

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region XII, Cotabato City

**WAGE ORDER NO. CMR-06
PROVIDING FOR A DAILY PROVISIONAL EMERGENCY RELIEF ALLOWANCE
FOR A PERIOD OF SIX MONTHS**

WHEREAS, the members of the Regional Tripartite Wages and Productivity Board (Regional Board) No. XII decided to review the existing minimum wages in the region based on the perceived currency turmoil, the seemingly slowing down of the economy, loss in the purchasing power of the wage earners, increases in oil prices and transportation fares, and on the speculations on price increases of basic goods and services;

WHEREAS, as part of the Regional Board's review process for the year 1997, four public consultation-workshops on wages and productivity were conducted particularly in Cotabato City covering the city, in Kidapawan municipality covering Cotabato province, in Tubod municipality covering Lanao del Norte province, and in Iligan City covering the area and Marawi city on November 25, November 27, December 9, and December 10, respectively;

WHEREAS, the issues discussed during the consultation-workshops were not just confined on wage increases but were focused more on the whole wage fixing system covering wage policy, pay structure, methods of adjustments, and composition of the pay-package;

WHEREAS, major results of the consultation-workshops revealed the need of increasing the take-home pay of workers in a manner consistent with the safety net policy, fair competition and the strong advocacy of decentralizing more the wage fixing process through government's advisory guidelines or conditions for partnership or collective negotiations;

WHEREAS, policy recommendations derived from the consultation-workshops also included the issuance of advisory conditions or guidelines for partnership or collective negotiations in adjusting wages including those employers and unorganized workers whose wage rates are above the minimum with emphasis on productivity or performance-related-pay system in order to enhance enterprise's capability and workers' equity and participation, to avoid distortions, and to pave the way for a minimal government intervention and for more decentralized wage fixation;

WHEREAS, the results of the consultation-workshops also showed wider acceptance in simplifying the multiple levels of the existing wage structure not only based on the notion that minimum or floor wage is the protective wage for the lowest paid workers and for those employers complying with such wages but also on setting the grounds for a fair and productive business competition;

WHEREAS, the method or approach in constructively adjusting minimum wages or increasing the take-home pay of workers unanimously advocated was not by just restoring the loss of the purchasing power of the minimum wage but to factor-in also the restored poverty threshold as a measure of meeting the minimum standard of living, the trend of labor or industry productivity as a measure of workers' and employers' efforts to the economy, and the growths in investments and employment as one of the measures of acceptability of the wage system;

WHEREAS, widely recommended and favored to compose the wage or pay-package is the combination of a fixed component or guaranteed basic or regular wage and a variable component such as bonuses, allowances, food, transportation, clothing and educational subsidies, and other cash and non-cash benefits since these will augment some of the basic needs of workers and their families thereby enhancing workers' motivation to be more productive as well as company's flexibility to gain better competitive advantage;

WHEREAS, the Regional Board recognized the findings and positive results of the consultation-workshops but in a predicament to fix new minimum wage rates due to still unstable, abnormal, and volatile economic situations as aggravated by the continuing currency depreciation, the impending issue on oil price increases, and the speculative assaults and fluctuations of the prices of basic goods and services;

WHEREAS, due to the present economic uncertainties and in order to be more rational in coming up with a decision, the Regional Board unanimously decided to provide the minimum wage workers in the region with a daily provisional emergency relief allowance for a period of six months and after which or within its expiration to convene again to ascertain the economic conditions and come-up with a supplemental Wage Order, issuance, or any decision deemed appropriate;

NOW, THEREFORE, in view of the foregoing 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 of Region XII now issues this Wage Order:

Section 1. Declaration of Policy. It is a declared policy to provide temporary relief for the minimum wage workers in the form of a daily Provisional Emergency Relief Allowance for a period of six months due to current economic uncertainties and instability and to initially set an acceptable foundation of a fair and more productive

competition among industries through the simplification of the minimum wage or pay structure, promotion of productivity improvement programs, and recognition of a collective or partnership negotiations for flexible wage system or enterprise-based pay determination and harmonious industrial relations.

Section 2. Amount of the Provisional Emergency Relief Allowance. Effective January 9, 1998, the minimum wage workers in the private sector, according to specific province or city, and sector, enterprise or establishment's category, shall receive a daily Provisional Emergency Relief Allowance or PERA for a period of six months prescribed as follows:

Sector/Enterprise/Establishment	Cotabato City		Iligan & Marawi Cities	
	Minimum Wage	PERA	Minimum Wage	PERA
Non-Agriculture	129.00	6.00	134.00	7.00
Agriculture	112.00	5.00	116.00	6.00
Retail/Service				
Employing more than Ten	124.00	11.00	127.00	14.00
Employing not more than Ten	90.00	45.00	90.00	51.00

Sector/Enterprise/Establishment	Cotabato Province		Lanao del Norte Province	
	Minimum Wage	PERA	Minimum Wage	PERA
Non-Agriculture	125.00	5.00	130.00	7.00
Agriculture				
Sugar and Rubber Plantation	103.00	11.00	108.00	13.00
Others	110.00	4.00	115.00	6.00
Retail/Service				
Employing more than Ten	121.00	9.00	123.00	14.00
Employing not more than Ten	90.00	40.00	90.00	47.00

Under the category of agricultural enterprises, those sugar and rubber plantation workers receiving more than the minimum wage rates prescribed therein but less than the minimum wage rates prescribed for other agricultural workers shall receive the appropriate differentials of the PERA.

Those workers under the category of Retail/Service Establishments Employing Not More Than Ten Workers receiving more than ninety pesos but less than the minimum wage rates prescribed under the category of Retail/Service Establishments Employing More Than Ten Workers shall also receive the appropriate differentials of the PERA.

In line with the declared policy, it is hereby recommended for the workers and employers to collectively engage in productivity improvement programs and to share the gains or profits derived from such programs. The employers are also encouraged to augment some of the basic needs of their workers in the form of non-cash benefits through collective or partnership consultation and negotiations.

Section 3. Coverage. The PERA prescribed under this Wage Order shall apply to all covered workers in the private sector, regardless of their position, designation or status and irrespective of the method by which their wages are paid.

Only the households or domestic helpers and persons in the personal service of another including family drivers are not covered in this Wage Order.

Section 4. Basis of PERA. The PERA prescribed under this Wage Order shall be for the days actually worked and/or paid for, including vacation, sick, and maternity or paternity leaves.

The PERA provided under this Wage Order shall not be considered as part of the regular wage of the workers for purposes of computing wage-related benefits, such as 13th month pay, overtime and premium pay, night shift differential pay as well as premium contributions to the State Insurance Fund, SSS, Medicare, Pag-ibig and others.

Section 5. 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, issuance, executive orders, and/or under any contract or agreement between the workers and employers.

Section 7. Wage Distortion. Where the application of the PERA prescribed under this Wage Order results in wage distortion, the distortion shall be addressed through mutual agreements by the employer and its employees or their representative unions.

The Regional Board may, from time to time, issue an advisory distortion formula from which the parties may, at their own discretion, agree to adopt to resolve the distortion. The said advisory distortion formula, however, is neither compulsory nor mandatory in nature.

Disputes that may arise as a result of this Wage Order shall be resolved in accordance with Article 124 of the Labor Code, as amended.

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

Section 8. Application to Contractors. In the case of contracts for construction projects and for security, janitorial and similar services allowed under existing laws, decrees, issuance, department orders, and executive orders, the PERA for covered workers shall be borne by the principals or clients of the contractor/agent and the contract shall be deemed amended accordingly.

In all cases, the principal and the contractor shall be jointly and severally liable for the compliance with the PERA prescribed under this Wage Order.

Section 9. Workers Paid by Results. All workers paid by results, including those who are paid on piecework, takay, pakyaw, or task basis, shall receive not less than the PERA prescribed under this Wage Order for the normal working hours that shall not exceed eight (8) hours a day, or a proportion thereof for work of less than the normal working hours.

Section 10. Wages of Special Groups of Workers. Wages of apprentices, learners and handicapped workers shall never be less than seventy-five percent (75%) of the PERA prescribed under this Wage Order.

All recognized apprenticeship and learnership agreements entered before the effectivity of this Wage Order shall be considered as automatically modified as far as their wage clauses are concerned to reflect the PERA prescribed under this Wage Order.

Section 11. Mobile Workers. The PERA provided under this Wage Order shall apply to workers who by the nature of their work have to travel from one city or province to another if the domicile or head office of the employer is in Region XII.

Section 12. Branch Workers. The PERA of workers working in branches or agencies of establishments are those applicable in the place where they are stationed as prescribed under this Wage Order.

Section 13. Transfer of Personnel. The transfer of personnel from one province or city to another or to areas outside Region XII shall not be a valid ground for the reduction of the wage rates and PERA being enjoyed by the workers before the transfer.

Those workers transferred to Region XII and covered under this Wage Order are entitled to receive the appropriate PERA.

Section 15. Payment of PERA. Upon written petition of the majority of the workers concerned, all private establishments, companies, businesses and other entities with at least twenty-five workers and located within one kilometer radius to a commercial, savings or rural bank, shall pay the wages and other benefits of their workers through any of the banks, within the period and in the manner and form prescribed under the Labor Code, as amended.

Section 16. Duty of Bank. Whenever applicable and upon request of a concerned worker or union, the bank through which wages and other benefits are paid shall issue a certification of the record of payment of the wages and benefits of a particular worker or workers for a particular payroll period.

Section 17. Complaints for Non-Compliance. Complaints for non-compliance with the minimum wage rates and/or PERA prescribed under this Wage Order may be filed with the Regional Office of the Department of Labor and Employment having jurisdiction over the workplace and shall be 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 18. Penal Provisions. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed minimum wage rates and/or PERA made in accordance with this Wage Order shall be punished by a fine 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 (4) four years or both such fine and imprisonment at the discretion of the court: provided, that any person convicted under this Wage Order shall not be entitled to the benefits provided for under the Probation Law.

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 Wage Order.

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 19. 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 Regional Board.

Section 20. Rules Implementing this Wage Order. The Regional Board shall prepare the necessary rules to implement this Wage Order, subject to approval of the Secretary of Labor and Employment.

Section 21. Separability Clause. If, for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 22. Effectivity. This Wage Order shall take effect on January 9, 1998.

APPROVED, December 16, 1997, Cotabato City, Philippines.

(SGD) SIMPLICIO H. VILLARTA, JR.
Member
Workers' Representative

(SGD) JUAN A. QUINTOS, JR.
Member
Employers' Representative

(SGD) WALIASA D. ARSA
Member
Workers' Representative

(SGD) ALBERTO P. SOLIS
Member
Employers' Representative

(SGD) MA. LOURDES D. LIM
NEDA Director
Vice-Chairman

(SGD) IBRAHIM K. GUIAMADEL
DTI Director
Vice-Chairman

(SGD) ARTURO L. SODUSTA
DOLE Director
Chairman

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region XII, Cotabato City

RULES IMPLEMENTING WAGE ORDER NO. CMR-06

Pursuant to Section 5, Rule IV of the NWPC Guidelines No. 001-95, the Revised Rules of Procedure on Minimum Wage Fixing, and Section 18 of Wage Order No. CMR-06, the following rules are hereby issued for guidance and compliance by all concerned:

Rule I - Definition of Terms

Section 1. Definition of Terms. As used in this Rules:

- a) "Order" means Wage Order No. CMR-06;
- b) "Board" means the Regional Tripartite Wages and Productivity Board in Region XII;
- c) "Commission" means the National Wages and Productivity Commission;
- d) "Department" means the Department of Labor and Employment;
- e) "Region XII" refers to a geographical area composed of the cities of Cotabato, Iligan and Marawi, and the provinces of Cotabato and Lanao del Norte;
- f) "Secretary" refers to the Secretary of Labor and Employment;
- g) "Party" means any legitimate organization of workers or employers with substantial interest in the region, province or industry therein as determined by the Board, and who stands to be directly affected by the Board proceedings, orders, decisions or resolutions;
- h) "Wage" refers to the remuneration or earnings paid to any employee or worker, however designated, capable of being expressed in terms of money, whether fixed or ascertain on a time, task, piece or commission basis, other method of calculating the same, which is payable by an employer to an employee or worker under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered and includes the fair and reasonable value, as determined by the Secretary of Labor and Employment, of board, lodging or other facilities customarily furnished by the employer to the employee or worker. "Fair and reasonable value" shall not include any profit to the employer or to any person affiliated with the employer.
- i) "Minimum Wage" is the lowest wage rate fixed by the Board that an employer should pay his employees or workers;
- j) "Basic Wage" means all remuneration or earnings paid by an employer to an employee or a worker for services rendered on normal working days and hours but does not include cost of living allowances, profit-sharing 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;
- k) "Wage Order" refers to the Order promulgated by the Board pursuant to its wage fixing authority;
- l) "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 or worker 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;
- m) "Voluntary Arbitration" refers to the mode of settling labor-management disputes by which the parties select a competent, trained, and impartial person who shall decide on the merits of the case and whose decision is final, executory and unappealable;
- n) "Industry" refers to a trade, businesses in similar or allied activities in which individuals are gainfully employed; and,
- o) "Establishment" refers to an economic unit which engages in one or predominantly one kind of economic activity at a single fixed location;
- p) "Retail Establishment" refers to one principally engaged in the sale of goods to end users for personal or household use;

A retail establishment that regularly engages in wholesale activities loses its retail character.

- q) "Service Establishment" refers to one principally engaged in the sale of services to individuals for their own or household use and is generally recognized as such;
- r) "Agriculture" refers to farming in all its branches and among others, includes the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, 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 the manufacturing and/or processing of sugar, rubber, coconut, abaca, tobacco, pineapple, aquatic or other farm products;
- s) "Plantation Agricultural Enterprise on Sugar or Rubber" is one engaged in agriculture on sugar or rubber products. Any other agricultural enterprises whether plantation or non-plantation shall be considered as "Other Agricultural Enterprises;"
- t) "Non-Agriculture Enterprises" refer to establishments or industries regardless of employment size other than retail/service establishments, plantation agricultural enterprises on sugar or rubber, and other agricultural enterprises;

RTWPB XII Bulletin No. 01-97 provides a bulletin of the types of retail and service establishments for purposes of distinguishing service establishments from those of the non-agriculture enterprises.

- u) "Productivity" refers to the relation of output to input in physical and/or monetary terms;
- v) "Productivity Gain-sharing or Profit-Sharing Program" refers to a program formally and mutually agreed by the workers and employers involved of which establishes the system and procedures of sharing profits or gains brought about by increased profit or improved productivity in accordance with an agreed proportion or formula.

Rule II - Provisional Emergency Relief Allowance

Section 1. Amount of Provisional Emergency Relief Allowance. Effective January 9, 1998 up to July 8, 1998, the amount of the daily Provisional Emergency Relief Allowance or herein referred as PERA, for the minimum wage workers in the private sector, according to specific province or city, and sector, enterprise or establishment's category shall be as follows:

Sector/Enterprise/Establishment	Cotabato City		Iligan & Marawi Cities	
	Minimum Wage	PERA	Minimum Wage	PERA
Non-Agriculture	P129.00	P6.00	P134.00	P7.00
Agriculture	112.00	5.00	116.00	6.00
Retail/Service				
Employing More Than Ten	124.00	11.00	127.00	14.00
			123.00	18.00
Employing Not More Than Ten	90.00	45.00	90.00	51.00

Sector/Enterprise/Establishment	Cotabato Province		Lanao del Norte Province	
	Minimum Wage	PERA	Minimum Wage	PERA
Non-Agriculture	P125.00	P5.00	P 130.00	P 7.00
Agriculture				
Sugar and Rubber Plantation	103.00	11.00	108.00	13.00
Others	110.00	4.00	115.00	6.00
Retail/Service				
Employing More Than Ten	121.00	9.00	123.00	14.00
Employing Not More Than Ten	90.00	40.00	90.00	47.00

A retail establishment that regularly engages in wholesale activities loses its retail character thus considered as non-agricultural enterprise.

Retail and service establishments herein referred are those listed under the RTWPB XII Bulletin No. 01-97.

Section 2. Coverage. The PERA prescribed under the Order shall apply to all covered minimum wage (earners) workers in the private sector, regardless of their position, designation or status and irrespective of the method by which their wages are paid.

Only the households or domestic helpers and persons in the personal service of another including family drivers are not covered in the Order.

Section 3. Appropriate Differentials of PERA. Pursuant to Section 1 of the Order, the appropriate differentials of daily PERA of affected workers in the sugar and rubber plantations and those under the retail/service establishments employing not more than ten workers shall be as follows:

Province/City Sector/Enterprise/Establishment	Current/Present Wage Rates	Appropriate Differentials of PERA
Cotabato City Retail/Service Employing More Than Ten	124.00	11.00
	123.00	12.00
	122.00	13.00
	121.00	14.00
	120.00	15.00
	119.00	16.00
	118.00	17.00
	117.00	18.00
	116.00	19.00
	115.00	20.00
	114.00	21.00
	113.00	22.00
	112.00	23.00
	111.00	24.00
	110.00	25.00
	109.00	26.00
	108.00	27.00
	107.00	28.00
	106.00	29.00
	105.00	30.00
	104.00	31.00
	103.00	32.00
	102.00	33.00
101.00	34.00	
100.00	35.00	
99.00	36.00	
98.00	37.00	
97.00	38.00	
96.00	39.00	
95.00	40.00	
94.00	41.00	
93.00	42.00	
92.00	43.00	
91.00	44.00	
90.00	45.00	
Iligan and Marawi Cities Retail/Service Employing More Than Ten	127.00	14.00
	126.00	15.00
	125.00	16.00
	124.00	17.00
	123.00	18.00
	122.00	19.00
	121.00	20.00
	120.00	21.00
	119.00	22.00
	118.00	23.00
	117.00	24.00
	116.00	25.00
	115.00	26.00
114.00	27.00	
113.00	28.00	
112.00	29.00	
111.00	30.00	
Iligan and Marawi Cities Retail/Service Employing Not More Than Ten	127.00	14.00
	126.00	15.00
	125.00	16.00
	124.00	17.00
	123.00	18.00
	122.00	19.00
	121.00	20.00
	120.00	21.00
	119.00	22.00
	118.00	23.00
	117.00	24.00
	116.00	25.00
	115.00	26.00
114.00	27.00	
113.00	28.00	
112.00	29.00	
111.00	30.00	

Province/City Sector/Enterprise/Establishment	Current/Present Wage Rates	Appropriate Differentials of PERA
Iligan and Marawi Cities Retail/Service		

Employing Not More Than Ten	110.00	31.00
	109.00	32.00
	108.00	33.00
	107.00	34.00
	106.00	35.00
	105.00	36.00
	104.00	37.00
	103.00	38.00
	102.00	39.00
	101.00	40.00
	100.00	41.00
	99.00	42.00
	98.00	43.00
	97.00	44.00
	96.00	45.00
	95.00	46.00
	94.00	47.00
	93.00	48.00
	92.00	49.00
	91.00	50.00
90.00	51.00	
Cotabato Province		
Agriculture		
Sugar and Rubber Plantation	103.00	11.00
	104.00	10.00
	105.00	9.00
	106.00	8.00
	107.00	7.00
	108.00	6.00
	109.00	5.00
Others	110.00	4.00
Retail/Service		
Employing More Than Ten	121.00	9.00
Employing Not More Than Ten	120.00	10.00
	119.00	11.00
	118.00	12.00
	117.00	13.00
	116.00	14.00
	115.00	15.00
	114.00	16.00
	113.00	17.00
	112.00	18.00
	111.00	19.00
	110.00	20.00
	109.00	21.00
	108.00	22.00
	107.00	23.00
	106.00	24.00
	105.00	25.00
	104.00	26.00
	103.00	27.00

Province/City Sector/Enterprise/Establishment	Current/Present Wage Rates	Appropriate Differentials of PERA
Retail/Service	102.00	28.00
	101.00	29.00
	100.00	30.00
	99.00	31.00
	98.00	32.00
	97.00	33.00
	96.00	34.00
	95.00	35.00
	94.00	36.00

	93.00	37.00
	92.00	38.00
	91.00	39.00
	90.00	40.00
Lanao del Norte Province		
Agriculture		
Sugar and Rubber Plantation	108.00	13.00
	109.00	12.00
	110.00	11.00
	111.00	10.00
	112.00	9.00
	113.00	8.00
	114.00	7.00
Others	115.00	6.00
Retail/Service		
Employing More Than Ten	123.00	14.00
Employing Not More Than Ten	122.00	15.00
	121.00	16.00
	120.00	17.00
	119.00	18.00
	118.00	19.00
	117.00	20.00
	116.00	21.00
	115.00	22.00
	114.00	23.00

A worker or an employee who is on leave of absence but is receiving employee compensation, social security, maternity or paternity benefits, in lieu of wages, shall be entitled to the PERA prescribed under the Order in proportion to such compensation or benefits if the establishment ceased operations; provided that such worker or employee shall be paid the full daily PERA if paid full basic wage.

The PERA of part-time workers shall not be less than the amount in proportion to the time they actually worked.

The PERA provided under the Order shall not be considered as part of the regular wage of the workers for purposes of computing wage-related benefits, such as 13th month pay, overtime and premium pay, night shift differential pay as well as premium contributions to the State Insurance Fund, SSS, Medicare, Pag-Ibig and others.

Rule III - Non-Diminution of Benefits, Wage Distortion, and Application to Certain Groups of Workers

Section 1. Non-Diminution of Benefits. Nothing in the Order 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 employers.

Section 2. Wage Distortion. Where the application of the PERA prescribed under the Order results in wage distortion, the distortion shall be addressed through mutual agreements by the employer and its employees or their representative unions.

The Regional Board may, from time to time, issue an advisory distortion formula from which the parties may, at their own discretion, agree to adopt to resolve the distortion. The said advisory distortion formula, however, is neither compulsory nor mandatory in nature.

Disputes that may arise as a result of this Order shall be resolved in accordance with Article 124 of the Labor Code, as amended.

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

Section 3. Application to Contractors. In the case of contracts for construction projects and for security, janitorial and similar services allowed under existing laws, decrees, issuance, department orders, and executive orders, the PERA for covered workers shall be borne by the principals/clients and/or the contractor/agent in accordance with the pertinent clause of their contract agreement.

In all cases, the principal and the contractor shall be jointly and severally liable for the compliance with the PERA prescribed under the Order.

Section 4. Workers Paid by Results. All workers paid by results, including those who are paid on piecework, takay, pakyaw, or task basis, shall receive not less than the PERA prescribed under the Order for the normal working hours that shall not exceed eight (8) hours a day, or a proportion thereof for work of less than the normal working hours.

Section 5. Wages of Special Groups of Workers. Wages of apprentices, learners and handicapped workers shall never be less than seventy-five percent (75%) of the PERA prescribed under the Order.

All recognized apprenticeship and learnership agreements entered before the effectivity of the Order shall be considered as automatically modified as far as their wage clauses are concerned to reflect the PERA prescribed under the Order.

Section 6. Mobile Workers. The PERA provided under the Order applicable to workers who by the nature of their work have to travel from one city or province shall be those applicable in their domicile or head office if the same is located in Region XII.

Section 7. Branch Workers. The PERA of workers working in branches or agencies of establishments are those applicable in the place where they are stationed as prescribed under the Order.

Section 8. Transfer of Personnel. The transfer of personnel from one province or city to another or to areas outside Region XII shall not be a valid ground for the reduction of the wage rates and PERA being enjoyed by the workers before the transfer.

Those workers transferred to Region XII and covered under the Order are entitled to receive the appropriate PERA.

Rule IV - Mode of Payment

Section 1. PERA to be Paid in Cash. The PERA required by the Order shall be paid in cash together with the regular wage of the workers or employees on the customary pay days.

Section 2. Payment of PERA. Upon written petition of the majority of the workers concerned, all private establishments, companies, businesses and other entities with at least twenty workers and located within one kilometer radius to a commercial, savings or rural bank, shall pay the wages and other benefits of their workers through any of the banks, within the period and in the manner and form prescribed under the Labor Code, as amended.

Section 3. Duty of Bank. Whenever applicable and upon request of a concerned worker or union, the bank through which wages and other benefits are paid shall issue a certification of the record of payment of the wages and benefits of a particular worker or workers for a particular payroll period.

Rule V - Penal and Final Provisions

Section 1. Complaints for Non-Compliance. Complaints for non-compliance with the minimum wage rates and/or PERA prescribed under the Order may be filed with the Regional Office of the Department of Labor and Employment having jurisdiction over the workplace and shall be subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which maybe undertaken against those who fail to comply.

Section 2. Penal Provisions. Pursuant to Republic Act No. 6727, as amended by Republic Act No. 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed minimum wage rates and/or PERA made in accordance with the Order shall be punished by a fine 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 (4) four years or both such fine and imprisonment at the discretion of the court; provided, that any person convicted under this Wage Order shall not be entitled to the benefits provided for under the Probation Law.

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 the Order.

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 3. 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 Regional Board.

Section 4. Separability Clause. If, for any reason, any section or provision of the Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 5. Effectivity. The Rules shall take effect on January 9, 1998.

APPROVED, December 16, 1997, Cotabato City, Philippines.

(SGD) SIMPLICIO H. VILLARTA, JR.

(SGD) JUAN A. QUINTOS, JR.

Member , Workers' Representative

(SGD) WALIASA D. ARSA
Member , Workers' Representative

(SGD) MA. LOURDES D. LIM
Vice-Chairman
NEDA Director

Member, Employers' Representative

(SGD) ALBERTO P. SOLIS
Member, Employers' Representative

(SGD) IBRAHIM K. GUIAMADEL
Vice-Chairman
DTI Director

(SGD) ARTURO L. SODUSTA
Chairman, DOLE Director

APPROVED this 11th day of March 1998.

(SGD) CRESENCIANO B. TRAJANO
Secretary