

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-19

**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, Series of 2007, as amended by NWPC Guidelines No. 02 Series 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 on February 23, 2018, 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 of notice of public hearing in Baguio Midland Courier on June 10, 2018 and due notice to concerned stakeholders, the Board conducted public consultations on June 26, 2018 in Bangued, Province of Abra; June 27, 2018 in Tabuk City for the clustered Provinces of Kalinga and Apayao; July 3, 2018 in Lagawe for the clustered Provinces of Ifugao and Mountain Province; and a public hearing on July 4, 2018 in Baguio City, to determine the propriety of issuing a new wage order;

WHEREAS, during the scheduled public consultations and hearing, sectoral workshop for participants was carried out to elicit their respective positions focused on the issue of wage adjustments in the existing minimum wage levels;

WHEREAS, based on the results derived from the consultations and hearing conducted, the Board determined that there is a 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 principle of wage simplification, and other 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

Upon effectivity of this wage order, the COLA under Wage Order No. RB-CAR-18 is integrated into the increased basic wage rates, and the new rates shall be as follows:

Sector/Industry	NEW DAILY BASIC MINIMUM WAGE RATES								
	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-18	Wage Increase	New Minimum Wage	Under WO No. RB-CAR-18	Wage Increase	New Minimum Wage	Under WO No. RB-CAR-18	Wage Increase	New Minimum Wage
All Industries / Sectors employing 11 or more	₱300.00	₱20.00	₱320.00	₱290.00	₱25.00	₱315.00	₱280.00	₱20.00	₱300.00
All Industries/Sectors employing 10 or less	₱285.00	₱25.00	₱310.00	₱280.00	₱25.00	₱305.00	₱270.00	₱30.00	₱300.00

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. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS

In order to sustain rising levels of wages and enhance competitiveness, labor and management, as partners, are encouraged to adopt productivity improvement schemes that will improve the quality of life of workers and in turn enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor and management cooperation as well as implement gainsharing and other performance incentives programs.

Pursuant to the Two-Tiered Wage System, Wage Advisory No. 01, Series of 2013 and Wage Advisory No. 02, Series of 2014 have been issued to guide private establishments in the formulation, adoption, and implementation of productivity programs and performance and productivity-based incentive schemes that an enterprise may provide based on agreement between workers and management.

Section 6. CREDITABLE PRODUCTIVITY BASED PAY

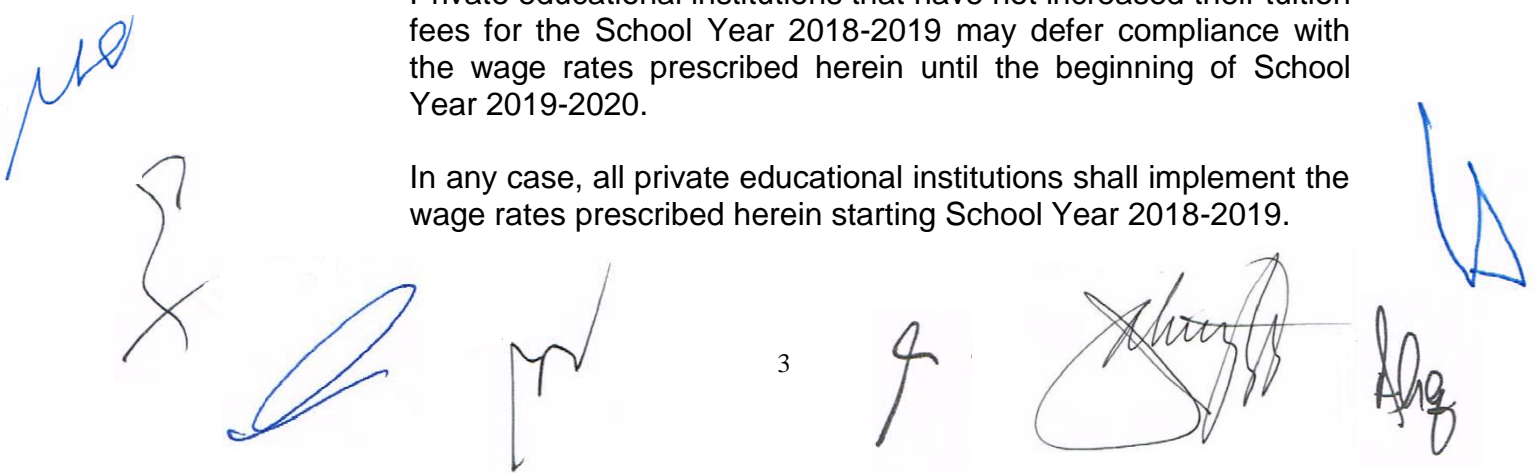
For establishments identified as priority industries and already granting Productivity Based Pay or its equivalent to their workers, this may be credited as compliance to the Second Tier. Merit increases, anniversary increases or wage increases resulting from the regularization or promotion of the employees 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 2018-2019 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 2019-2020.

Private educational institutions that have not increased their tuition fees for the School Year 2018-2019 may defer compliance with the wage rates prescribed herein until the beginning of School Year 2019-2020.

In any case, all private educational institutions shall implement the wage rates prescribed herein starting School Year 2018-2019.



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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 or human-induced disasters, pursuant to NWPC Guidelines No. 02, Series of 2007 as amended by 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 maybe 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, 2019 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

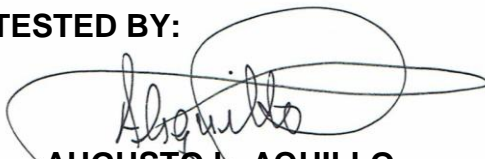
If, for any reason, a section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

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 on July 20, 2018, in Baguio City, Philippines.


ATTESTED BY:



AUGUSTO L. AQUILLO
Board Secretary VI


APPROVED BY:

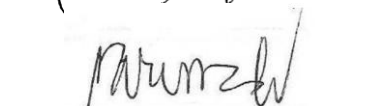

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