

Republic of the Philippines
 Department of Labor and Employment
 National Wages and Productivity Commission
 Regional Tripartite Wages and Productivity Board
 Regional Board No. VI
 Iloilo City

WAGE ORDER NO. RB6-07

setting the new MINIMUM WAGE RATES
 in the sugar INDUSTRY

WHEREAS, the Regional Board issued Wage Order No. RB6-06 on February 17, 1997 with reservation to review the wage rates in the sugar industry as provided in Section 2 thereof;

WHEREAS, after an exhaustive deliberation of the wage issue in the sugar industry, the Regional Board finds that somehow the industry has recovered from the crisis it was into at the time Wage Order No. RB6-06 was issued.

NOW, THEREFORE, on the above premises and 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 VI, hereby issues this Wage Order.

Section 1. Upon effectivity of this Wage Order, the new minimum wage rates in the sugar industry in the Region shall be as follows:

<u>CLASSIFICATION</u>	<u>Basic</u>	<u>COLA</u>
SUGAR INDUSTRY		
Mills	P 129.65	P 10.00
Plantation with capitalization of more than P3 Million	107.50	10.00
Plantation with capitalization of P3 Million and below	82.00	18.00
Non-Plantation	70.00	15.50

Section 2. In so far as the non-sugar industry is concerned, the new minimum wage rates as prescribed under Wage Order No. RB6-06 shall be followed as herein reproduced:

<u>CLASSIFICATION</u>	<u>Basic</u>	<u>COLA</u>
NON-SUGAR INDUSTRIES		
BUSINESS ENTERPRISES WITH CAPITALIZATION OF MORE THAN P3 MILLION		
NON-AGRICULTURE i.e., Industrial/Commercial)	126.85	* 10.00
AGRICULTURE		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with		

annual gross sales of P5 M or more	107.40	* 10.00
Plantation with annual gross sales of less than P5 M	100.90	* 10.00
Non-Plantation	79.85	* 10.00
COTTAGE/HANDICRAFT		
Employing more than 30 workers	91.20	* 10.00
Employing not more than 30 workers	89.00	* 10.00
PRIVATE HOSPITALS	116.00	* 10.00
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	121.40	* 10.00
Employing 11-15 workers	116.00	* 10.00
Employing not more than 10 workers	79.30	* 10.00
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	116.00	* 10.00
Employing not more than 10 workers	79.30	* 10.00

?? P5.00 upon effectivity plus P5.00 effective June 15, 1997

BUSINESS ENTERPRISES WITH CAPITALIZATION
OF MORE THAN P1 MILLION BUT NOT MORE THAN P3 MILLION
AND EMPLOYING MORE THAN 20 WORKERS

NON-AGRICULTURE		
(i.e., Industrial/Commercial)	102.35	24.50
AGRICULTURE		
Plantation (i.e., more than 24 hectares or employing at least 20 workers) with annual gross sales of P5M or more	86.90	20.50
Plantation with annual gross sales of less than P5 M	81.40	19.50
Non-Plantation	64.35	15.50
COTTAGE/HANDICRAFT		
Employing more than 30 workers	73.70	17.50
Employing not more than 30 workers	71.50	17.50
PRIVATE HOSPITALS	93.50	22.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	97.90	23.50
Employing 11-15 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	93.50	22.50
Employing not more than 10 workers	63.80	15.50

BUSINESS ENTERPRISES WITH CAPITALIZATION OF NOT MORE
THAN P1 MILLION AND EMPLOYING NOT MORE THAN 20 WORKERS

NON-AGRICULTURE	86.90	20.50
AGRICULTURE PLANTATION OTHER THAN SUGAR	75.90	18.50
PRIVATE HOSPITALS	82.50	19.50
RETAIL/SERVICE		
Cities with population of more than 150,000		
Employing more than 15 workers	86.90	20.50
Employing 11-15 workers	82.50	19.50
Employing not more than 10 workers	63.80	15.50
Municipalities and cities with population of not more than 150,000		
Employing more than 10 workers	82.50	19.50
Employing not more than 10 workers	63.80	15.50

The Regional Board recommends and encourages the employers and their workers to adopt a productivity improvement program to improve their production/productivity and share the gains arising therefrom.

Section 3. The COLA granted under this Wage Order shall not be considered as part of the basic wage of the workers for purposes of computing wage-related benefits such as 13th-month pay, overtime pay, premium pay, holiday pay and night differential pay.

Section 4. All qualified workers paid by results, including those who are paid by piece work, “*takay*”, “*pakyaw*” or task basis, shall likewise be entitled to the new wage rate and the prescribed Cost of Living Allowance.

Section 5. Wage increases/additional cash allowances, given on or after September 1, 1997 shall be credited as compliance with this Wage Order.

Section 6. Exempted from the provisions of this Wage Order are household or domestic helpers and persons in the personal services of another including family drivers. Exemptions of distressed establishments and new business enterprises shall be subject to applicable existing rules and regulations.

Section 7. In lieu of the COLA prescribed under this Wage Order, employers may grant wage increases which shall be considered as compliance with this Wage Order, provided the amount is not less than what is required herein.

Section 8. Where the application of the wage increase/Cost of Living Allowance prescribed herein results in distortion of the pay structure within an establishment, such distortion shall be resolved using the procedure specified under Article 124 of the Labor Code of the Philippines.

Section 9. The Regional Board shall provide the necessary rules and regulations to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

Section 10. Any employer who refuses or fails to comply with this Wage Order shall be subjected to the penalties as specified under RA. 6727 as amended by RA 8188.

Section 11. If any provision or part of this Wage Order is declared unconstitutional or illegal, the other provisions or parts thereof shall remain valid.

Section 12. In cases wherein the new minimum wage rate is lower than what an employee presently receives, he shall continue to receive the same. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances or any other benefits under existing laws, decrees, issuances or executive orders and/or under any contract or agreement between workers and employers.

Section 13. This Wage Order shall take effect fifteen (15) days after publication in a newspaper of general circulation in the Region.

Approved. Iloilo City, Philippines, November 19, 1997.

(SGD) VIRGILIO A. SINDICO
Employers' Representative

(SGD) WENNIE G. SANCHO
Workers' representative

(SGD) JAMES C. LEDESMA, SR.
Employers' Representative

(SGD) NATALIO V. SITJAR
Workers' representative

(SGD) DOMINIC P. ABAD
Vice Chairman
REGIONAL DIRECTOR, DTI

(SGD) TRUMAN T. CAINGLET
Vice Chairman
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(SGD) CARLOS L. BOTEROS
Chairman
Regional Director, DOLE

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
Regional Tripartite Wages and Productivity Board
Regional Board No. VI
Iloilo City

RULES IMPLEMENTING WAGE ORDER NO. RB6-07

Pursuant to the authority granted to the Regional Tripartite Wages and Productivity Board under Article 122 (b) Section 3 of Republic Act No. 6727, otherwise known as the Wage Rationalization Act and Section 9 of Wage Order No. RB6-07, the following rules are hereby issued for guidance and compliance by all concerned:

RULE 1

Section 1. DEFINITION OF TERMS. As used in these Rules:

- (a) Order means Wage Order No. RB6-07;
- (b) Commission means the National Wages and Productivity Commission;
- (c) Board means the Regional Tripartite Wages and Productivity Board of Region VI;
- (d) Department means the Department of Labor and Employment;
- (e) Region VI covers the provinces of Aklan, Antique, Capiz, Guimaras, Iloilo, Negros Occidental and the cities of Bacolod and Iloilo;
- (f) Agriculture includes farming in all its branches and among others, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural or horticultural commodities, aquaculture, the raising of livestock and poultry, 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 deep-sea fishing, the manufacturing or processing of sugar, coconut, abaca, tobacco, pineapple or other farm products, marine and aquaculture products;
- (g) Plantation agricultural enterprise is one engaged in agriculture with an area of more than 24 hectares in a locality or which employs at least 20 workers. Any other agricultural enterprise shall be considered as *non-plantation agricultural enterprise*;
- (h) Distressed establishment refers to an establishment which meets the criteria enumerated in Section 3A of the NWPC Guidelines No. 1, Series of 1996;
- (i) New business enterprises refer to establishments, including non-profit institutions, newly registered with the appropriate government agency such as Securities and Exchange Commission (SEC), Department of Trade and Industry (DTI), Cooperative Development Authority (CDA) and Mayor's Office within two (2) years from the effectivity of the Wage Order;
- (j) Capital refers to paid-up capital at the end of the last full accounting period in the case of corporations or the total invested capital at the beginning of the period under review in the case of partnerships and single proprietorship, the fund balance/members' contribution at the beginning of the period under review in case of non-stock non-profit organizations;
- (k) Basic wage means all the remuneration or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include Cost of Living Allowances, profit-sharing payments, premium payments, 13th-month pay or other

monetary benefits which are not considered as part of or integrated into the regular salary of the workers on the date the Order became effective;

- (l) COLA means Cost of Living Allowance;
- (m) Minimum wage rate is the lowest wage rate fixed by law that an employer can pay his workers;
- (n) 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 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 or differentiations.

Section 2. AMOUNT OF MINIMUM BASIC WAGE AND MINIMUM COST-OF-LIVING ALLOWANCE. Upon effectivity of Wage Order No. RB6-07, the minimum basic wages and minimum Cost-of-Living Allowance of all employees and workers in the sugar industry in the Region shall be as follows:

<u>CLASSIFICATION</u>	<u>NEW WAGE RATES</u> Effective 12-11-97	
	<u>Basic</u>	<u>COLA</u>
SUGAR INDUSTRY		
MILLS		
Plantation with capitalization of more than P3 M	P 129.65	P 10.00
Plantation with capitalization of P3 Million and below	107.50	10.00
Non-Plantation	82.00	18.00
	70.00	15.50

For purposes of implementing the new minimum wage rate set under the Wage Order, the cost-of-living allowance under Wage Order No. RB6-05 shall be integrated into the basic wage of the minimum wage earners in mills and plantation with capitalization of more than P3 Million.

Section 3. CREDITABLE WAGE INCREASE/ADDITIONAL ALLOWANCE. Wage increases/additional cash allowances given on or after September 1, 1997 shall be credited as compliance with this Wage Order.

RULE II BASIC WAGE AND COST OF LIVING ALLOWANCE

Section 1. COVERAGE. The new minimum wage rates shall cover all employees and workers in the sugar industry in the Region regardless of their position, designation, status, irrespective of the method by which their wages are paid, including learners and apprentices, except:

- (a) Household and domestic helpers or persons in the personal service of another, including family drivers;
- (b) Distressed establishments and new business enterprises whose employers applied for exemption from the increase of the basic wage/COLA and whose application has been approved by the Board in accordance with the existing guidelines;

Section 2. COLA FOR UNWORKED DAYS.

- (a) All covered employees and workers shall be entitled to their daily cost of living allowance during the days that they are paid their basic wage even if unworked;
- (b) The cost of living allowance (COLA) of part-time employees and workers shall not be less than the amount in proportion to the time they actually worked.

Section 3. WORKERS PAID BY RESULTS. All workers paid by result, including those who are paid by piece work, “*takay*”, “*pakyaw*” or task basis, shall receive not less than the applicable basic wage and COLA rates prescribed under the Wage Order for the normal working hours which shall not exceed eight (8) hours a day or a proportion thereof for work of less than the normal working hours.

Industries/Establishments currently paying their workers/employees specific unit rates in the different phases of its operations based on time and motion studies previously developed and approved by competent authority, shall, in the absence of a more updated study, continue the practice but shall proportionately adjust the said wage rates with respect to the basic wage and the cost of living allowance of all workers in the sugar industry in the Region as mandated under Wage Order No. RB6-05.

Section 4. BASIC WAGE AND COLA OF SPECIAL GROUPS OF WORKERS. Apprentices, handicapped workers and learners shall in no case receive less than 75% of the applicable Basic Wage and COLA rates.

Section 5. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed basic wage and COLA for covered workers and employees shall be borne by the principals or clients of the construction/service contractors and the contracts shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed allowance, the construction/service contractor shall be jointly and severally liable with the principal or client, subject to the Provisions on Exemption of the Principal per NWPC Guideline No. 01, Series of 1996, unless otherwise amended.

Section 6 SPECIAL FEATURES OF COLA. COLA granted to the workers and employees in compliance with the Wage Order cannot be considered as part of the regular wage of the workers and employees for purposes of determining wage-related benefits such as overtime pay, premium pay, holiday pay and night differential pay.

Section 7. PAYMENT OF BASIC WAGE AND COLA. The basic wage and COLA prescribed by the Wage Order shall be paid in legal tender together with the regular wage on the customary pay day.

Section 8. COMPLAINTS FOR NON-COMPLIANCE, Complaints for non-compliance of the requirements prescribed under the Wage Order shall be filed with the Regional Office of the Department of Labor and Employment, Region VI and shall be the subject of enforcement proceedings under Art. 128 and Art. 129 of the Labor Code, as amended.

RULE III EXEMPTIONS

Section 1. APPLICATION FOR EXEMPTION. Distressed employers and new business enterprises may apply with the Board for exemption from compliance with the Wage Order in accordance with existing laws and/or guidelines.

Whenever an application for exemption has been duly filed with the Regional Board, action by the Regional Office on any complaint for alleged non-compliance with the Wage Order shall be deferred pending resolution of the application for exemption by the Regional Board.

Exemption granted pursuant to the Wage Order shall in no case extend beyond one (1) year from the effectivity of the Wage Order.

In the event that an application for exemption is not granted, covered workers and employees shall receive the appropriate compensation due them, as provided for in the Wage Order plus an interest of 1% per month retroactive from the date when the Wage Order became effective.

Applications for exemption shall be filed within sixty (60) days after publication of the Rules in at least one newspaper of general circulation in the Region.

In the case of new business enterprises, the application for exemption shall be filed within sixty (60) days from date of registration.

RULE IV
GENERAL PROVISIONS

Section 1. NON-DIMINUTION OF BENEFITS. In cases wherein the new minimum wage rates is lower than what an employee or worker presently receives, he shall continue to receive at least the latter amount.

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

Section 2. PENAL PROVISIONS. In accordance with RA 6727 as amended by RA 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustment in the wage rates and COLA in accordance with this Wage Order shall be punished by a fine of not less than P25,000.00 nor more than 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 courts: *Provided*, That any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law under.

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 imposable 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 3. SEPARABILITY PROVISION. If any provision or part of this Wage Order and these Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Wage Order and these Rules or application of such provision or part thereof to other person or circumstance shall not be affected thereby.

Section 4. EFFECTIVITY. These Rules shall take effect on December 11, 1997.

Done in the City of Iloilo, Republic of the Philippines this 16th day of December 1997.

(SGD) VIRGILIO A. SINDICO
Employers' Representative

(SGD) WENNIE G. SANCHO
Workers' representative

(SGD) JAMES C. LEDESMA, SR.
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REGIONAL DIRECTOR, NEDA

(SGD) CARLOS L. BOTEROS
Chairman
Regional Director, DOLE

APPROVED. FEBRUARY 4, 1998

(SGD) CRESENCIANO B. TRAJANO
ACTING SECRETARY