

Republika ng Pilipinas
(Republic of the Philippines)
MINISTRI NG EDUKASYON, KULTURA AT ISPORTS
(MINISTRY OF EDUCATION, CULTURE AND SPORTS)
Maynila

November 12, 1984

MECS O R D E R
No. 72, s. 1984

WAGE ORDER NO. 6 AND ITS IMPLEMENTING RULES

To: Deputy Ministers
Assistant Secretaries
Bureau Directors
Regional Directors
Chiefs of Services and Heads of Units/Centers
Schools Superintendents,
Presidents, State Colleges and Universities
Heads of Private Schools, Colleges and Universities
Vocational School Superintendents/Administrators

1. Herewith is a copy of Wage Order No. 6 entitled "Increasing the Statutory Minimum Wage Rates and Cost of Living Allowances in the Private Sector," and a copy of the Rules Implementing Wage Order No. 6, for your guidance.
2. Special attention is called to Section 6 of the Wage Order, and Chapter IV, Section 4 of the implementing rules, which apply to private educational institutions.

(SGD.) JAIME C. LAYA
Minister

Incl.:
As stated

Reference:
MECS Order No. 60, s. 1983

Allotment: 1-4--(D.O. 1-76)

To be indicated in the Perpetual Index
under the following subjects:

BUREAUS & OFFICES
Course of Study, COLLEGIATE
LEGISLATION
RULES and REGULATIONS
SALARY

MALACAÑANG
Manila

WAGE ORDER NO. 6
INCREASING THE STATUTORY MINIMUM
WAGE RATES AND COST OF LIVING ALLOWANCES
IN THE PRIVATE SECTOR

WHEREAS, the recent adjustment in the peso-dollar exchange rate has resulted in increases in the prices of basic commodities and other goods and services;

WHEREAS, to enable workers to cope with price increases it is necessary to adjust their wages to a level that will ensure a minimum standard of health, efficiency and well-being with due regard to ensure increased productivity and viability of business and industry;

NOW, THEREFORE, I FERDINAND E. MARCOS, President of the Philippines, by virtue of the authority granted me by Presidential Decree No. 1790, do hereby issue this Wage Order.

SECTION 1. Effective November 1, 1984, the statutory minimum daily wage rate for workers in the private sector shall be increased by P2.00.

SECTION 2. Effective November 1, 1984, the mandatory daily living allowance of workers in the private sector whose basic salary or wage is not more than P1,800.00 a month shall be increased by:

- a) P3.00 for non-agricultural workers;
- b) P2.00 for plantation workers; and
- c) P1.50 for non-plantation agricultural workers.

SECTION 3. This order shall not apply to the following:

- a) Household or domestic helpers, including family drivers and persons in the personal service of another.
- b) Workers in business enterprises regularly employing not more than ten (10) workers with respect to allowances provided herein.
- c) Distressed enterprises that are granted full or partial exemptions or deferment of compliance for a period to be determined by the National Wages Council, but not to exceed two (2) years from the effectivity of this Order.

SECTION 4. All increases in wages and/or allowances granted by employers between June 27, 1984 and the effectivity of this Order shall be credited as compliance with the minimum wage and allowance adjustments prescribed herein, provided that where the increases are less than the applicable amount provided in this order, the employer shall pay the difference. Such increases shall not include anniversary wage increases provided in collective bargaining agreements unless the agreements expressly provide otherwise.

This Section shall not apply to merit wage increases and those resulting from the regularization or promotion of employees.

SECTION 5. In lieu of the allowances proscribed under this Order, employers may grant wage increases which shall be considered as compliance with this Order, provided the amount is not less than what is required herein.

SECTION 6. With respect to private educational institutions increases in wages granted pursuant to PD 451 and/or collective bargaining agreements or voluntary employer practices may be credited as compliance with the wage and allowance adjustment prescribed herein, provided that such increases shall have been paid on or after June 17, 1984 and have not been credited for purposes of compliance with previous Wage Orders.

SECTION 7. Where the application of the minimum wage increase prescribed herein results in distortions of the Wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortions shall be resolved through the grievance procedure under their collective bargaining agreement or through conciliation or arbitration.

In cases where there is no collective agreement or recognized labor organization, the employer shall endeavor to correct such distortions in consultation with his workers. Any dispute shall be resolved through conciliation by the appropriate Regional Office of the Ministry of Labor and Employment. If the dispute remains unresolved after conciliation, the same shall be resolved through arbitration by the MLRC Arbitration Branch having jurisdiction over the workplace.

SECTION 8. Learners, apprentices and handicapped workers shall be entitled to not less than seventy-five per cent (75%) of the applicable minimum wage rates. Such workers shall be entitled, however to the full living allowances provided in this Order.

SECTION 9. In the case of contracts for construction projects and for security, janitorial and similar services, the increases in the minimum wage and allowance rates of the workers shall be borne by the principal or client of the construction/service contractor and the contracts shall be deemed amended accordingly, subject to the provisions of Section 3(c) of this Order.

SECTION 10. Complaints for non-compliance with this Order shall be filed with the Regional Office of the Ministry of Labor and Employment having jurisdiction over the place of employment and shall be the subject of enforcement proceedings in accordance with Article 128 of the Labor Code.

SECTION 11. The National Wages Council (NWC) shall promulgate rules and regulations to implement this Wage Order, including guidelines on exemptions.

SECTION 12. This Wage Order shall take effect on November 1, 1984.

DONE IN THE CITY OF MANILA, this 26th day of October, 1984.

(SGD.) FERDINAND E. MARCOS
President

A true copy

Republic of the Philippines
Ministry of Labor and Employment
NATIONAL WAGES COUNCIL
Manila

RULES IMPLEMENTING WAGE ORDER NO. 6

Pursuant to the authority vested in the National Wages Council under Section 11 of Wage Order No. 6, the following rules are hereby issued for strict compliance by all concerned:

CHAPTER I - Definition of Terms

SECTION 1. Definition of Terms. - As used in these Rules -

- a) "Order" means Wage Order No. 6;
- b) "Council" means the National Wages Council;
- c) "Agriculture" refers to farming in all its branches and among others, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing and harvesting of any agricultural or horticultural commodities, the raising of livestock or poultry, 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 or processing of sugar, coconut, abaca, tobacco, pineapple or other farm products;
- d) "Plantation Agricultural Workers" are those employed in any plantation or agricultural establishment with an area of more than 24 hectares in a locality or which employs at least 20 workers. All other agricultural workers shall be considered as non-plantation agricultural workers;
- e) "Retail Establishment" is one principally engaged in the sale of goods to end-users for personal or household use;
- f) "Service Establishment" is one engaged predominantly in the sale of service to individuals for their own or household use;
- g) "Cottage/Handicraft Establishment" is one registered with the National Cottage Industries Development Authority;
- h) "Business Enterprise" refers to any undertaking organized for profit including retail, service and manufacturing enterprises.
- i) "Metropolitan Manila" covers the cities of Manila, Quezon City, Pasay and Caloocan and the municipalities of Makati, Mandaluyong, San Juan, Las Piñas, Malabon, Navotas, Pasig, Pateros, Paranaque, Marikina, Muntinlupa, Taguig and Valenzuela;
- j) "Minister" means the Minister of Labor and Employment;
- k) "Basic Wage" means all regular remuneration or earnings paid by an employer to a worker for services rendered on normal working days and hours but does not include cost-of-living allowances, profit-sharing payments, premium payments, 13th month pay, and other monetary benefits which are not considered as part of or integrated into the regular salary of the worker on the date the Order became effective.

CHAPTER II - Minimum Wage

SECTION 1. Coverage. - This Chapter shall cover all workers in establishments in the private sector regardless of the number of employees except:

- a) Household or domestic helpers, including family drivers and persons in the personal service of another;
- b) Workers of distressed establishments when exempted by the Council.

SECTION 2. Minimum Wage Rates. - Effective November 1, 1984, the statutory minimum daily wage rates for workers in the private sector shall be increased by P2.00. The minimum daily wage rates therefore shall be as follows:

a) NON-AGRICULTURE	
Metro Manila	P 37.00
Outside Metro Manila	36.00
b) AGRICULTURE	
Plantation	P 32.00
Non-Plantation	25.00
c) PRIVATE HOSPITALS	
Metro Manila	
with bed capacity of more than 100	P 37.00
with bed capacity of not more than 100	33.00
Outside Metro Manila	32.00
d) COTTAGE/HANDICRAFT	
Employing more than 30 workers	
Metro Manila	P 27.00
Outside Metro Manila	26.00
Employing not more than 30 workers	25.00
e) RETAIL/SERVICE	
Metro Manila	
Employing more than 15 workers	P 37.00
Employing 11 to 15 workers	33.00
Employing not more than 10 workers	28.00
Cities with population of more than 150,000	
Employing more than 15 workers	P 36.00
Employing 11 to 15 workers	32.00
Employing not more than 10 workers	28.00
Outside Metro Manila and cities with population of more than 150,000	
Employing more than 10 workers	P 32.00
Employing not more than 10 workers	28.00

SECTION 3. Workers Paid by Results. - All workers paid by results shall receive not less than the applicable statutory minimum wage rates per eight (8) hours work a day. The wage rates of workers who are paid by results may be established by the Ministry through:

- a) time and motion studies;
- b) an agreement between the employer and the collective bargaining agent as approved by the Minister;
- c) an agreement between the employer and its workers as approved by the Minister;
- d) consultation with representatives of employers' and workers' organizations in tripartite conferences called by the Minister.

The rates fixed in accordance with this Section shall apply in the establishment or industry covered, subject to review by the Minister from time to time.

SECTION 4. Minimum Wage Rates of Special Groups of Workers. -

The minimum wage of learners, apprentices and handicapped workers shall in no case start below seventy-five (75%) per cent of the applicable statutory minimum wage rates.

All recognized learnership and apprenticeship agreements entered into before November 1, 1984 shall be considered automatically amended by Wage Order No. 6 insofar as their wage classes are concerned.

SECTION 5. Basis of Minimum Wage Rates. - The minimum wage rates prescribed by this Order shall be for work of not more than eight (8) hours a day.

SECTION 6. Non-diminution of Benefits. - The statutory minimum wage rates shall be exclusive of whatever supplements and other benefits the workers are enjoying without cost at the time of the effectivity of the Order.

SECTION 7. Transfer of Personnel. - The transfer of personnel to areas outside Metropolitan Manila shall not be a valid ground for the reduction of the minimum wage rates being enjoyed by the workers prior to such transfer. The workers transferred to Metropolitan Manila shall be entitled to the statutory minimum wage applicable therein.

SECTION 8. Mobile and Branch Workers. - The statutory minimum wage rate 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 Metropolitan Manila shall be those applicable in the place where they are stationed.

SECTION 9. Effects on Existing Wage Structure. - Where the application of the minimum wage increase prescribed herein results in distortions of the wage structure within an establishment, the employer and the union shall negotiate to correct the distortions. Any dispute arising from wage distortions shall be resolved through the grievance procedure under their collective agreement or through conciliation or arbitration.

In cases where there is no collective agreement or recognized labor organization, the employer shall endeavor to correct such distortions in consultation with his workers. Any dispute shall be resolved through conciliation by the appropriate Regional Office of the Ministry of Labor and Employment. If the dispute remains unresolved after conciliation, the same shall be resolved through arbitration by the NLRC Arbitration Branch having jurisdiction over the workplace.

CHAPTER III - Cost-of-Living Allowance

SECTION 1. Coverage. - This Chapter shall cover all workers in the private sector regardless of their position, designation or status, and irrespective of the method by which their wages are paid, including learners and apprentices, except:

- a) Workers who are receiving a basic salary of more than P1,800.00 a month;
- b) Household or domestic helpers, including family drivers and workers in the personal service of another;
- c) Workers in distressed establishments when exempted by the Council;

of workers in business enterprises regularly employing not more than ten (10) workers.

SECTION 2. Amount of Allowance. - Effective November 1, 1984 the mandatory daily living allowance of workers in the private sector whose basic salary or wage is not more than ₱1,800.00 a month shall be increased by:

- a) ₱3.00 for non-agricultural workers;
- b) ₱2.00 for plantation workers; and
- c) ₱1.50 for non-plantation agricultural workers.

Workers who are paid a wage plus commission shall be entitled to the allowance prescribed by the Order, provided the wage and commission do not exceed ₱1,800.00 a month.

SECTION 3. Payments of Allowances. - The allowances required by the Order shall be paid in cash together with the regular wage on the customary pay days.

SECTION 4. Special Features of the Allowances. -

(a) Allowances granted to workers in compliance with the Order need not be considered as part of the wage of the workers for purposes of determining overtime and premium pay, fringe benefits and premium contributions to the State Insurance Fund, Social Security, Medicare, Pag-IBIG, Maternity pay and private welfare and retirement plans;

(b) In lieu of the allowances prescribed in the Order, employers may grant wage increases which shall be considered as compliance with the Order, provided the amount is not less than what is required by the Order.

SECTION 5. Allowance for Unworked Days. -

(a) All covered workers shall be entitled to their daily living allowance during the days that they are paid their basic wage even if unworked.

(b) A worker who is on leave of absence but is receiving employee compensation, social security, or maternity leave benefits in lieu of wages, shall be entitled to the allowance provided in the Order in proportion to such compensation or benefits if the establishment has not ceased operations; provided that such workers shall be paid the full daily allowance if paid the full basic wage.

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

CHAPTER IV - Common Provisions

SECTION 1. Sugar Industry. - The statutory minimum wage and cost-of-living allowance adjustments prescribed under Wage Order No. 6 shall apply to the sugar industry.

SECTION 2. Application for Exemption. - Distressed establishments may apply with the Council for partial or full exemption or deferment of compliance with the requirements of the Order in accordance with such guidelines as the Council may promulgate.

Whenever an application for exemption has been duly filed with the Council, action by the Regional Office of the Ministry on any complaint for alleged non-compliance with the Order shall be deferred pending resolution of the application for exemption by the Council.

Exemptions granted pursuant to the Order shall in no case extend beyond two (2) years from effectivity of the Order.

SECTION 3. Creditable Benefits. - All increases in wages or allowances granted by the employers from June 17, 1984 to November 1, 1984 shall be credited as compliance with the minimum wage and/or allowance adjustments prescribed herein, provided that where the increases are less than the applicable amounts required in the Order, the employer shall pay the difference. Such increases shall not include anniversary wage increases provided in collective agreements, unless the agreements expressly provide otherwise.

The crediting allowed under this Section shall not apply to individual merit increases and to those resulting from regularization or promotion of workers.

SECTION 4. Private Educational Institutions. - With respect to private educational institutions, increases in wages granted pursuant to PD 451 and/or collective bargaining agreements or voluntary employer practice shall be credited as compliance with the wage and allowance adjustment prescribed herein, provided that such increases were paid from June 17, 1984 to November 1, 1984 and have not been credited for purposes of compliance with previous Wage Orders.

SECTION 5. Application to Contractors. - (a) In the case of contracts for construction projects entered into prior to the promulgation of the Order providing for wage and allowance rates lower than the amounts provided in the Order, the owner or principal shall make the necessary adjustments in the wages and/or allowances of the contractors' employees for the remaining work.

(b) In the case of contracts for security, janitorial and/or similar services, the increase in the minimum wage and allowance rates of the workers shall be borne by the principal or client of the service contractor and the contract shall be deemed amended accordingly; provided that exemptions granted by the Council to distressed principal or client shall extend to their contractors with respect to workers of the latter assigned to the former.

SECTION 6. Complaints due to Non-Compliance. - Complaints due to non-compliance with the Order shall be filed with the Regional Office of the Ministry of Labor and Employment having jurisdiction over the place of employment and shall be the subject of enforcement proceedings in accordance with Article 128 of the Labor Code.

SECTION 7. Relation to Other Issuances. - Nothing in the Order and these Rules shall be construed as authorizing the withdrawal or reduction of any existing compensation or benefits provided under existing laws, decrees, wage orders and other issuances or employer practices or policies.

CHAPTER V - Repealing and Enforcement Provisions

SECTION 1. Effects on Other Decrees, Orders and Their Implementing Rules. - The provisions of Wage Order Nos. 1, 2, 3, 4 and 5 and of their implementing rules and other applicable laws, rules and regulations and issuances not otherwise repealed, modified by or inconsistent with the Order and these Rules shall continue to have full force and effect.

SECTION 2. Enforcement Provisions. - The Order and these Rules shall be enforced in accordance with the applicable provisions of the Labor Code and its Implementing Rules.

SECTION 3. Effectivity. - These Rules shall take effect on November 1, 1984.

DONE IN THE CITY OF MANILA, this 30th day of October 1984.

(SGD.) BLAS F. OPLE
Chairman
National Wages Council

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