



CNMI IMPLEMENTS MINIMUM WAGE INCREASE

The Philippine Overseas Labor Office (POLO) in Saipan, Commonwealth of Northern Marianas Island has reported that last 25 July 2007, the CNMI minimum wage increased from US\$3.05/hour to US\$3.55/hour for both resident and nonresident workers. The increase was the first step of a nine-step increment over an eight-year period. The hourly rate wage rate would continue to rise by 50 cents every year after that, until it reaches US\$7.05 in seven years.

CNMI employers have earlier indicated their readiness to implement the new minimum wage policy, at least for the first two rounds of wage increases although it will be difficult for the employers to implement the next phase of the wage increment. The Hotel Association of the Marianas Islands (HANMI) stated that their member companies would not be affected by the first wave of wage increase since most of their employees are receiving more than US\$3.50/hour. However, some non-business employers, such as employers of houseworkers and farmers, have indicated their lack of capability to continue employing them under the US\$600.00 monthly minimum wage, which is double the amount of the US\$300.00 monthly wage that these workers are currently receiving.

CNMI Labor Secretary Gil M. San Nicholas has received requests from fourteen employers to terminate the services of their houseworkers or farmers due to inability to pay the new hourly rate. According to Secretary San Nicholas, there were 1,800 houseworkers and farmers in the CNMI. Those who would be affected would be granted 45 days to transfer to another employer. If no new employer would be found, the last employer on record shall provide the repatriation ticket to the country of origin.