

Republic of the Philippines  
DEPARTMENT OF LABOR AND EMPLOYMENT  
Regional Tripartite Wages and Productivity Board-Region XI  
Davao City

**WAGE ORDER NO. RB XI-16**

**PROVIDING FOR NEW MINIMUM WAGE RATES IN  
DAVAO REGION**

WHEREAS, pursuant to Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board-Region XI (RTWPB-XI) is mandated to conduct continuing studies of wage rates and to periodically assess the prevailing economic conditions in the determination of the minimum wage applicable in the region or industry;

WHEREAS, the Trade Union Congress of the Philippines (TUCP) filed a petition for a Seventy Five Peso (P75.00) across-the-board wage increase on March 2, 2010 while the Board was in the process of reviewing the minimum wage rates in the Region;

WHEREAS, the Regional Board conducted a series of public consultations with labor and employer sectors of the different industries in Tagum City, Digos City, Mati City and Davao City on April 14, 16, 22 and May 6, 2010, respectively, and interviewed minimum wage earners belonging to the different sector/industry wage classification on June 24 and July 13, 2010;

WHEREAS, the Regional Board *motu proprio* conducted a region-wide public hearing on July 15, 2010 in Davao City to determine the propriety of issuing a new wage order;

WHEREAS, as a result of the studies, consultations, interviews and public hearing and deliberation conducted, the Regional Board has determined the need to restore lost purchasing power of minimum wage earners in Davao Region for them to cope with the rising cost of living without impairing the productivity and viability of business and industry therein;

WHEREAS, consistent with the government's policy of achieving a higher level of productivity to preserve and generate jobs, and to augment the income of workers, there is a need to build the capacity of business enterprises to be competitive through productivity improvement and gainsharing programs;

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Board (RTWPB-XI) hereby issues this Wage Order:

SECTION 1. AMOUNT OF INCREASE. Upon the effectivity of this Wage Order, all private sector minimum wage earners in Davao Region shall receive an increase in the amount of TWENTY ONE PESOS (P21.00) per day.

SECTION 2. AMOUNT OF COST OF LIVING ALLOWANCE. Upon the effectivity of this Wage Order, all private sector minimum wage earners in Davao Region shall continue to receive the Cost of Living Allowance in the amount of FIFTEEN PESOS (P15.00) per day as provided under Section 2 of Wage Order No. RB XI-15.

SECTION 3. THE NEW DAILY MINIMUM WAGE RATES. Upon the effectivity of this Wage Order the new daily minimum wage rates in Davao Region are as follows:

SECTOR/INDUSTRY	Basic Wage	COLA	New Minimum Wage
NON-AGRICULTURE	P271.00	P15.00	P286.00
AGRICULTURE	P261.00	P15.00	P276.00
RETAIL/SERVICE - Employing more than 10 workers	P271.00	P15.00	P286.00
- Employing not more than 10 workers	P240.00	P15.00	P255.00

SECTION 4. COVERAGE. The prescribed wage rates under this Wage Order shall apply to all workers and employees in the private sector receiving the minimum wage in Davao Region, regardless of position, designation or status of employment and irrespective of the method by which their wages are paid. This Wage Order shall not cover household or domestic helpers, family drivers, persons employed in the personal service of another, and workers in registered Barangay Micro Business Enterprises.

SECTION 5. BASIS OF MINIMUM WAGE RATES. The minimum wage rates prescribed under this Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

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 the prescribed minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

SECTION 7. 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 this Wage Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Wage 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 Republic Act No. 7277, otherwise known as the Magna Carta for Disabled Persons.

SECTION 8. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers and employees in the increase in tuition fees for School Year 2010-2011 shall be considered as compliance with the increase prescribed herein. However, payment of any shortfall in the new minimum wage rates set forth herein shall be covered starting School Year 2011-2012.

Private educational institutions which have not increased their tuition fees for the School Year 2010-2011 may defer compliance with the increase prescribed herein until the beginning of School Year 2011-2012.

In any case, all private educational institutions shall implement the increase herein starting School Year 2011-2012.

SECTION 9. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects, and for security, janitorial and similar services, the prescribed minimum wage rates in this Wage Order 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 new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

SECTION 10. PRODUCTIVITY-BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, businesses are encouraged to adopt productivity improvement schemes such as time and motion studies, good housekeeping, quality circles, labor-management cooperation as well as implement gainsharing programs. 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 11. EXEMPTION. No exemption from compliance under this Wage Order shall be allowed except those provided under Section 4 above.

SECTION 12. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal in three (3) printed legible copies with the National Wages and Productivity Commission (NWPC) through the Regional Board within ten (10) calendar days from the publication thereof.

SECTION 13. EFFECT OF FILING OF APPEAL. The filing of the appeal does not operate to stay this Wage Order unless the party appealing this Wage Order shall file with the NWPC an undertaking with a surety or sureties satisfactory to the NWPC for payment of the prescribed increase to employees affected by this Wage Order in the event that the same is affirmed.

SECTION 14. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increases in the wage rates under this Wage 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 of the Philippines, as amended.

SECTION 15. 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) and shall be the subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

SECTION 16. NON-DIMINUTION OF BENEFITS. Nothing in this Wage 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 17. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage rates in accordance with this Wage Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

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 this Wage Order or any proceedings before the Regional Board.

SECTION 19. FREEDOM TO BARGAIN. This Wage Order shall not be construed to prevent workers from bargaining for higher wages 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, 2011 and every year thereafter in accordance with Section 3 of R.A. 6727 in relation to Art. 124 of the Labor Code, as amended and in the form as prescribed by the NWPC.

SECTION 21. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

SECTION 22. SEPARABILITY CLAUSE. If for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts hereof shall remain valid.


SECTION 23. IMPLEMENTING RULES . The Regional Board shall submit for approval of the Secretary of Labor and Employment upon recommendation of the NWPC, the necessary Implementing Rules and Regulations not later than ten (10) days from the publication of this Wage Order.

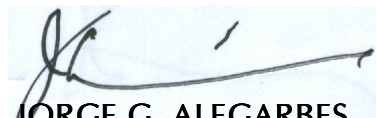
SECTION 24. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in Davao Region.

Approved, this 23rd day of July 2010, in Davao City, Philippines.

  
**JALILO O. DELA TORRE**  
DOLE-XI, Regional Director  
Board Chairman

  
**MARIZON S. LORETO**  
DTI-XI, Regional Director  
Vice-Chairman

  
**MARIA LOURDES D. LIM**  
NEDA-XI, Regional Director  
Vice-Chairman

  
**JORGE G. ALEGARBES**  
Labor Representative  
Member

  
**VIRGINIA T. CAMUS**  
Labor Representative  
Member

  
**RULFO V. ASIS**  
Management Representative  
Member

  
**BIENVENIDO D. CARIAGA**  
Management Representative  
Member