

Administrative Order No. 05  
Series of 2018

**SUPPLEMENTAL GUIDELINES TO ADMINISTRATIVE ORDER NO. 15 SERIES OF 2008 ON THE IMPLEMENTATION OF THE CASH-FOR-WORK PROJECT FOR THE AFFECTED INDIVIDUALS/FAMILIES DUE TO THE PHREATOMAGMATIC ERUPTION OF MAYON VOLCANO IN BICOL REGION**

**I. RATIONALE**

The alarming increase on the number of affected families due to the continuing phreatomagmatic eruption of Mayon Volcano, demands the Government to lay down immediate interventions to safeguard the welfare, safety and protection of the victims of disaster. The National Agencies headed by NDRRMC and DSWD came up with the projection of displacement that could range from 20,000 to 50,000 affected families until the 2<sup>nd</sup> quarter of this year. As of January 30, 2018, there were about 23, 434 families or 81,973 persons affected by the eruption.

Last January 13, Mount Mayon has been spewing ash, rocks and mud which left the affected families with no choice but to evacuate and live in the evacuation centers. Per report of DSWD Field Office-V, there were 19, 214 families or 78,872 individuals living in the 76 active evacuation centers within Albay; while 2,901 families or 11,993 persons are home-based or those staying with their relatives as of January 30, 2018.

The lack of economic activities and employment opportunities in the evacuation centers and communities (for home-based evacuees) aggravates their condition and increase their vulnerability to commit crime or enter into indecent jobs.

As DSWD moves towards excellence in providing basic social services to the poor, vulnerable and marginalized sectors, requires the need to modify existing guidelines to achieve its goals.

On this, it is deemed necessary for the Department, as the primary government agency mandated to promote the advancement, protection and care for these sectors, to develop a policy on Cash-For-Work Project to provide temporary employment that could augment to their day to day needs.

**II. AMENDMENT TO AO NO. 2 S 2008**

Section II under the Rate of Assistance of AO No. 2 series of 2008 is hereby modified as follows:

The rate of assistance for the Cash for Work (CFW) will be increased from 75% to 100% of the prevailing regional minimum wage rate which is P290/day for Bicol Region. The

new rate of assistance is in accordance to DOLE's prevailing regional wage rate per Wage Order No. RBV-18 which was approved on June 7, 2017. *Please see attached Wage Order No. RBV-18 and Summary of Latest Wage Orders and Implementing Rules Issued by the Regional Boards.*

The increase on the rate of assistance is in support to the aggravating condition of the evacuees at the evacuation centers and community.

Further, the 100% rate of assistance will give the evacuees with the option to purchase other goods and basic necessities for their day to day need.

### III. PROJECT COMPONENT AND SCHEME

Memorandum of Agreement between DSWD and LGU

- The Local Government Unit (LGU) shall enter into a partnership with DSWD Field Office through a Memorandum of Agreement (MOA) duly signed by both parties (LGU and DSWD Field Office V). *Please see attached Annex A for the MOA Template*

LGU's Submission of Project Proposal to DSWD

- Once entered into a MOA, the LGU shall submit project proposals to DSWD Field Office V for validation and as basis for downloading of funds. *Please see attached Annex B for the Project Proposal Template*

Downloading of Funds to LGU

- Once project proposal is approved, DSWD FO V shall immediately transfer the corresponding funds, in one-time downloading, to the requesting LGU.

Liquidation Report of LGU

- Upon full utilization of the downloaded funds, the LGU shall submit the complete liquidation report sixty days after.

Provision of Technical Assistance and Resource to LGU

- To avoid delays in the implementation, DSWD FO V shall assist and closely coordinate with the LGU to provide support and technical assistance.

This circular takes effect immediately. Issued this 30<sup>th</sup> day of January 2018.



**EMMANUEL A. LEYCO**  
Officer-in-Charge

Certified True Copy:



**MYRNA H. REYES**

Records & Archives M<sub>2</sub>. Section

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is entered into this \_\_\_\_\_ day  
of \_\_\_\_\_ at \_\_\_\_\_ by and between:

**DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT (DSWD  
Field Office V)**, a government agency with office located at Buragwis,  
Legazpi City herein represented in this act by its Regional Director  
ARNEL B. GARCIA CESO II, hereinafter shall be referred to as the "**FIRST  
PARTY**".

and

The Municipal/City Government of \_\_\_\_\_ with  
principal office address at \_\_\_\_\_ represented in this  
act by its Municipal/City Mayor \_\_\_\_\_, hereinafter referred  
to as the "**SECOND PARTY**".

WHEREAS, the DSWD, a government agency mandated to  
provide a comprehensive program for social welfare services designed  
to uplift the living conditions of the disadvantaged, marginalized, poor  
and disaster-affected people;

WHEREAS, the DSWD is implementing the Cash-for-Work (CFW)  
which form part of its disaster risk reduction and management (DRRM)  
programs, projects and activities for the economically and disaster-  
vulnerable families and communities. CFW is a developmental  
approach designed to provide short-term intervention thru temporary  
employment by engaging families and communities in undertaking  
community works in exchange of cash assistance;

WHEREAS, the DSWD thru its Field Office (FO V) is implementing  
CFW for the displaced families of the Mayon Eruption as part of our  
continuing delivery of essential services and interventions;

WHEREAS, the Local Government Unit (LGU) is an essential  
partner in the CFW implementation;

WHEREAS, each beneficiary is entitled to receive Php290.00 per  
day/person for 10 days of work per Supplemental Guidelines on Cash  
for Work dated \_\_\_\_\_.

WHEREAS, the parties to this Memorandum of Agreement have  
agreed to transfer the fund to the concerned LGU



Now, THEREFORE, for and in consideration of the foregoing premises the PARTIES do hereby mutually agree to promote program implementation and collaboration and to bind themselves in this Memorandum of Agreement as follows:

## ARTICLES OF AGREEMENT

### I. COMMITMENTS AND OBLIGATIONS OF PARTIES

#### A. The **DSWD Field Office V (First Party)** shall:

1. Transfer the fund amounting to \_\_\_\_\_ for the implementation of Cash for Work Activities/Projects in the area;
2. Provide necessary Technical Assistance to the Second Party
3. Monitor the status of the program as well as the utilization of the fund by the **SECOND PARTY** following the approved project/activity proposal;
4. Demand liquidation report from the Second Party sixty (60) days after the full utilization of fund;
5. Require the submission of completion report of the project with photo documentation from the Second Party.
6. Ensure that a Municipal Team shall be organized composed of the Municipal Social Welfare and Development Officer and other concerned agencies;
7. Conduct regular monitoring in all phases of project implementation and ensure that completion of the projects is based on the approved project proposal, and;
8. Provide weekly updates to DSWD Central Office through the Disaster Response Assistance and Management Bureau (DReAMB). Copy furnished the Office of the Secretary

#### B. The **LGU (Second Party)**

1. Utilize the fund release from the First Party amounting to \_\_\_\_\_ for the implementation of Cash for Work Activities/Projects for

\_\_\_\_\_ beneficiaries at Php290.00/day for 10 working days;

2. Take full responsibility in the proper disposition/disbursement of funds for the implementation of its programs, in accordance with COA rules and regulations;
3. Keep and maintain Financial and Accounting records for the said fund in accordance with the generally accepted accounting principles;
4. Submit report of the completion of the project with photo documentation to the First Party in accordance with COA Circular 96-003;
5. Manage the implementation of Cash for Work Activities/Programs;
6. Facilitate assemblies to orient beneficiaries on the program and identify priority projects;
7. Provide counterpart staff particularly the Municipal Social Welfare and Development Officer and allocate funds for his/her expenses to ensure that the supervision, monitoring and evaluation of work are undertaken;
8. Conduct regular monitoring in all phases of project implementation; and
9. Help ensure that project implementation has equitable gender representation and meets the terms of environmental compliance.

## **II. DURATION OF THE PROJECT**

The project will be implemented ten days within February 2018.

## **III. AMENDMENT**

This Memorandum of Agreement may be amended, altered, modified or supplemented by written agreement of the parties.

**IV. TERMINATION**

This agreement may be terminated based on mutually agreed conditions by all parties

**V. EFFECTIVITY**

This agreement shall take effect upon signing of all parties hereof and shall remain in full force and effect unless sooner terminated as provided above or by written agreement of all parties.

IN WITNESS WHEREOF, the parties have hereunto affixed their signature on this date and place above written.

For the Department of Social Welfare  
and Development Field Office V

For the Municipality/City of  
\_\_\_\_\_

\_\_\_\_\_  
Regional Director

\_\_\_\_\_  
Municipal/City Mayor

Signed in the presence of:

\_\_\_\_\_  
SWO IV/Division Chief, DRD

\_\_\_\_\_  
MSWDO

**ACKNOWLEDGMENT**

**REPUBLIC OF THE PHILLIPINES  
PROVINCE OF ALBAY S.S.  
CITY/MUNICIPALITY OF**

**X-----X**

BEFORE ME, a Notary Public for and in the above jurisdiction, personally appeared the following;

|    | NAME | COMM.TAX CERT.NO. | DATE/PLACE ISSUED |
|----|------|-------------------|-------------------|
| 1. |      | _____             | _____             |
| 2. |      | _____             | _____             |

Known to me to be named persons who executed the foregoing Tripartite Memorandum of Agreement and acknowledged to me that the same is their own free will and voluntary act and deed and those of the offices they represent.

This instrument consists of five (5) pages including this page wherein this acknowledgement is written, and is signed by the parties and their instrumental witnesses on each and every page hereof.

IN WITNESS WHEREOF, I have hereunto set my hand, the day, year and place above written.

Doc. No.: \_\_\_\_\_  
Page No.: \_\_\_\_\_  
Book No.: \_\_\_\_\_  
Series of 2018





Republic of the Philippines  
Department of Labor and Employment  
National Wages Productivity Commission  
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD V  
Bicol Region

ANST Building, Washington Drive, Legazpi City  
Telephone/Fax No. (052) 481-56-76  
E-mail Address : rtwpb5@gmail.com

## WAGE ORDER NO. RBV-18

### PROVIDING FOR NEW WAGE STRUCTURE AND PRESCRIBING NEW MINIMUM WAGE RATES TO PRIVATE SECTOR WORKERS IN BICOL REGION

**WHEREAS**, under Republic Act (RA) 6727 otherwise known as *The Wage Rationalization Act*, the Regional Tripartite Wages and Productivity Boards are mandated to set the applicable minimum wage of workers in the private establishments in the regions following a standard minimum wage fixing process and set of criteria.

**WHEREAS**, pursuant to its mandate under the law to periodically assess the prevailing socio-economic conditions in the Region and to review *motu proprio* the existing minimum wage therein, the Regional Tripartite Wages and Productivity Board V (Board) after publication and due notice to all concerned sectors conducted public wage consultations/hearings in Camarines Norte on April 4, 2017, Camarines Sur on April 5, 2017, Albay on April 6, 2017, Catanduanes on April 7, 2017, Masbate on April 19, 2017 and Sorsogon on April 21, 2017;

**WHEREAS**, consistent with the government policy of achieving higher levels of productivity to promote economic growth 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;

**WHEREAS**, there is a need to continuously promote the implementation of the Two-Tiered Wage System in the Region for the effective protection of the minimum wage earners by setting the floor wage and for the equitable distribution of the benefits from productivity growth by establishing performance-based incentives schemes applicable to both labor and management;

**WHEREAS**, after a thorough evaluation of the existing socio-economic conditions of the Region and based on the public hearings, consultations, studies and deliberations conducted, the Board has determined the need to provide workers with immediate relief to cope with the rising cost of living without impairing the viability of business;

**WHEREAS**, the Board has collectively agreed to simplify the wage structure and adopted employment size in determining the classification of the establishments for improved and easier implementation of the Wage Order;

**WHEREAS**, based on Philippine Statistics Authority (PSA) Data on 2015 List of Establishments, of the 34,186 establishments in Region V, most of them are micro establishments (*employing 1 to 9 workers*) which accounts for 92.4% thereof. Small establishments (*employing 10 to 99 workers*) are merely 7%, while medium (*employing 100 to 199 workers*) and large establishments (*employing 200 and above workers*) account for 0.3% only. In terms of employment in private establishments in Bicol, 80% of the workers belong to the service sector, while the 19% of the workers are in the industry sector and only 1% of the workers are in agriculture sector.

**NOW, THEREFORE**, by virtue of the power and authority vested under Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board V hereby issues this Wage Order.

**Section 1.** Upon effectivity of this Wage Order:



| <i>Employment Size, All Sectors</i>              |
|--|
| A) Establishments employing 10 workers and above |
| B) Establishments employing 1 to 9 workers       |

- 1.2. Increase.** There shall be an increase in the basic wage, as follows:
- a. P25.00 per day for establishments employing 11 workers and above;
  - b. P42.00 per day for establishments employing 10 workers;
  - c. P32.00 per day for establishments employing 1 to 9 workers.

**Section 2. NEW MINIMUM WAGE RATES.** The new daily minimum wage rates of workers and employees in the private sector in the Region shall be as follows:

| <i>Establishment Classification</i>                     | <i>New Minimum Wage Rates</i> |
|---|-------------------------------|
| A) Establishments employing <u>10 workers and above</u> | P290.00                       |
| B) Establishments employing <u>1 to 9 workers</u>       | P280.00                       |

**Section 3. COVERAGE.** The wage rate per day prescribed in this Order shall apply to all minimum wage earners in the private sector in the Region regardless of their position, designation or status of employment and irrespective of the method by which they are paid.

This Wage Order shall not cover kasambahay/domestic workers, persons in the personal service of another, including family drivers, and workers of duly registered Barangay Micro-Business Enterprises (BMBEs) with Certificates of Authority pursuant to RA 9178, as amended.

**Section 4. BASIS OF MINIMUM WAGE RATES.** The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

**Section 5. 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 prescribed minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

**Section 6. WAGES OF SPECIAL GROUPS OF WORKERS.** Apprentices and learners shall receive not less than seventy-five (75%) of the applicable minimum wage rate prescribed herein.

All 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 prescribed wage rates.

All qualified handicapped workers shall receive the full amount of the minimum wage rate in this Order pursuant to R.A. 7277, also known as *The Magna Carta for Disabled Persons*.

**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 2017-2018 shall be considered as compliance with the increase set forth herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting school year

Private educational institutions, which have not increased their tuition fees for the School Year 2017-2018, may defer compliance with the provisions of this Order until the beginning of School Year 2018-2019.

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

**Section 8. APPLICATION TO CONTRACTORS.** In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates of the workers 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 minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

**Section 9. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE SCHEMES.** In order to sustain the rising levels of wages and enhance competitiveness, businesses or labor and management as partners are strongly 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-management cooperation as well as implement gainsharing programs and other performance incentive programs.

**Section 10. EXEMPTION.** No exemption from compliance under this Wage order shall be allowed except for those automatically exempted as provided by law.

However, in case of calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/or human-induced disasters, subject to NWPC Guidelines No. 02, series of 2007 as amended by NWPC Resolution No. 01, series of 2014.

**Section 11. APPEAL TO THE COMMISSION.** Any party aggrieved by this Wage Order may file a verified appeal with the Commission, through the Board, in three (3) printed copies, not later than ten (10) calendar days from the publication of this Order.

**Section 14. 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 (DOLE) having jurisdiction over the workplace and shall be subject to mandatory thirty (30) days conciliation and mediation process under 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 15. NON-DIMINUTION OF BENEFITS.** Nothing in this 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 or employer practices or policies.

**Section 16. PENAL PROVISION.** Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase/allowance/rates in accordance with this Order shall be subject to the penal provisions under R.A. 6727, *as amended by RA 8188*.

**Section 17. 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 18. FREEDOM TO BARGAIN.** This Order shall not be construed to prevent workers in



**Section 19. 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, 2018 and every year thereafter in accordance with section 3 of RA 6727 in relation to Article 124 of the Labor Code of the Philippines, as amended, and in the form prescribed by the Commission.

**Section 20. 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 21. SEPARABILITY CLAUSE.** If, for any reason, any section or provision of this Order is declared unconstitutional, or in conflict with existing law,, the other provisions or parts thereof shall remain valid.

**Section 22. IMPLEMENTING RULES.** The Board shall submit to the Commission the necessary Rules and Regulations to implement this Wage Order subject to the approval of the Secretary of Labor and Employment, not later than ten (10) days from publication of this Wage Order.

**Section 23. ADVISORY ON PRODUCTIVITY-BASED PAY.** Based on the Two-Tiered Wage System, the Board shall issue the corresponding advisories on productivity-based pay which shall serve as guidelines for private sector on the range of productivity bonuses and incentives that an enterprise may provide based on agreement between the workers and the management.

The DOLE Regional Office shall monitor the implementation of the agreed productivity-based pay.

**Section 24. EFFECTIVITY.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the Region.

**APPROVED:** 25 April 2017, Legazpi City, Philippines.

**MARCELO S. TAN**  
*Employer's Representative*

  
**RONALDO C. AFABLE**  
*Worker's Representative*

  
**EDGARDO T. NAVARROZA**  
*Employer's Representative*

(vacant)  
*Worker's Representative*

  
**ENGR. JOCELYN LB. BLANCO, CESO II**  
Regional Director, DTI  
*Vice-Chairperson*

  
**AGNES M. ESPINAS, CESE**  
Regional Director, NEDA  
*Vice-Chairperson*

  
**ATTY. MA. KARINA P. TRAYVILLA**  
Regional Director, DOLE  
*Chairperson*





establishment as to effectively obliterate the distinctions embodied in such wage structure based on skills, length of service, or other logical bases of differentiation;

- k. **Two-Tiered Wage System** – refers to a pay system consisting of minimum wage (Tier One) and incentive pay based on productivity improvement and gainsharing (Tier Two);
- l. **Advisory** – refers to the Wage Advisory issued by the Board in accordance with the Two-Tiered System;
- m. **Establishments Adversely Affected by Natural Calamities and Human-Induced Disasters** refers to establishments in an area declared by a competent authority to be under a state of calamity. The natural calamities, such as earthquakes, lahar flow, typhoons, volcanic eruptions, fire floods and similar occurrences must have occurred within six (6) months prior to the effectivity of the Order;
- n. **State of Calamity** – refers to a condition involving mass casualty and/or major damage to property, disruption of means of livelihood, roads and normal way of life of people in the affected areas as a result of the occurrence of natural or human-induced hazard;
- o. **Hazard** – a dangerous phenomenon, substance, human activity or condition that may cause loss of life, injury and other health impacts, property damage, loss of livelihood or services, social and economic disruption, or environmental damage: any potential threat to public safety or public health; any phenomenon which has the potential to cause disruption or damage to people, their property, their services or their environment, i.e. their communities. The four classes of hazards are natural, technological, biological and societal hazards;
- p. **Disaster** – a serious disruption of the functioning of a community or a society involving widespread human, material, economic or environmental losses and impacts, which exceed the ability of the affected community or society to cope using its own resources; an actual threat to public health and safety where the local government and the emergency services are unable to meet the immediate needs of the community; an event in which the local emergency management measures are insufficient to cope with a hazard, whether due to lack of time, capacity or resources, resulting in unacceptable levels of damage or number of casualties.

## Rule II - The New Minimum Wage Rates

**Section 1.** Upon effectivity of this Wage Order:

**1.1 Simplification of Sectoral/Industry Classifications.** The industry/sector classifications shall be reclassified as follows:

| <i>Employment Size, All Sectors</i>                     |
|---|
| <b>A) Establishments employing 10 workers and above</b> |
| <b>B) Establishments employing 1 to 9 workers</b>       |

**1.2. Increase.** There shall be an increase in the basic wage, as follows:

- a. P25.00 per day for establishments employing 11 workers and above;
- b. P42.00 per day for establishments employing 10 workers;
- c. P32.00 per day for establishments employing 1 to 9 workers.



**Section 2. New Minimum Wage Rates.** The new daily minimum wage rates of workers and employees in the private sector shall be as follows:

| <i>Establishments</i>                                   | <i>New Minimum Wage Rates</i> |
|---|-------------------------------|
| A) Establishments employing <u>10 workers and above</u> | P290.00                       |
| B) Establishments employing <u>1 to 9 workers</u>       | P280.00                       |

**Section 3. Coverage.** The wage rate per day prescribed in this Order shall apply to all minimum wage earners in the private sector in the Region regardless of their position, designation or status of employment and irrespective of the method by which they are paid.

This Wage Order shall not cover Kasambahay/domestic workers, persons in the personal service of another, including family drivers, and workers of duly registered Barangay Micro-Business Enterprises (BMBEs) with Certificates of Authority pursuant to RA 9178, as amended.

**Section 4. Basis of Minimum Wage Rates.** The new minimum wage rates prescribed under the Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

**Section 5. 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 prescribed minimum wage rates per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

The adjusted minimum wage rates for workers paid by result shall be computed in accordance with the following steps:

- a.  $\frac{\text{Amount in Increase in AMW}^*}{\text{Previous AMW}} \times 100 = \% \text{ Increase}$
- b. Existing rate/piece  $\times$  ( $\% \text{ increase}$ ) = Increase in rate/piece
- c. Existing rate/piece + Increase in rate/piece = Adjusted rate/piece

\*Where AMW is the Applicable Minimum Wage rate.

**Section 6. Wages of Special Groups of Workers.** Apprentices and learners shall receive not less than seventy-five (75%) of the applicable minimum wage rate prescribed herein.

All 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 prescribed wage rates.

All qualified handicapped workers shall receive the full amount of the minimum wage rate in this Order pursuant to R.A. 7277, also known as *The Magna Carta for Disabled Persons*.

**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 2017-2018 shall be considered as compliance with the increase set forth herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting school year 2018-2019.

*[Handwritten signatures and initials on the left margin]*



Private educational institutions, which have not increased their tuition fees for the School Year 2017-2018, may defer compliance with the provisions of this Order until the beginning of School Year 2018-2019.

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

**Section 8. Application to Contractors.** In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed minimum wage rates of the workers 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 minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

**Section 9. Suggested Formula in Determining the Equivalent Monthly Regional Minimum Wage Rates.** Without prejudice to existing company practices, agreements or policies, the following formula may be used as guides in determining the equivalent monthly minimum wage rates:

- A. For those who are required to work everyday including Sundays or rest days, special days and regular holidays:

$$\text{Equivalent Monthly Rate (EMR)} = \frac{\text{Applicable Daily Wage Rate (ADR)} \times 393.50 \text{ days}}{12}$$

Where 393.50 days:

|               |      |                                   |
|---------------|------|-----------------------------------|
| 298           | Days | - Ordinary working days           |
| 24            | Days | - 12 regular holidays x 200%      |
| 67.60         | Days | - 52 rest days x 130%             |
| 3.90          | Days | - 3 special days x 130%           |
| <u>393.50</u> | Days | - Total equivalent number of days |

- B. For those who do not work but are considered paid on rest days, special days and regular holiday:

$$\text{EMR} = \frac{\text{ADR} \times 365 \text{ days}}{12}$$

Where 365 days:

|            |      |                                   |
|------------|------|-----------------------------------|
| 298        | Days | - Ordinary working days           |
| 52         | Days | - Rest days/Sundays               |
| 12         | Days | - Regular Holidays                |
| 3          | Days | - Special days                    |
| <u>365</u> | Days | - Total equivalent number of days |

- C. For those who do not work and are not considered paid on Sundays or rest days:

$$\text{EMR} = \frac{\text{ADR} \times 310 \text{ days}}{12}$$

Where 313 days:

|            |      |                                     |
|------------|------|-------------------------------------|
| 298        | Days | - Ordinary working days             |
| 12         | Days | - Regular Holidays                  |
| 3          | Days | - 3 Special days (if worked) x 130% |
| <u>313</u> | Days | - Total equivalent number of days   |

- D. For those who do not work and are not considered paid on Saturdays and Sundays or rest

*[Handwritten signatures and initials on the left margin]*

*[Handwritten signature: Juan M. Lyma]*

*[Handwritten signature]*

$$\text{EMR} = \frac{\text{ADR} \times 261 \text{ days}}{12}$$

Where 261 days:

|     |      |   |                                   |
|-----|------|---|-----------------------------------|
| 246 | Days | - | Ordinary working days             |
| 12  | Days | - | Regular Holidays                  |
| 3   | Days | - | 3 Special days (if worked) x 130% |
| 261 | days | - | Total equivalent number of days   |

**Section 10. Mobile and Branch Workers.** The prescribed 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.

The minimum wage rates of workers working in branches or agencies of establishments within the Region shall be those applicable in the place where they are stationed.

**Section 11. Transfer of Personnel.** The transfer of personnel to areas outside the Region shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. The workers transferred to other regions with higher wage rates shall be entitled to the minimum wage rates applicable therein.

**Section 12. Productivity and other Performance Incentive Schemes.** In order to sustain the rising levels of wages and enhance competitiveness, businesses or labor and management as partners are strongly 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-management cooperation as well as implement gainsharing programs and other performance incentive programs.

**Section 13. Creditable Wage Increase.** Wage increases or allowances granted by an employer within three (3) months before the effectivity of this Order shall be credited as compliance with the prescribed increase set forth herein. Where the wage increases or allowances granted are less than that prescribed under this Order, the employer shall pay the difference.

Anniversary wage increases provided in collective bargaining agreements, merit wage increases and those resulting from the regularization or promotion of employees shall not be credited as compliance herewith.

**Section 14. Exemption.** No exemption from compliance under the Wage Order shall be allowed. However, in case of calamity, the Board may accept applications for exemption for establishments adversely affected by calamities such as natural and/or human-induced disasters, subject to NWPC Guidelines No. 02, series of 2007 as amended by NWPC Resolution No. 01, series of 2014.

**Section 15. Appeal to the Commission.** Any party aggrieved by the Wage Order may file an appeal with the Commission through the Board within ten (10) calendar days from its publication. The Commission shall decide the appeal within sixty (60) calendar days from the date of filing. The appeal shall be accompanied by a memorandum of appeal which shall state the grounds relied upon and the arguments in support of the appeal.

**Section 16. Grounds for Appeal.** An appeal may be filed on the following grounds:

1. Non-conformity with prescribed guidelines and/or procedures;
2. Questions of law;
3. Grave abuse of discretion.

**Section 17. Transmittal of Records.** Immediately upon receipt of the appeal, the Board Secretariat shall transmit to the Commission Secretariat the appeal and a copy of the subject Wage Order together with the complete records of the case and all relevant documents.



**Section 18. Effect of Appeal.** The filing of the appeal does not operate to stay the 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 to employees affected by the Order of the corresponding increase, in the event such Order is affirmed.

### Rule III - Special Provisions

**Section 1. Effect on Existing Wage Structure.** Should any dispute arise as a result of wage distortion, the employer and the union shall negotiate to correct the distortions through the grievance procedure under their collective bargaining agreement, and if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such disputes shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute is referred to voluntary arbitration.

In cases where there are no collective bargaining agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Any dispute arising there from shall be settled through the National Conciliation and Mediation Board (NCMB) and if it remains unresolved after ten (10) calendar days of conciliation, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

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

**Section 2. 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 (DOLE) having jurisdiction over the workplace and shall be subject to mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA) However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code of the Philippines, *as amended*.

**Section 3. Non-diminution of Benefits.** Nothing in the Order and this Rule 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 the employers or employer' practices or policies.

**Section 4. Penal Provision.** Pursuant to the provisions of Section 12 of RA 6727, as amended by RA 8188, any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay the prescribed increase in the Order shall be punished by a fine of 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 four (4) years or both such fine and imprisonment at the discretion of the court. Provided, that any person convicted under the Order shall not be entitled to the benefits provided for under the Probation Law.

If the violation is committed by a corporation, trust or firms, partnership, association or any 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 5. 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 6. Freedom to Bargain.** The Order shall not be construed to prevent workers in particular firms or enterprises of industries from bargaining for higher wages and flexible working arrangements with their respective employers.



**Section 7. Reporting Requirements.** 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, 2018 and every year thereafter in accordance with Section 3 of RA 6727 in relation to Article 124 of the Labor Code of the Philippines, *as amended*.

**Section 8. Repealing Clause.** All orders, issuances, rules and regulations on wage, or parts thereof inconsistent with the provisions of the Wage Order and this Rules are hereby repealed, amended or modified accordingly.


**Section 9. Separability Clause.** If any provision or part of the Order and this Rules, or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the Order and this Rules or the application of such provision or part thereof to other persons or circumstances shall not be affected thereby.

**Section 10. Advisory on Productivity-based Pay.** Based on the Two-Tiered Wage System, the Board shall issue the corresponding advisories on productivity-based pay which shall serve as guidelines for private sector on the range of productivity bonuses and incentives that an enterprise may provide based on agreement between the workers and the management.

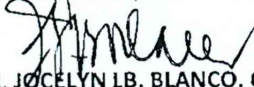
The DOLE Regional Office shall monitor the implementation of the agreed productivity-based pay.

**Section 11. Effectivity of Rules.** This Rules shall take effect upon the effectivity of the Wage Order.

Done this 25<sup>th</sup> day of April 2017 in Legazpi City, Philippines.


  
**MARCELO S. TAN**  
Employer's Representative

  
**EDGARDO T. NAVARROZA**  
Employer's Representative

  
**ENGR. JOCELYN LB. BLANCO, CESO II**  
Regional Director, DTI  
Vice-Chairperson

  
**RONALDO C. AFABLE**  
Worker's Representative

(vacant)  
Worker's Representative

  
**AGNES M. ESPINAS, CESO III**  
Regional Director, NEDA  
Vice-Chairperson

  
**ATTY. MA. KARINA P. TRAYVILLA**  
Regional Director, DOLE  
Chairperson

**APPROVED** this 7<sup>th</sup> day of JUNE, 2017 in Manila, Philippines.

  
**SILVESTRE H. BELLO III**  
Secretary  
Department of Labor and Employment