

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Cordillera Administrative Region
Baguio City

WAGE ORDER NO. RB-CAR-20

***PRESCRIBING THE NEW MINIMUM WAGE RATES
OF PRIVATE SECTOR WORKERS IN THE
CORDILLERA ADMINISTRATIVE REGION***

WHEREAS, R.A. No. 6727, otherwise known as the Wage Rationalization Act, empowers the Regional Tripartite Wages and Productivity Boards to determine and fix minimum wage rates applicable in the regions and to issue the corresponding Wage Orders subject to the guidelines issued by the National Wages and Productivity Commission, particularly NWPC Guidelines No. 01 of 2007, as amended by NWPC Guidelines No. 02 of 2012;

WHEREAS, in consonance with the aforementioned guidelines for the implementation of RA 6727, the Regional Tripartite Wages and Productivity Board – Cordillera Administrative Region (hereinafter referred to as the Board) adheres to policy requirements of the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage fixing authority, consistent with the policy of the government to provide safety measures for lowly paid workers, attain a higher level of productivity in the work area, increase employment and augment the income of workers through incentives, without necessarily impairing the growth of business and interest of employers;

WHEREAS, in the absence of any petition for a wage adjustment filed, the Board in its meeting, resolved to *motu proprio* initiate a wage review of the required socio-economic data and indicators obtaining in the region as key information sources in determining if a new wage order shall be issued to adjust the minimum wage rates of private sector workers in the region;

WHEREAS, after publication and due notice to the public, the Board further resolved to conduct public hearings in the region, as follows: September 6, 2019, 8AM-12NN at Origines Hall in Bangued for the Province of Abra; September 11, 2019, 8AM-12NN at Davidson Hotel, Tabuk City for the clustered Provinces of Kalinga and Apayao; September 12, 2019, 8AM-12NN at Southville Inn, Lagawe for the clustered Provinces of Ifugao and Mountain Province; and September 17, 2019, 8AM-12NN at Orchard Hotel, Baguio City for Benguet and the City of Baguio, to determine the propriety of issuing a new wage order;

WHEREAS, during the scheduled public hearings, workshops for participants were carried out to elicit their respective positions focused on the issue of wage adjustments in the existing minimum wage levels;

WHEREAS, based on the inputs from the stakeholders derived from the consultations and public hearings, the Board has determined the need to increase the prevailing minimum wage rates without impairing the viability of existing business and industry;

WHEREAS, in adjusting the First Tier or the regional minimum wage rates through this new wage order, the Board primarily takes into account Section 3a of NWPC Guidelines No. 2 Series of 2012 which provides that the same shall be set higher than the Poverty Threshold, along with the Standards/Criteria for Minimum Wage Fixing under Rule II Section 2 of NWPC Guidelines No. 1 Series of 2007, the impact of the socio-economic indicators in the region, the prevailing wage levels in neighboring regions, the principle of wage simplification, and other wage policy directives;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, the Board, hereby issues this Wage Order.

Section 1. COVERAGE. This Wage Order shall apply to all minimum wage earners in the private sector in the Cordillera Administrative Region regardless of their position, designation or status and irrespective of the method their wages are paid.

The following are not covered:

- a) Persons employed in the personal service of another;
- b) Domestic workers by virtue of R.A. 10361, otherwise known as the Batas Kasambahay; and
- c) Workers in the registered Barangay Micro Business Enterprises with Certificate of Authority pursuant to R.A. 9178, otherwise known as “Barangay Micro Business Enterprises (BMBE) Act of 2002”.

Section 2. NEW MINIMUM WAGE RATES.

a) Upon effectivity of this wage order, the new rates shall be as follows:

DAILY MINIMUM WAGE RATES												
Sector/ Industry	*Baguio City & La Trinidad ** Tabuk City				Bangued, Bontoc, Banaue, Lagawe, Bauko, Sagada, Buguias, Itogon, Mankayan, Tuba, & Tublay				Other Areas in the Region			
	Under WO No. RB-CAR- 19	Wage Increase		New Minimum Wage	Under WO No. RB-CAR- 19	Wage Increase		New Minimum Wage	Under WO No. RB- CAR-19	Wage Increase		New Minimum Wage
		BASIC	COLA			BASIC	COLA			BASIC	COLA	
All Industries/ Sectors employing 11 or more	*320	20	10	350	315	15	10	340	300	30	10	340
	**315	25	10	350								
All Industries/ Sectors employing 10 or less	*310	30	10	350	305	25	10	340	300	30	10	340
	**305	35	10	350								

The new minimum wage rates in CAR are, thus, summarized as:

AREA	NEW DAILY MINIMUM WAGE RATES For All Sectors and Industries in Region CAR
Baguio City, La Trinidad, & Tabuk City	P340 (Basic) + P10 (COLA) = P350
Other Areas in the Region	P330 (Basic) + P10 (COLA) = P340

b) Effective May 1, 2020, the P10 COLA (all areas) shall be integrated into the BASIC rates.

Section 3. BASIS OF MINIMUM WAGE. 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 4. NON-DIMINUTION OF BENEFITS. Nothing in this Wage Order shall be construed to reduce or eliminate 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 or employer practices or policies being enjoyed by the workers prior to the issuance of this Order.

Section 5. IMPLEMENTATION OF SECOND TIER. The Second Tier or the Productivity Based Pay shall continue to be implemented following the guidelines provided by Advisory No. 01, series of 2013, Advisory 02 of 2014 and subsequent Advisories which may be issued by the Board.

Section 6. CREDITABLE PRODUCTIVITY BASED PAY. For establishments identified as priority industries and already granting Productivity Based Pay or its equivalent to their workers, this may be credited as compliance to the Second Tier. Merit increases, anniversary increases or wage increases resulting from the regularization or promotion of the employees per company policy or as provided by law are not credited as compliance to the Second Tier.

Section 7. 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 2019-2020 shall be considered as compliance with the wage rates prescribed herein. Where the share of the workers and employees is less than what is provided herein, the employer shall pay the difference starting School Year 2020-2021.

Private educational institutions that have not increased their tuition fees for the School Year 2019-2020 may defer compliance with the wage rates prescribed herein until the beginning of School Year 2020-2021.

In any case, all private educational institutions shall implement the wage rates prescribed herein starting School Year 2020-2021.

Section 8. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increase 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 principals or clients fail to pay the prescribed increase, the construction/service contractors shall be jointly and severally liable with their principals or clients.

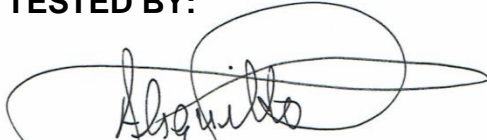
Section 9. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw", or task basis, shall be entitled to receive the prescribed wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

- Section 10. *APPRENTICES AND LEARNERS.*** Persons employed under recognized apprenticeship or learnership agreement shall be entitled to not less than Seventy Five Percent (75%) 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 minimum wage rates.
- Section 11. *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.
- In the case of workers working in branches or agencies of establishments in or outside the Region shall be those applicable in the place where they are stationed.
- Section 12. *EXEMPTION.*** Applications for exemption from compliance with this Order shall not be allowed. However, in case of a calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/human induced disasters, pursuant to Sec. 2 of NWPC Resolution 01, Series of 2014.
- Section 13. *TRANSFER OF PERSONNEL.*** The transfer of personnel from one province or region to another shall not be a valid reason for the reduction of the wage rate being enjoyed by the worker prior to the transfer.
- Section 14. *APPEAL TO THE COMMISSION.*** Any party aggrieved by this Wage Order may file a verified appeal to the Commission, through the Board, within ten (10) calendar days from the publication of this Wage Order.
- Section 15. *EFFECT OF FILING OF APPEAL.*** The filing of the appeal does not operate to stay this 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 increases for covered employees in the event this Order is affirmed.
- Section 16. *EFFECTS ON EXISTING WAGE STRUCTURE.*** Where the application of the wage rates prescribed in this Order results in distortions in the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code, as amended.
- Section 17. *COMPLAINTS FOR NON-COMPLIANCE.*** Complaints for non-compliance with this Order shall be filed with the Regional Office of the Department of Labor and Employment-Cordillera Administrative Region (DOLE-CAR) having jurisdiction over the workplace and shall be subjected to the mandatory thirty (30) day conciliation and mediation process under the Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

- Section 18. *PENAL PROVISION.*** Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in this Order, shall be subject to the penalties provided under Sec. 12 of R.A. 6727, as amended by RA 8188.
- 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 Board.
- Section 20. *FREEDOM TO BARGAIN.*** This Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.
- Section 21. *REPORTING REQUIREMENT.*** Any person, company, corporation, partnership or any entity engaged in business shall submit a verified report on their wage structure to the Board not later than January 31, 2020 and every year thereafter, in accordance with the form prescribed by the Commission.
- Section 22. *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 23. *IMPLEMENTING RULES.*** The Board shall prepare the necessary Rules and Regulations to implement this Order subject to the approval of the Secretary of Labor and Employment.
- Section 24. *SEPARABILITY CLAUSE.*** If, for any reason, a section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.
- Section 25. *EFFECTIVITY.*** This Order shall take effect fifteen (15) days after its publication in at least one (1) local newspaper of general circulation in the Region.

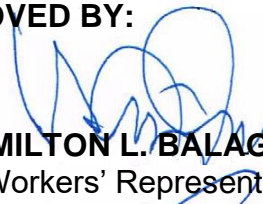
UNANIMOUSLY APPROVED this 1st day of October 2019, in Baguio City, Philippines.

ATTESTED BY:



AUGUSTO L. AQUILLO
Board Secretary VI

APPROVED BY:



MILTON L. BALAGTEY
Workers' Representative




RENERIO C. LARDIZABAL, JR.
Workers' Representative



MYRNA P. PABLO
Vice-Chairperson



ALFONSO T. LAO
Employers' Representative



JUAN JOHNNY R. DE LA CRUZ
Employers' Representative



MILAGROS A. RIMANDO
Vice-Chairperson



EXEQUIEL RONIE A. GUZMAN
Chairperson

November 18, 2019 – Date of Effectivity