REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

Quezon City

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REVENUE MEMORANDUM CIRCULAR NO. 21-2020

SUBJECT : Publishing the Daily Minimum Wage Rates in Central Luzon (REGION III) under Wage Order No. RBIII-22

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. RBIII-22 which was issued on November 27, 2019 and published at Sun Star Pampanga on December 17, 2019:

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD NO. 3
City of San Fernando, Pampanga

WAGE ORDER NO. RBIII-22

SETTING THE MINIMUM WAGE RATES IN REGION III

WHEREAS, the Regional Tripartite Wages and Productivity Board – Region III, is mandated under Republic Act 6727 (The Wage Rationalization Act), to periodically assess wage rates and conduct continuing studies to determine and fix minimum wage rates in the region and issue corresponding Wage Orders, subject to the guidelines issued by the National Wages and Productivity Commission;

WHEREAS, pursuant to Sec. 3 (a) of NWPC Guidelines No. 01, Series of 2007, ("Amended Rules of Procedure on Minimum Wage Fixing") and NWPC Guidelines No. 01, Series of 2015 ("Guidelines in the Conduct of Public Consultations"), the Board *"motu proprio"* scheduled a series of provincial sectoral wage consultations to determine if there is a need to issue a new wage order, considering the socio-economic indicators in the region and its provinces;

WHEREAS, the Board conducted public consultations in the following provinces: Bulacan and Pampanga (August 6, 2019); Bataan and Zambales (August 20, 2019); Tarlac and Nueva Ecija (September 10, 2019); and Aurora (September 11, 2019). A regional public hearing was held thereafter in the province of Pampanga on September 20, 2019;

WHEREAS, considering the result of the studies made on the prevailing socio-economic conditions in the region and its provinces, the immediate call and appeal of all interested parties from both the workers' and employers' sector, and the results of the conduct of the provincial public consultations and regional public hearing, the Regional Board agreed to aid workers and their families to cope with the rising cost of living, help place every family in a decent and humane living condition, and at the same time promote the productivity of business enterprises as providers of employment opportunities;

WHEREAS, the Board deemed it just and equitable to increase the minimum wage, considering the amount needed to restore the purchasing power of the workers' wages, the need to share the fruits of the regional economic growth and development, and further intensify the promotion for installation of productivity-based incentive schemes under the Two-Tiered Wage System;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Board hereby issues this Wage Order:

Section 1. AMOUNT OF INCREASE. Upon the effectivity of this Order, the basic pay of all private sector workers in the provinces of Aurora, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, and Zambales shall be adjusted by **TWENTY PESOS (Php20.00)** per day.

The old and new minimum wage rates of covered workers in the private sector in Region III shall be as follows:

SECTOR/INDUSTRY	Wage Order No. RBIII-21 (Old)							
	Provinces of Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, and Zambales			Province of Aurora				
	MW under WO No. RBIII-20	Wage Increase	New Minimum Wage upon effectivity	MW under WO No. RBIII-20	1st tranche: upon effectivaly of the Wage Order	New Minimum Wage	2nd tranche: Six (6) months after the effectivity of the Wage Order	New Minimum Wage
Non-Agriculture								
Establishments with 10 or more workers	380	20	400	329	10	339	10	349
Establishments with less than 10 workers	373	20	393					
Agriculture								
Plantation	350	20	370	314	10	324	10	334
Non-Plantation	334	20	354	302	10	312	10	322
Retail Service				264	10	274	10	284
With 10 or more workers	369	20	389					
With 11-15 workers	355	34	389					
With less than 10 workers	355	20	375					

SECTOR/INDUSTRY	Wage Order No. RBIII-22 (New)					
	Provinces of Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, Zambales			Province of Aurora		
	MW under W.O. No. RBIII-21	Wage Increase	New Minimum Wage	MW under W.O. No. RBIII-21	Wage Increase	New Minimum Wage
Non-Agriculture						
Establishments with 10 or more workers	400	20	420	349	20	369
Establishments with less than 10 workers	393	20	413			
Agriculture						
Plantation	370	20	390	334	20	354
Non-Plantation	354	20	374	322	20	342
Retail Service						
Establishments with 10 or more workers	389	20	409	284	20	304
Establishments with less than 10 workers	375	20	395			

Section 2. COVERAGE. The new wage rates provided herein shall apply to all workers and employees receiving the minimum wage in the private sector in the region, regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid.

This Wage Order shall not cover household or domestic workers and persons employed in the personal service of another and workers of Barangay Micro Business Enterprises with Certificates of Authority, pursuant to R.A. 9178.

Section 3. BASIS OF INCREASE. The wage increase prescribed under this Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 4. WORKERS PAID BY RESULTS. All workers paid by results, including those who are paid on piecework, "takay", "pakyaw", or task basis, shall be entitled to receive the prescribed increase in this order per eight (8) hours a day, or a proportion thereof for working less than eight (8) hours.

Section 5. SPECIAL GROUP OF WORKERS. The minimum wage rate of apprentices and learners shall in no case be less than seventy-five percent (75%) of the prescribed minimum wage rate under Section 1 of this Wage Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified in accordance with the Wage Order.

All qualified handicapped workers shall receive the full amount of the new wage rates prescribed pursuant to R.A. 7277, otherwise known as the Magna Carta for Disabled Person.

Section 6. PRODUCTIVITY-BASED WAGES. In order to sustain rising levels 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. Accordingly, the Regional Board shall provide the necessary studies and technical assistance pursuant to RA 6971, the Productivity Incentives Act of 1990.

Section 7. PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of workers and employees covered in the increase in tuition fees for School Year 2019-2020 shall be considered as compliance with this Wage Order. Where the share of the workers and employees is less than what is provided herein, the employer shall pay the difference 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 provisions of this Wage Order until School Year 2020-2021.

In any case, all private educational institutions shall implement the increase prescribed herein starting School Year 2020-2021.

Section 8. CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increase of the workers shall be borne by the principals or clients of the construction/service contractors and their contracts shall be deemed amended accordingly. In the event, however, that the principals or clients fail to pay the prescribed increases, the construction/service contractors shall be jointly and severally liable with his principal or client.

Section 9. EXEMPTION. Upon application with and as determined by the Board, the following may be exempt from the applicability of this Wage Order, subject to applicable rules and regulations issued by the Commission:

1. Distressed Establishments, as defined in the NWPC Guidelines No. 02, Series of 2007;

2. Establishments adversely affected by calamities such as natural and/or human-induced disasters in accordance with NWPC Resolution No. 01, Series of 2014.

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

Section 11. 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 to employees affected by the Order in the event such Order is affirmed.

Section 12. CREDITING. Increases granted by an employer within ninety (90) days prior to the effectivity of this Wage Order shall be credited as compliance with the Order, provided that, where such increases are less than what is provided in the Order, the employer shall pay the difference.

Such increases shall not include CBA anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employee, unless there is an agreement expressly allowing such crediting.

Section 13. EFFECTS ON EXISTING WAGE STRUCTURE. Pursuant to Article 124 of the Labor Code of the Philippines, as amended, any dispute that should arise as a result of a significant wage distortion, the employer and the union shall negotiate to correct the distortion through the grievance procedure under their Collective Bargaining Agreement, and if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute was referred to voluntary arbitration.

In cases where there are no collective bargaining agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board (NCMB) and if it remains unresolved after ten (10) calendar days of conciliation, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

Section 14. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject to the mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

Section 15. NON-DIMINUTION OF BENEFITS. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances, and benefits of any form under existing laws, decrees, issuance, executive orders and/or under any contract or agreement between workers and employers.

Section 16. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage rates in accordance with this Wage Order shall be subject to the penal provisions under R.A. 6727, as amended by R.A. 8188.

Section 17. 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 18. FREEDOM TO BARGAIN. This Wage 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 19. REPORTING REQUIREMENTS. Any person, company, corporation, partnership, or any entities engaged in business shall submit a verified itemized listing of their labor component to the Board not later than January 31, 2019 and every year thereafter in accordance with the form prescribed by the Commission.

Section 20. REPEALING CLAUSE. All orders, rules, and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 21. SEPARABILITY CLAUSE. If, for any reason, any section or provision of this Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

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

Section 23. ADVISORY ON PERFORMANCE BASED INCENTIVE PAY. Pursuant to the Two-Tiered Wage System, Advisory No. RTWPBIII-01 has been issued to guide establishments in the formulation, adoption and implementation of productivity programs and performance and productivity-based incentive schemes that an enterprise may provide based on agreement between workers and management.

Section 24. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation.

APPROVED this 27th day of November 2019 at the City of San Fernando, Pampanga.

FLORDELIZA MARIA C. REYES-RAYEL
Member, Employers' Representative

MARCO D. NEPOMUCENO
Member, Employers' Representative

RAUL C. REMODO
Member, Workers' Representative

EDGAR B. VENTURA
Member, Workers' Representative

LEON M. DACANAY JR.
NEDA Regional Director
Vice-Chairperson

JUDITH P. ANGELES
DTI Regional Director
Vice-Chairperson

MA. ZENAIDA A. ANGARA-CAMPITA
DOLE Regional Director
Chairperson

Date of Publication: 17 December 2019

Date of Effectivity: 01 January 2020

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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