

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 RB-CAR-14
GRANTING INCREASE IN THE COST
OF LIVING ALLOWANCE
IN THE CORDILLERA ADMINISTRATIVE REGION**

WHEREAS, RA 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;

WHEREAS, the Trade Union Congress of the Philippines (TUCP), filed a petition for wage increase in the amount of seventy five pesos (Php 75.00) with the Regional Tripartite Wages and Productivity Board- Cordillera Administrative Region (hereinafter referred to as the Board);

WHEREAS, the Board after evaluating the petition and the socio-economic situation in the Region, decided to conduct wage consultations with the employers and labor sectors and a public hearing for the purpose of determining the need for minimum wage adjustments;

WHEREAS, after due notice, the Board conducted sectoral consultations with the employers' sector on September 17, 2010 and the labor sector on September 24, 2010; and a public hearing on October 1, 2010 held in Baguio City;

WHEREAS, after the consultations, public hearing and deliberations, the Board found the need to grant relief to private sector workers in Region-CAR to help them cope with the rising cost of living without impairing the productivity and viability of business and industry therein;

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

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. All private sector workers and employees receiving the minimum wage in the Cordillera Administrative Region regardless of their position, designation or status and irrespective of the method their wages are paid are covered by this Wage Order. Exempted from this coverage are household or domestic helpers; persons employed in the personal service of another including family drivers; and workers in the registered Barangay Micro Business Enterprises with Certificates of Authority

pursuant to Republic Act No. 9178, otherwise known as “Barangay Micro Business Enterprises Act of 2002”.

Section 2. Amount of increase in the Cost of Living Allowance. Upon the effectivity of this Wage Order, all covered workers in the different industrial classifications and geographical locations shall receive an increase in the daily Cost of Living Allowance in the amount as follows:

Baguio City, Municipalities of La Trinidad, Itogon, Sablan and Tuba, Benguet:

- Non-Agriculture - Twelve pesos (P12.00)
- Agriculture - Twelve pesos (P12 .00)
- Retail & Service employing ten (10) workers and below - Twelve pesos (P12.00)

Other areas in the Cordillera Administrative Region:

- Non-Agriculture - Twelve Pesos (P12.00)
- Agriculture - Twelve Pesos (P12.00)
- Retail & Service employing ten (10) workers and below -Twelve Pesos (P12.00)

The daily minimum wage rates shall be:

Industry/Sector	Daily Minimum Wage Rates					
	Baguio City, La Trinidad, Tuba, Itogon and Sablan			Other Areas in the Region		
	BASIC WAGE	COLA	Daily Minimum Wage	BASIC WAGE	COLA	Daily Minimum Wage
Non-Agriculture	P235.00	P37.00	P272.00	P229.00	P26.00	255.00
Agriculture	222.00	32.00	254.00	216.00	22.00	238.00
Retail/Service						
Employing more than 10 workers	235.00	37.00	272.00	229.00	26.00	255.00
Employing 10 workers or less	215.00	37.00	252.00	209.00	22.00	231.00

Section 3. Basis of Minimum Wage. The minimum wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight hours work a day.

Section 4. Application to Private Educational Institutions. In the case of private educational institutions the share of covered workers and employees in the tuition fees for School Year 2010-2011 shall be

considered as compliance to this Wage Order. However, payment of any shortfall in compliance with this Wage Order shall be done starting School Year 2011-2012.

Private Educational institutions which have not increased their tuition fees for the School Year 2010-2011, may defer compliance with the provisions of this Wage Order until School Year 2011-2012.

In any case, all private educational institutions shall implement this Wage Order starting School Year 2011-2012.

Section 5. *Application to Contractors.* In the case of contracts for construction projects and for security, janitorial and other similar services, the prescribed increase in the Cost of Living Allowance shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly. In the event, however, that the principals or clients fail to pay the prescribed increase in the Cost of Living Allowance, the construction/service contractors shall be jointly and severally liable with their principals or clients.

Section 6. *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 Cost of Living Allowance for the normal working hours which shall not exceed eight (8) hours per day or a proportion thereof for working less than eight (8) hours.

Section 7. *Apprentices and learners.* Persons employed under Apprenticeship or learnership agreement shall be entitled to not less than Seventy Five Percent (75%) of the new minimum wage rate under this Order.

All learnership and apprenticeship agreements entered into before the effectivity of this Order shall be automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

Section 8. *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.

The minimum wage rates 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 9. *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 10. Exemptions. Upon proper application with and as determined by the Board, the following categories of establishments maybe exempted from the applicability of this Order in accordance with NWPC Guidelines No. 02, series of 2007, "Amended Rules on exemption from compliance with the prescribed Wage Increases/Cost of Living Allowances granted by the Regional Tripartite Wages and Productivity Boards :"

1. Distressed establishment;
2. New Business Enterprises duly registered and established outside Export Processing Zone within two (2) years from effectivity of this Order classified under any of the following:
 - a. Agricultural establishments whether plantation or non-plantation; and
 - b. Establishments with total assets after financing of five million (P5, 000,000.00) pesos and below.
3. Retail/Service Establishments regularly employing not more than ten (10) workers;
4. Establishments adversely affected by natural calamities.

Section 11. Productivity-Based Wages. To attain higher levels of productivity for competitiveness, to preserve and generate gainful employment and to augment the wages of workers, business enterprises are encouraged to adopt productivity improvement and gain-sharing programs.

Section 12. Appeal to the Commission. Any party aggrieved by this Wage Order may file a verified appeal with the Commission through the Board within ten (10) calendar days from the publication of this Order.

Section 13. Effect of Filing 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 of the corresponding increase in the Cost of Living Allowance to employees affected by the Order in the event such Order is affirmed.

Section 14. 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, executive

orders and/or under any contract or agreement between the workers and employers.

Section 15. *Effects on Existing Wage Structure.* Where the grant of the increase in the Cost of Living Allowance result in the distortion of 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. The following formula may be used to correct the same.

$$\frac{\text{Previous Minimum Wage (Wage Order RB-CAR-13)}}{\text{Actual Salary}} \times \text{Prescribed COLA} = \text{Amount of wage adjustment due to distortion}$$

Section 16. *Complaints for Non-Compliance.* Complaints for non-compliance with this wage order may be filed with the Regional Office of the Department of Labor and Employment (DOLE-CAR) and shall be the 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 17. *Penal Provisions.* Any person, corporation, trust or firm, partnership, association or entity who refuses or fails to pay the prescribed increase in the Cost of Living Allowance in accordance with this Order shall be subject to the penal provisions under R.A. 6727, as amended by RA 8188.

Section 18. *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 19. *Freedom to Bargain.* This Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

Section 20. *Reporting Requirement.* Any person, company, corporation, partnership or any entity engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2011 and every year thereafter in accordance with the form prescribed by the Commission.


Section 21. *Repealing Clause.* All orders, issuances, rules and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 22. Rules Implementing this Order. The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

Section 23. 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 24. 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.


APPROVED: This 10th day of November 2010 Baguio City, Philippines.


MILTON L. BALAGTEY
Workers' Representative

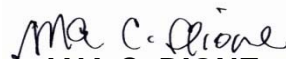

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