



Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
MIMAROPA REGION



2F Luna Building III, Gov. Infantado St., Calapan City, Oriental Mindoro

RULES IMPLEMENTING WAGE ORDER NO. RB-MIMAROPA-09

Pursuant to Section 6, Rule IV of the NWPC Guidelines No. 01, Series of 2007, otherwise known as the Amended Rules of Procedure on Minimum Wage Fixing and Section 25 of Wage Order No. RB-MIMAROPA-09, the following rules are hereby issued for the guidance and compliance by all concerned:

RULE I **GENERAL PROVISIONS**

Section 1. **TITLE.** This shall be known as the "Rules Implementing Wage Order No. RB-MIMAROPA-09"

Section 2. **DEFINITION OF TERMS.** As used in this Rules.

- a) **R.A. No. 6727** refers to Republic Act No. 6727, otherwise known as the "Wage Rationalization Act".
- b) **Order** refers to Wage Order No. RB-MIMAROPA-09.
- c) **Board** refers to the Regional Tripartite Wages and Productivity Board in MIMAROPA Region (RTWPB - MIMAROPA).
- d) **Commission** refers to the National Wages and Productivity Commission (NWPC).
- e) **Department** refers to the Department of Labor and Employment (DOLE).
- f) **MIMAROPA Region** covers the Provinces of Occidental Mindoro, Oriental Mindoro, Marinduque, Romblon and Palawan, including the City of Calapan and the Highly Urbanized City of Puerto Princesa.
- g) **Minimum Wage Rates** refers to the lowest minimum wage rates that an employer is obliged to pay his workers.
- h) **Establishment** refers to an economic unit which engages in one or predominantly one kind of economic activity at a single fixed location.
- i) **Barangay Micro Business Enterprise (BMBE)** refers to any business entity or enterprise granted a Certificate of Authority under Republic Act No. 9178, as amended by Republic Act No. 10644 "Go Negosyo Act."
- j) **Advisory** refers to the Advisory issued by the Board in accordance with Productivity Improvement and/or Productivity Incentive Programs.

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- k) **Wage Distortion** as defined under Article 124 of the Labor Code, refers to a situation where an increase in the prescribed wage rates results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation.
- l) **Calamity** refers to a condition involving mass casualty and/or major damage to property, disruption of means of livelihood, roads and normal way of life of people in the affected areas as a result of the occurrence of a natural or human-induced hazard (Section 3 of RA 10121, "Philippine Disaster Risk Reduction and Management Act of 2010").

**RULE II
NEW MINIMUM WAGE RATES**

Section 1. **NEW MINIMUM WAGE RATES.** Upon effectivity of the Order, the covered workers in the establishment employing ten (10) workers and above shall receive a basic wage increase of P20.00 daily and the workers in the establishment employing less than ten (10) workers shall receive a basic wage increase of P12.00 daily.

On February 1, 2019, the last tranche of P11.00 under Wage Order No. RB-MIMAROPA-08 shall be added to the daily minimum of those employing less than ten (10) workers; Thus, the minimum wage rate shall be P294.00 per day.

The new daily minimum wage rates of covered workers in the private sector in MIMAROPA Region shall be adjusted as follows:

Sector / Industry	Minimum Wage Under WO No. RB-MIMAROPA-08	Basic Wage Increase	New Minimum Wage Rate Upon the effectivity of the Order	4 th and last Tranche Under WO No. RB-MIMAROPA-08	New Minimum Wage Rate Effective February 1, 2019
All Sectors					
Establishment with 10 workers and above	P300.00	P20.00	P320.00	-	-
Establishment with less than 10 workers	P271.00	P12.00	P283.00	P11.00	P294.00

Section 2. **COVERAGE.** The wage increase prescribed in the Wage Order shall apply to all private sector minimum wage workers in the Region,




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regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid.

The Wage Order shall not cover household or domestic workers or kasambahay under Batas Kasambahay (Republic Act No. 10631), persons in the personal service of another and workers of duly registered Barangay Micro-Business with Certificate of Authority, pursuant to R.A. 9178, as amended by Republic Act No. 10644 "Go Negosyo Act".

Section 3. **BASIS OF THE MINIMUM WAGE.** The wage increase prescribed under the Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours of work a day.

Section 4. **APPLICATION TO WORKERS PAID BY RESULTS.** All covered workers paid by results, including those who are paid on piecework, "takay", "pakyaw", or task basis, shall receive not less than the prescribed wage increase 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.

The adjusted minimum wage rates of workers paid by result shall be computed in accordance with the following steps:

- a. $\frac{\text{Amount of increase in AMW}^*}{\text{Previous AMW}} \times 100 = \% \text{ increase}$
- b. Existing rate/piece \times % increase = increase in rate/piece
- c. Existing rate/piece + increase in rate/piece = Adjusted rate/piece

* Where AMW is the applicable minimum wage rate

The wage rates of workers who are paid by results shall continue to be established in accordance with Article 101 of the Labor Code of the Philippines, as amended and its Implementing Rules and Regulations.

Section 5. **APPLICATION TO SPECIAL GROUPS OF WORKERS.** Apprentices and learners shall receive not less than seventy-five (75%) percent of the applicable minimum wage rates prescribed in this Order.

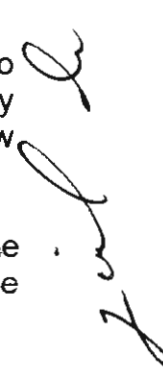
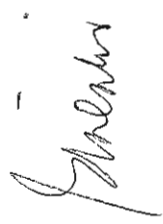
All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to R. A. 7277, otherwise known as Magna Carta for Disabled Persons.

Section 6. **APPLICATION TO CONTRACTORS/SUB-CONTRACTORS.** In the case of contracts for construction, security, janitorial and similar services, the prescribed minimum wage rates for covered workers shall



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be borne by the principal or clients thereof, and the contracts shall be deemed amended accordingly. If the principal or client fails to pay the prescribed minimum wage rates, the construction/service contractors shall be jointly and severally liable with the principal or client.

Section 7. **APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS.**

In the case of private educational institutions, the share of workers and employees covered in the increase in tuition fees for School Year 2018-2019 shall be credited as compliance with the Wage Order. In case of any shortfall, the employer shall pay the difference starting School Year 2019-2020.

Private educational institutions which have not increased their tuition fees for School Year 2018-2019 may defer compliance with the provisions of the Wage Order until the beginning of School Year 2019-2020.

In any case, all private educational institutions shall implement the new minimum wage rate prescribed in this Wage Order starting School Year 2019-2020.

Section 8. **APPLICATION TO MOBILE, BRANCH AND TRANSFERRED EMPLOYEES.**

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. For those working in branches or agencies of establishments in or outside the Region, the minimum wage rates shall be those applicable in the place where they are stationed or based.

The transfer of personnel from a high rate city/municipality to a lower rate city/municipality shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. Workers transferred from a lower rate municipality to a higher rate municipality shall be entitled to the minimum wage rates applicable therein.

Section 9. **SUGGESTED FORMULA IN DETERMINING THE EQUIVALENT MONTHLY REGIONAL MINIMUM 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 (EMMR):

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

$$\frac{\text{Applicable Daily Rate (ADR)} \times 393.8}{12 \text{ months}} = \text{EMMR}$$

Where 393.8 days/year = 297 Ordinary days
24 12 Regular holidays X 200%
67.6 52 Rest days X 130%
5.2 3 Special days X 130%
393.8 Total no. of days/year

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

$$\frac{\text{ADR X 365}}{12 \text{ months}} = \text{EMMR}$$

Where 365 days / year =	297	Ordinary working days
	52	Rest days
	12	Regular Holidays
	4	Special days
	365	Total no. of days/year

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

$$\frac{\text{ADR X 313}}{12 \text{ months}} = \text{EMMR}$$

Where 313 days / year =	297	Ordinary working days
	12	Regular holidays
	4	Special days (if considered paid; if actually worked, this is equivalent to 3.9 days)
	313	Total No. of days/year

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

$$\frac{\text{ADR X 261}}{12 \text{ months}} = \text{EMMR}$$

Where 261 days/year =	245	Ordinary working days
	12	Regular holidays
	4	
	261	Total no. of days/year

* Factor 309 may be used instead of 313, if the 4 special days are not considered paid

* Factor 257 may be used instead of 261, if the 4 special days are not considered paid

**RULE III
CREDITABLE INCREASE**

Section 1. **CREDITABLE WAGE INCREASE.** Wage increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of this Wage Order shall be credited as compliance with the prescribed increase set forth herein, if expressly provided for and agreed upon in a collective bargaining agreement.

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If such increases are less than the prescribed minimum wage increase herein, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

RULE IV EXEMPTION

Section 1. **EXEMPTION.** This Wage Order shall not allow exemption from compliance with the provisions of this Wage Order. However, in case of a calamity, the Board may accept applications for exemptions for establishments adversely affected by calamities such as natural and/or human induced disasters.

In case there is an application for exemption filed by any establishments adversely affected by calamities the criteria, procedures and documentary requirements provided under NWPC Resolution No. 01, Series of 2014 and other applicable provisions of the NWPC Guidelines No. 02, Series of 2007 shall apply.

RULE V APPEAL

Section 1. **APPEAL TO THE COMMISSION.** Any party aggrieved by the Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Wage Order.

Section 2. **EFFECT OF FILING AN APPEAL.** The filing of the appeal does not operate to stay the Wage Order unless the party appealing such Wage Order shall file with the Commission an undertaking with surety or sureties satisfactory to the Commission for payment of the corresponding increase to employees affected by the Wage Order, in the event such Order is affirmed.

RULE VI SPECIAL PROVISIONS

Section 1. **EFFECT ON EXISTING WAGE STRUCTURE.** Pursuant to Article 124 of the Labor Code of the Philippines, as amended, any dispute that should arise as a result of a significant wage distortion, the employer and the union shall negotiate to correct the distortion through the grievance procedure under their Collective Bargaining Agreement,

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and if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute was referred to voluntary arbitration.

In cases where there are no collective bargaining agreements or recognized labor unions, the employers and workers shall endeavor to correct such 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, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

The following advisory formula may be used to correct wage distortion:

Minimum Wage Under Wage Order No. RB-IVB-08 X Present Salary	Amount of increase in WO RB-MIMAROPA-09	Amount of = increase due to distortion
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The formula is neither compulsory nor mandatory in nature and any other agreement the parties may adopt shall take precedence to this formula.

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

Section 2. **PRODUCTIVITY IMPROVEMENT AND / OR PRODUCTIVITY INCENTIVES PROGRAMS.** In order to sustain the rising levels of wages and enhance competitiveness, private businesses, through their workers and management are encouraged to appreciate, learn, adopt and install productivity improvement and/or productivity incentives schemes, such as those sharing schemes from the increases in sales, increases in the number of customers, increases in market share, increases in savings, reduction of wastes, reduction of losses, reduction of rejects, reduction of reworks, among others. The Board may issue an advisory guideline on those schemes for reference. 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 3. **COMPLAINTS FOR NON-COMPLIANCE.** Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject to either mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement under SEnA fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

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Section 4. **NON-DIMINUTION OF BENEFITS.** Nothing in the Wage Order and in this Rules shall be construed to reduce any existing wage rates, allowances, and benefits of any form under existing laws, decrees, issuance, executive orders and/or under any contract or agreement between the workers and the employers.

Section 5. **FREEDOM TO BARGAIN.** The Wage 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 6. **REPORTING REQUIREMENTS.** Any person, company, corporation, partnership, or any entities engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31 every year thereafter in accordance with the form prescribed by the Commission.

Section 7. **PENAL PROVISION.** Any employer who refuses or fails to pay the minimum wage rate prescribed in this Wage Order shall be subject to the penalties imposed under R.A. 6727, as amended by R.A. 8188.

Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed wage adjustments in the Order shall be punished by a fine of not less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000.00) or imprisonment of not less than two (2) years, nor more than four (4) years or both such fine and imprisonment at the discretion of the court. Provided that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

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 8. **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 9. **REPEALING CLAUSE.** All orders, rules, and regulations on wages, or parts thereof inconsistent with the provisions of the Wage Order and this Rules are hereby repealed, amended or modified accordingly.

Section 10. **SEPARABILITY CLAUSE.** If any provision or part of the Wage Order and this Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Wage Order and this Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

Section 11. **EFFECTIVITY.** This Rules shall take effect on November 27, 2018.

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DONE this 5th day of November 2018, in Makati City for the City of Calapan, Oriental Mindoro, Philippines.



ROMEO R. ARICA
Board Member



JOEL C. DE VEYRA
Board Member



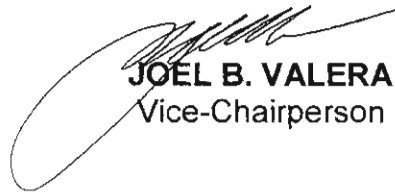
DARIUS M. GUERRERO
Board Member



TERESITA A. TOLENTINO
Board Member



SUSAN A. SUMBEDING
Vice-Chairperson

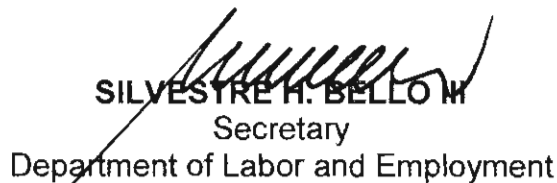


JOEL B. VALERA
Vice-Chairperson



JOEL M. GONZALES
Chairperson

APPROVED this 27th day of November 2018.



SILVESTRE H. BELLO III
Secretary

Department of Labor and Employment

Dept. of Labor & Employment
Office of the Secretary



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