REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

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February 11, 2020

REVENUE MEMORANDUM CIRCULAR NO. 20-2020

SUBJECT : Publishing the Daily Minimum Wage Rates in Central Visayas (REGION VII) under Wage Order No. ROVII-DW-02

TO : All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidelines of all internal revenue officers, employees and others concerned, we are publishing Wage Order No. ROVII-DW-02 which was issued on November 26, 2019 and published at The Freeman on December 21, 2019:

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission

REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD VII

WAGE ORDER NO. ROVII -22

PROVIDING FOR INCREASE IN THE MINIMUM WAGE RATES IN CENTRAL VISAYAS

WHEREAS, Republic Act 6727 otherwise known as the Wage Rationalization Act of 1989 mandated the Regional Tripartite Wages and Productivity Boards to determine and fix the minimum wages of private sector workers in the regions;

WHEREAS, the Cebu Labor Coalition, Lonbisco Employees Union (LEO), Metaphil Workers Union (MWU) and Union Bank Employees Association (UBEA), filed a Petition for Three Hundred Forty-One Pesos and Seventy-Five Centavos (₱341.75) across-the-board daily wage adjustment on August 9, 2019;

WHEREAS, the petition was filed six (6) days after existing Wage Order No. 21 reached its one-year anniversary and the prohibitive period for filing petitions has lapsed;

WHEREAS, on August 13, 2019 the Board issued Resolution No: 6-2019 declaring the petition as duly filed and considered for purposes of conducting public hearings and wage deliberations to expedite the resolution thereof;

WHEREAS, the Notice of Public Hearings was published in The Freeman Newspaper on August 17, 2019 and a series of wage public hearings were conducted in Dumaguete City (September 17, 2019), Cebu City (September 24, 2019,) Bogo City (September 30, 2019) and Tagbilaran City (October 11,2019);

WHEREAS, as a result of the periodic and continuous review of the socio economic condition in the region and taking into consideration the issues raised during the public hearings and the position papers submitted by concerned stakeholders, the Board agreed to increase the existing minimum wage rates in Central Visayas;

WHEREAS, in line with the thrust to rationalize the wage structure in the region, and in consideration of the recommendations of stakeholders during the public hearings for the Board to review the geographic classification of wages, the simplification of the existing geographic wage classification from four (Class A, B, C, D) to three categories (Class A,B, C) was undertaken;

WHEREAS, in terms of sectoral classifications, the existing non- agriculture employing ten or more workers was simplified into non-agriculture while non- agriculture employing less than ten workers was expanded to cover all establishments employing less than ten workers. The agriculture classification was retained but the rates were reclassified with the rates of establishments employing less than ten workers;

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

Section 1. Upon effectivity of this Wage Order, the daily minimum wage rates of all private sector workers and employees in Region VII, shall be as follows:

GEOGRAPHICAL AREAS	NON-AGRICULTURE			AGRICULTURE			ESTABLISHMENTS EMPLOYING LESS THAN TEN WORKERS		
	Minimum Wage under No. ROVII-21	Wage Increase	New Minimum Wage	Minimum Wage under No. ROVII-21	Wage Increase	New Minimum Wage	Minimum Wage under No. ROVII-21	Wage Increase	New Minimum Wage
CLASS A									
Cities of Carcar, Cebu, Danao, Lapulapu, Mandaue, Naga, Talisay and Municipalities of Compostela, Consolacion, Cordova, Liloan, Minglanilla, San Fernando, or Expanded Metro Cebu	P 386	P 18	P 404	P 368	P 26	P 394	P 376	P 18	P 394
CLASS B									
Other Cities Not Covered Under Class A – Bais, Bayawan, Bogo, Canlaon, Dumaguete, Guihulngan, Tagbilaran, Tanjay, Toledo	* P 348	P 18	P 366	* P 328	P 33	P 361	* P 343	P 18	P 361
	** P 338	P 28		** P 313	P 48		** P 333	P 28	
CLASS C									
Other Municipalities Not Covered Under Class A	*** P 348	P 8	P 356	*** P 328	P 23	P 351	*** P 343	P 8	P 351
	**** P 338	P 18		**** P 313	P 38		**** P 333	P 18	
	***** P323	P 33		***** P313	P 38		***** P 318	P 33	

* Cities in Cebu Province Not Included in Class A – Bogo and Toledo
** Cities in Bohol (Tagbilaran) and Negros Oriental (Bais, Bayawan, Canlaon, Dumaguete, Guihulngan, Tanjay)
*** Municipalities in Cebu Province except Compostela, Consolacion, Cordova, Liloan, Minglanilla, San Fernando
**** Municipalities in Bohol ang Negros Oriental Provinces
***** Municipalities in Siquijor Province, Bantayan and Camotes Islands

Section 2. COVERAGE. The adjustments prescribed under this Order shall apply to all minimum wage private sector workers and employees in Region VII.

Not covered from the provisions of this Order are household or domestic workers; persons in the personal service of another, and workers of establishments registered under the Barangay Micro Business Enterprises with valid Certificates of Authority.

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 (8) 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 increase in tuition fees for School Year 2019-2020 shall be considered as compliance with the increase prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting School Year 2020-2021.

Private educational institutions which have not increased their tuition fees for the School Year 2019-2020 may defer compliance with the increase prescribed herein until the beginning of School Year 2020-2021. In any case, private educational institutions shall implement the increase herein starting School Year 2020-2021.

Section 5. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed increases in the wage rates of the workers shall be borne by theprincipals or clients of the construction/service contractors, and the contract shall be deemed amended accordingly. In the event, however, that the principal or client fails to pay the prescribed increase or new minimum wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 6. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay" or task basis, shall be entitled to receive not less than the prescribed minimum wage increase per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 7. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be paid less than seventy-five percent (75%) of the applicable minimum wage rates prescribed in this Order.

All recognized 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 increase in this Order pursuant to R.A. 7277.

Section 8. APPLICATION TO TRANSFER, BRANCH AND MOBILE WORKERS. The applicable minimum wage of workers in establishment which have branches in different parts of the region or where headquarters is outside the region, shall be the rate applicable to the area where the worker is based.

In case of mobile workers, the minimum wage shall be the rate applicable to the head office. In case of transfer from a high class city/municipality to a lower class city/municipality, the higher rate shall continue to be applied.

Section 9. EXEMPTION. This wage order does not allow exemption. Establishments adversely affected by calamities such as natural and/or human-induced disasters may be exempted from the applicability of this Order upon application with and as determined by the Board based on documentary and other requirements in accordance with applicable rules and regulations issued by the Commission.

Section 10. PRODUCTIVITY IMPROVEMENT PROGRAMS. In order to sustain rising level of wages and enhance competitiveness, businesses are strongly encouraged to adopt productivity improvement schemes, such as time and motion studies, good housekeeping, quality circles, labor-management cooperation, as well as implement gain sharing programs. The Regional Board shall provide the necessary technical assistance in the implementation of productivity improvement programs.

Section 11. IMPLEMENTATION OF TWO-TIERED WAGE SYSTEM. On voluntary basis and upon effectivity of this Order, employers who recognize and value the contribution of their workers, may provide productivity–based incentive pay to them based on indicators such as business performance, labor productivity, work behavior, competitiveness of establishments among others. The Board shall issue an advisory on the range of productivity incentive which may be applied by establishments.

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 AN 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 to employees affected by the Order in the event such Order is affirmed.

Section 14. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increases in the wage rates under this Order results in 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.

Section 15. 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 the subjected to the mandatory thirty (30) days conciliation and mediation process under the Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code as amended.

Section 16. 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.

Section 17. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage increase in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 18. 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 19. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises of 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 30, 2021 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. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 23. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

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

CEBU CITY, PHILIPPINES, November 26, 2019

ATTY. ERNESTO F. CARREON
Member, Labor Sector

MR. PHILIP M. TAN
Member, Employer Sector

MR. JOSE P. TOMONGHA
Member, Labor Sector

VACANT
Member, Employer Sector

DIR. ASTERIA C. CABERTE
Vice Chairperson

DIR. EFREN B. CARREON
Vice Chairperson

DIR. SALOME O. SIATION
Chairperson

All concerned are hereby enjoined to be guided accordingly and to give this Circular as wide a publicity as possible.

CAESAR R. DULAY
Commissioner of Internal Revenue

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