

NWPC Resolution No. 02
Series of 2020

**Amending Certain Provisions of Resolution No. 01, Series of 2007
and Resolution No. 01, Series of 2014 on the Category of Calamity such as Natural and
Human-Induced Disasters**

WHEREAS, the National Wages and Productivity Commission (NWPC) is mandated under Article 121 (b) of the Labor Code as amended by Republic Act No. 6727 or the Wage Rationalization Act to formulate policies and guidelines on wages, incomes and productivity improvement at the enterprise, industry and national levels;

WHEREAS, under paragraph (g) of the aforementioned provision of the Labor Code, NWPC is mandated to exercise technical and administrative supervision over the Regional Tripartite Wages and Productivity Boards (RTWPBs) who, in turn, are mandated under Article 122 (e), among others, to receive, process and act on applications for exemption from prescribed wage rates as may be provided by law or any Wage Order;

WHEREAS, in order to properly guide the RTWPBs in the exercise of its functions, NWPC Guidelines No. 02, Series of 2007 (Amended Rules on Exemption from Compliance with the Prescribed Wage Increase/Cost of Living Allowances Granted by the Regional Tripartite Wages and Productivity Boards) was issued;

WHEREAS, on 31 March 2014, aforementioned Resolution was amended by Resolution No. 01, Series of 2014, adding the category of natural calamities and human-induced disasters where establishments may apply for exemption;

WHEREAS, said Resolution also added a provision in Section 10 on Procedures on Exemption that "xxx in case of applications of establishments adversely affected by calamities where the calamity occurred after the expiration of the period for the filing of an application for exemption, the Board may re-open the same. xxx";

WHEREAS, said reopening clause was found to be not in harmony with the criteria established under the guidelines that a calamity should have occurred six (6) months or one (1) year, as the case may be, prior from the effectivity of the Wage Order;

WHEREAS, to take away ambiguity and to ensure that provisions of the guidelines are aligned with the Labor Code of the Philippines particularly its policy on non-diminution of benefits, the Commission resolves to delete the reopening clause and further amend some provisions of the existing guidelines to conform with current developments;

RESOLVED THEREFORE, as it is hereby resolved by the Commission that relevant provisions on calamity as an exemptible category shall now appear in the rules as follows:

“SECTION 3. CRITERIA ON EXEMPTION. The following criteria shall be used to determine whether the applicant-establishment is qualified for exemption:

D. Establishments Adversely Affected by Calamities such as Natural and Human-Induced Disasters

- 1. The establishment must be located in an area covered by a Declaration of State of Calamity issued pursuant to Section 16 of Republic Act No. 10121 or the Philippine Disaster Risk Reduction and Management Act of 2010; and**
- 2. The calamity must have occurred within six (6) months prior to the effectivity of the Wage Order. Where the calamity occurred during the life of the Wage Order, establishments may still apply for exemption but only with respect to tranches that are yet to be implemented.**

“SECTION 4. DOCUMENTS REQUIRED. The following supporting documents shall be submitted together with the application for exemption:

D. Establishments Adversely Affected by Calamities such as Natural or Human-Induced Disasters

- 1. An affidavit of undertaking of the owner, general manager or chief executive officer stating the following:**
 - a. amount of losses/damages suffered;**
 - b. list of properties damaged/lost together with its estimated valuation;**
 - c. the fact that it notified its workers of its action to apply for exemption from payment of wage increase; and**
 - d. that in case the application is not granted, the employees shall receive the appropriate increase due them plus interest of one per cent (1%) per month retroactive to the effectivity of the Wage Order.**
- 2. Pictures of damaged business property, if applicable.**

The Board may require the submission of other pertinent documents to support the application for exemption.”

“SECTION 10. PROCEDURES ON EXEMPTION

A. For Filing of Application

- 1. A verified application may be filed by the owner or duly authorized representative of an establishment in person, by mail or by electronic filing through the official email address of the Board. The date of mailing shall be considered as the date of filing. Applications filed with the DOLE Regional, District/Field or Provincial offices are considered filed with the appropriate Board in the region.**

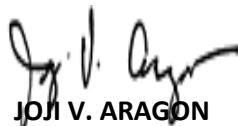
2. All applications shall be filed not later than seventy-five (75) days from the date of publication of the implementing rules of the Wage Order or from the date of declaration of calamity, as the case may be.

In case the Wage Order does not allow exemption or has no exemption provision, the Board may accept applications for exemption on the basis of the effects of the occurrence of the calamity provided that the applicants shall comply with the documentary requirements provided under Sections 3(D) and 4(D) of the guidelines.”

This Rules takes effect immediately upon publication in a newspaper of general circulation.

The Office of the National Administrative Register (ONAR) of the UP Law Center shall be provided three (3) certified copies of this Rules.

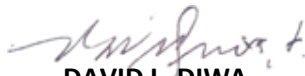
Approved this 14th day of May 2020, in the City of Manila.



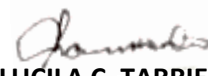
JOJI V. ARAGON
OIC Undersecretary
Department of Labor and Employment
Chairperson – Designate

ROSEMARIE G. EDILLON

Undersecretary
National Economic and Development Authority
Vice-Chairperson – Designate



DAVID L. DIWA
Workers' Sector
Representative



LUCILA C. TARRIELA
Employers' Sector
Representative



JOSE J. SUAN
Workers' Sector
Representative

vacant



MARIA CRISELDA R. SY
Executive Director IV
National Wages and Productivity Commission
Member