REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE
Quezon City

August 13, 2015

REVENUE MEMORANDUM CIRCULAR NO. 49-2015

SUBJECT : Publishing the Daily Minimum Wage Rates in Region IV-B Pursuant to Wage Order No. IV-B No. 7.

TO : All Internal Revenue Officials, Employees and Others Concerned

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For the information and guidance of all concerned, quoted hereunder is the full text of Wage Order No. IV-B No. 7 issued on April 29, 2015 and published in the Manila Times on June 18, 2015:

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Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
REGION IV-B - MIMAROPA
Calapan City, Oriental Mindoro

WAGE ORDER NO. IV-B-07

SETTING NEW MINIMUM WAGE RATES IN REGION IV-B

WHEREAS, Republic Act No. 6727, otherwise known as the Wage Rationalization Act, empowers the Regional Tripartite Wages and Productivity Boards to determine and fix minimum wage rates applicable in the regions and to issue corresponding Wage Orders subject to the guidelines issued by the National Wages and Productivity Commission (NWPC);

WHEREAS, in consonance with the NWPC Guidelines No. 2, series of 2012, the Regional Tripartite Wages and Productivity Board, Region No. 4B (herein referred to as the Board), continuously adopts the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage function recognizing the need to improve workers' productivity and income, enhance enterprise competitiveness, generate jobs and strengthen the link between pay and productivity;

WHEREAS, the TTWS comprising of two parts namely the First Tier which is mandatory for implementation, and the Second Tier which is voluntary in nature, is designed to allow employers and their workers to improve the existing terms and conditions of employment including levels of wages based on labor productivity and business performance;

WHEREAS, a petition for minimum wage increase of P185.00 a day on the First Tier was filed with the Regional Tripartite Wages and Productivity Board (Board), Region IV-B, on 21 January 2015 by the Association of Minimum Wage Earners and Advocates;

WHEREAS, public hearings and consultations on said petition were conducted in San Jose, Occidental Mindoro; Calapan City, Oriental Mindoro; Odiongan, Romblon; Puerto Princesa City, Palawan and; Boac, Marinduque on 09, 11, 20, 24 March 2015 and15 April 2015, respectively. The results of the public hearings and consultations showed that the P185.00 wage increase being sought by the petitioner is unrealistically high and that it could result in business decline and displacement of workers if granted, and if ever there will be wage adjustments, it will not be that high;

WHEREAS, majority of the participants likewise stated the position that there is a need to adjust the minimum wage of those still receiving below the poverty threshold level along the region's current socio-economic conditions vis-a-vis economic development goals and the need for reasonable returns on investment and job preservation;

WHEREAS, participants from the mining industry likewise expressed the position that there is a need to review and make proper adjustments of the minimum wage applicable to their sector.

WHEREAS, the Board recognizes the need to simplify the current wage structure in the region to make it aligned with the wage simplification policy of the NWPC;

WHEREAS, considering the results of the sectoral consultations, public hearings and the changes in the socio-economic indicators in the region, the Board has decided to provide workers with immediate relief to cope with the rising cost of living without impairing the viability of business and industry. The Board deemed it wise to increase the minimum wage so that it reaches a decent level above the poverty threshold but still be reasonable and equitable;

WHEREAS, to simplify the different industrial and geographical classification, the Board agreed to provide a separate minimum wage rate for the mining industry.

NOW, THEREFORE, the **REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD, REGION IV-B (MIMAROPA),** by virtue of the powers granted to it under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, hereby issues this Wage Order:

Section I. <u>NEW MINIMUM WAGE RATES</u>. Upon effectivity of this Wage Order, the existing Cost of Living Allowance (COLA) in the amount of five pesos (P5.00) provided under Wage Order No. IV-B-06 shall be integrated into the Basic Wage. In addition, the daily minimum wage rates of covered workers in the private sector in MIMAROPA shall be increased as follows:

A. Upon effectivity of the Wage Order

Industry Sector	AREAS											
	Highly Urbanized City (Puerto Princesa)			Calapan City, Puerto Galera, El Nido & Coron			First Class Municipalities of MIMAROPA			The Rest of the Region		
	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate	Basic Wage after COLA integration	Basic Wage Increase	New Minimum Wage Rate
NON-AGRICULTURE												
Establishments with more than 10 workers	275.00	5.00	280.00	270.00	5.00	275.00	260.00	5.00	265.00	255.00	5.00	260.00
Establishments with 10 workers & below	215.00	5.00	220.00	210.00	5.00	215.00	207.00	5.00	212.00	205.00	5.00	210.00
AGRICULTURE	225.00	5.00	230.00	225.00	5.00	230.00	215.00	5.00	220.00	215.00	5.00	220.00
All Mining Companies (regardless of location)	280.00											

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B. 2nd Tranche –Effective November 1, 2015

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
NON-AGRICULTURE								
Establishments with more than 10 workers	5.00	285.00	5.00	280.00	5.00	270.00	5.00	265.00
Establishments with 10 workers & below	5.00	225.00	5.00	220.00	5.00	217.00	7.00	217.00
AGRICULTURE	5.00	235.00	5.00	235.00	5.00	225.00	5.00	225.00
All Mining Companies (regardless of location)	285.00							

C. 3rd Tranche – Effective May 1, 2016

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
NON-AGRICULTURE								
Establishments with more than 10 workers	-	285.00	5.00	285.00	5.00	275.00	10.00	275.00
Establishments with 10 workers & below	5.00	230.00	5.00	225.00	8.00	225.00	8.00	225.00
AGRICULTURE	-	235.00	-	235.00	5.00	230.00	5.00	230.00
All Mining Companies (regardless of location)	285.00							

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D. 4th Tranche – Effective November 1, 2016

Industry Sector	AREAS							
	Highly Urbanized City (Puerto Princesa)		Calapan City, Puerto Galera, El Nido & Coron		First Class Municipalities of MIMAROPA		The Rest of the Region	
	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate	Basic Wage Increase	New Minimum Wage Rate
NON-AGRICULTURE								
Establishments with more than 10 workers	-	285.00	-	285.00	10.00	285.00	10.00	285.00
Establishments with 10 workers & below	5.00	235.00	10.00	235.00	10.00	235.00	10.00	235.00
AGRICULTURE	-	235.00	-	235.00	5.00	235.00	5.00	235.00
All Mining Companies (regardless of location)	285.00							

Section 2. COVERAGE. The wage increase prescribed in this Order shall apply to all private sector minimum wage workers 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 helpers, persons in the personal service of another including family drivers and workers of duly registered Barangay Micro-Business Enterprises with Certificate of Authority, pursuant to R.A. 9178.

Section 3. BASIS OF MINIMUM WAGE RATES. The minimum wage rates prescribed under this Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

Section 4. APPLICATION TO WORKERS PAID BY RESULT. All workers paid by result, including those who are paid on piecework, "takay", "pakyaw" or task basis shall be entitled to receive the prescribed minimum wage rate for eight (8) normal working hours a day, or a proportion thereof for working less than eight (8) hours.

Section 5. APPLICATION TO SPECIAL GROUPS OF WORKERS. Apprentices and learners shall receive not less than seventy five (75%) percent of the applicable minimum wage rates prescribed in this Order.

All recognized learnership and 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 the minimum wage rate prescribed herein pursuant to R. A. 7277, otherwise known as Magna Carta for Disabled Persons.

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Section 6. APPLICATION TO CONTRACTORS/SUB-CONTRACTORS. In the case ofcontracts for construction, security, janitorial and similar services, the prescribed minimum wage rates for covered workers shall be borne by the principal or clients thereof, and the contracts shall be deemed amended accordingly. If the principal or client fails to pay the prescribed minimum wage rates, the construction/service contractors shall be jointly and severally liable with the principal or client.

Section 7. 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 2015-2016 shall be considered as compliance with the minimum wage rates prescribed in this Order. However, payment of any shortfall in the minimum wage rates set forth in the Order shall be covered starting School Year 2016-2017.

Private educational institutions, which have not increased their tuition fees for the School Year 2015-2016, may defer compliance with the provisions of this Order.

In any case, all private educational institutions shall implement the minimum wage rate prescribed herein starting School Year 2016-2017.

Section 8. APPLICATION TO MOBILE, BRANCH AND TRANSFERRED EMPLOYEES. The minimum wage rates 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. For those workers working in branches or agencies of establishments in or outside the Region, the minimum wage rates shall be those applicable in the place where they are stationed or based.

The transfer of personnel from a high rate city/municipality to a lower rate city/municipality shall not be a valid ground for the reduction of the wage rates being enjoyed by the workers prior to such transfer. Workers transferred from a lower rate municipality to a higher rate municipality shall be entitled to the minimum wage rates applicable therein.

Section 9. CREDITABLE WAGE INCREASE. Wage increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of this Order shall be credited as compliance with the prescribed increase set forth herein, if expressly provided for and agreed upon in a collective bargaining agreement.

In unorganized establishments, wage increases granted by the employer within three (3) months prior to the effectivity of this Order shall be credited as compliance therewith.

If such increases are less than the prescribed minimum wage increase herein, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

Section 10. EFFECT ON EXISTING WAGE STRUCTURE. Where the application of the wage increases prescribed in this Order results in distortion in the wage structure within the establishment, it shall be corrected in accordance with the procedure under Article 124 of the Labor Code, as amended.

Section 11. PRODUCTIVITY-BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, private businesses are encouraged to adopt productivity improvement schemes such as Service Quality for the Supply Chain in the

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Tourism Industry, ISTIV Productivity Awareness Program, 5S good housekeeping, time and motion studies, as well as implement green productivity and gain-sharing programs and other related productivity incentive schemes. Accordingly, the Board shall provide the necessary studies and technical assistance, pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990.

Section 12. EXEMPTION. This Wage Order shall not allow exemption from compliance with the provisions of this Order. However, in case of a calamity, the Board may accept applications for exemptions for establishments adversely affected by calamities such as natural and/or human induced disasters.

Section 13. APPEAL TO THE COMMISSION. Any party aggrieved by the 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 14. 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 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 15. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with the Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) and shall be the subject of enforcement proceedings under Article 128 and 129 of Labor Code, as amended without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

Section 16. NON-DIMINUTION OF BENEFITS. Nothing in this Order shall be construed to reduce any existing wage rates, allowances or other benefits under existing laws, decrees, issuances and executive orders and/or under any contract or agreement between workers and employers.

Section 17. FREEDOM TO BARGAIN. This Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

Section 18. REPORTING REQUIREMENTS. Any person, company, corporation, partnership or any entity engaged in business shall submit an itemized listing under oath of their labor component to the Board not later than January 31, 2013 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

Section 19. PENAL PROVISION. Any employer who refuses or fails to pay the minimum wage rate prescribed in this Order shall be subject to the penalties imposed under R.A. 6727, as amended by R.A. 8188.

Section 20. 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.

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Section 21. REPEALING CLAUSE. All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

Section 22. SEPARABILITY CLAUSE. If any provision or part of this Wage Order is declared unconstitutional, or in conflict with existing law, the other provisions or parts thereof shall remain valid.

Section 23. IMPLEMENTATION OF TIER-TWO. Pursuant to the provisions of the Advisory on the Implementation of Productivity-Incentives Pay which the Board issued for the Tourism Industry, employers who recognize and value the contribution of their workers may provide productivity and incentives based pay to their workers based on indicators like business performance, labor productivity, work behaviour, competitiveness of establishments, among others.

Section 24. IMPLEMENTING RULES. The Regional Tripartite Wages and Productivity Board IV-B (MIMAROPA) shall submit to the NWPC the necessary Rules and Regulations to implement this Order subject to the approval of the Secretary of Labor and Employment not later than ten (10) days from the publication of the Wage Order.

Section 25. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED this 29th of April 2015 at Calapan City, Oriental Mindoro, Philippines.

OSIAS C. NAVARRO
Employers' Representative

(VACANT)
Employers' Representative

ARTURO A. BASEA
Workers' Representative

ROMEO R. ARICA
Workers' Representative

JOSE ROMEO C. ESCANDOR
Vice-Chairperson - NEDA

JOEL B. VALERA
Vice-Chairperson - DTI

TEODORO T. DELSON
Chairperson

All revenue officials and employees are hereby enjoined to give this Circular a wide publicity as possible.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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