's policy of achieving higher levels of productivity to promote economic growth, generate employment and to augment the income of workers, the Board, by virtue of the power and authority vested under Republic Act No. 6727, hereby issues this Wage Order:

Section 1. CLASSIFICATION. The classification under Wage Order No. RX-19 is hereby amended with the Municipality of Lugait reclassified from Wage Category III to Wage Category II, and the Municipality of Balingasag reclassified from Wage Category IV to Wage Category III.

Section 2. NEW MINIMUM WAGE RATES. By reason of reclassification, covered workers and employees in the Municipality of Lugait shall receive an increase of P35.00 daily both in the Non-Agriculture and Agriculture sectors; and covered workers and employees in the Municipality of Balingasag shall receive an increase of P34.00 daily both in the Non-Agriculture and Agriculture sectors.



Upon effectivity of this Order, the minimum daily wage rates of covered workers and employees in the private sector in Region X shall be as follows:

CLASSIFICATION	NON-AGRICULTURE			AGRICULTURE		
	MWR under WO RX-19	Increase in Basic Wage	MINIMUM WAGE RATE upon effectivity	MWR under WO RX-19	Increase in Basic Wage	MINIMUM WAGE RATE upon effectivity
Wage Category I (Cities of Cagayan de Oro and Iligan, and the Municipalities of Tagoloan, Villanueva, and Jasaan)	338.00	27.00	365.00	326.00	27.00	353.00
Wage Category II (Cities of Malaybalay, Valencia, Gingoog, El Salvador and Ozamiz, and the Municipalities of Opol, Maramag, Quezon, and Manolo Fortich)	331.00	27.00	358.00	319.00	27.00	346.00
Wage Category II Municipality of Lugait	323.00	35.00		311.00	35.00	
Wage Category III (Cities of Oroquieta and Tangub and the Municipalities of Laguindingan and Mambajao;	323.00	27.00	350.00	311.00	27.00	338.00
Wage Category III Municipality of Ballingasag	316.00	34.00		304.00	34.00	
Wage Category IV All other areas not covered under the above categories	316.00	27.00	343.00	304.00	27.00	331.00
All Retail and Service Establishments employing not more than ten (10) workers						

Section 3. COVERAGE. The wage increases prescribed herein shall apply to all workers and employees in the private sector receiving minimum wage in the region, regardless of their position, designation or status, and irrespective of the method by which their wages are paid, including family drivers.

This Order shall not include persons in the personal service of another, domestic workers or kasambahay under Batas Kasambahay (RA 10361) and workers of Barangay Micro Business Enterprises (BMBEs) registered under Go Negosyo Act (RA 10644).

Section 4. BASIS OF THE MINIMUM WAGE. The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work per day.

Section 5. APPLICATION TO CONTRACTORS. In the case of contracting out of jobs or work, (e.g. construction projects, security, janitorial, and similar services), the wage rates prescribed in this Order shall be borne by the principals or clients of the contractor and the contract shall be deemed amended accordingly.

In the event, however, that the principals or clients fail to pay the prescribed wage rates, the contractor shall be jointly and severally liable with the principal or client.

Section 6. 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 not less than the prescribed minimum wage rates per eight (8) hours of work a day, or a proportion thereof for work less than eight (8) hours.

Section 7. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners of accredited learnership and apprenticeship programs shall receive not less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in this Order.

All recognized learnership and apprenticeship agreements approved by the Technical Education and Skills Development Authority (TESDA) and 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.

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All persons with disability shall receive the full minimum wage rates prescribed herein pursuant to RA 7277, otherwise known as Magna Carta for Disabled Persons.

Section 8. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS INCLUDING THOSE OFFERING TECHNICAL/VOCATIONAL EDUCATION AND TRAINING (TVET). In the case of private educational institutions, the share of covered workers and employees in the increase of tuition fees for the Academic Year 2018-2019 shall be considered as compliance with the increases prescribed herein. However, any shortfall in the wage increase set forth herein shall be covered starting Academic Year 2019-2020.

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

In any case, all private institutions including those offering technical/vocational education and training shall implement the increases prescribed herein starting Academic Year 2019-2020.

Section 9. MOBILE AND BRANCH WORKERS. The minimum wage rates of workers who by the nature of their work have to travel shall be those applicable in the domicile or head office of the employer.

The minimum wage rates of workers working in branches or agencies of establishments in or outside Region X shall be those applicable in the place where they are stationed.

Section 10. TRANSFER OF PERSONNEL. The transfer of personnel to areas outside the Region shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. The workers transferred to other Regions with higher wages shall be entitled to the minimum rates applicable therein.

Section 11. EXEMPTIONS. Upon application with and as determined by the Board in accordance with the NWPC Guidelines No. 02, Series of 2007 (Amended Rules on Exemption from Compliance with the Prescribed Wage Increases) and Resolution No. 01, series of 2014, (Resolution Amending NWPC Guidelines No. 02, Series of 2007, as amended), the following maybe exempted from the applicability of this Wage Order, to wit:

- a. Distressed establishments; and,
- b. Establishments adversely affected by natural calamities or human-induced disasters.

Section 12. EFFECT OF APPLICATION FOR EXEMPTION. An application for exemption duly filed shall have the effect of deferring any action in any complaint for non-compliance with the Order until the resolution of the application by the Board.

In case the application for exemption is not approved, covered employees/workers of the applicant-establishment shall be paid the mandated wage increase under this Order plus one percent (1%) interest per month retroactive to the effectivity of this Order.

Section 13. CREDITABLE WAGE INCREASE. All wage increases granted to workers in organized establishments within three (3) months prior to the effectivity of this Order shall be credited as compliance with this Order; provided that an agreement to this effect has been forged between the parties or a collective bargaining agreement provision allowing creditability exists. In the absence of such an agreement or provision in the CBA, any increase granted by the employer shall not be credited as compliance with the wage rates prescribed in this Order.

Where the increases given by the employer is in the form of allowances, the employer shall make the necessary adjustments (integration/addition) to comply with the wage rates prescribed herein.

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

Section 14. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increase in the wage rates under this Order results in distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code, as amended.

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Section 15. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed before the Regional Office of the Department of Labor and Employment (DOLE) or any of its Provincial or City Field Offices subject to conciliation-mediation under the Single Entry Approach (SENA) as defined under Department Order No. 107-10, Series of 2010, and shall be the subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

Section 16. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS. In order to sustain rising levels of wages and enhance competitiveness, labor and management as partners are encouraged to adopt productivity improvement schemes that will improve the quality of life of the workers and enable them to produce more such as time and motion studies, good housekeeping, quality circles, labor and management cooperation as well as implement gain-sharing programs and other performance incentives programs.

In this regard, labor and management may refer to the Advisory on the Implementation of Productivity-Based Incentive Scheme for the Bus Transport Industry issued on February 21, 2014 and Advisory on the Productivity-Based Incentive Scheme for the Service Sector issued on November 29, 2017.

Section 17. NON-DIMINUTION OF BENEFITS. Nothing in this Order shall be construed to reduce any existing wage rates, allowances and benefits in any form under existing laws, decrees, issuances, executive orders and/or under any contract or agreement between the workers and employers.

Section 18. PROHIBITION AGAINST INJUNCTION. No preliminary or permanent injunction or temporary restraining order may be issued by any court, tribunal or other entity against any proceedings before the Board, as provided for under Article 126 of the Labor Code as amended.

Section 19. FREEDOM TO BARGAIN. This Order shall not prevent workers in particular firms or enterprises from bargaining for higher wages and/or benefits with their respective employers.

Section 20. REPORTING REQUIREMENT. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2019 and every year thereafter in accordance with Section 3 of RA 6727 in relation to Art. 124 of the Labor Code, as amended and in the form prescribed by the NWPC.

Section 21. APPEAL TO THE COMMISSION. Any party aggrieved by this Order may file a verified appeal with the Commission through the Board, in three (3) printed copies, not later ten (10) days from the publication of this Order, in accordance with Rule V, Section 1 of NWPC Guidelines No. 1, Series of 2007.

Section 22. EFFECT OF APPEAL. The filing of the appeal does not operate to stay the Order unless the party appealing such Order shall file with the Commission an undertaking with a surety or sureties satisfactory to the Commission for payment of the corresponding increase to the employees affected by the Order in the event such Order is affirmed.

Section 23. PENAL PROVISION. Any person, entity or employer who refuses or fails to pay the prescribed minimum wage in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 24. REPEALING CLAUSE. All orders, issuances, rules and regulations or parts thereof inconsistent with the provision of this Order are hereby repealed, amended or modified accordingly.

Section 25. SEPARABILITY CLAUSE. If any provision or part of this Order is declared unconstitutional or in conflict with existing law, the other provisions or parts thereof shall remain valid.

Section 26. IMPLEMENTING RULES. The Board shall issue the necessary rules to implement this Order, subject to the approval of the Secretary of Labor and Employment.

Section 27. EFFECTIVITY. This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the region.

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APPROVED on October 9, 2018 at Cagayan de Oro City, Philippines.



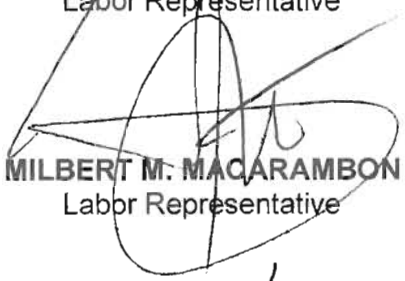
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