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

August 13, 2015

REVENUE MEMORANDUM CIRCULAR NO. 51-2015

SUBJECT : Publishing the Daily Minimum Wage Rates in Private Sector Workers in the Cordillera Administration Region Pursuant to Wage Order No. RB – CAR – 17.

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. RB-CAR 17 issued on May 14, 2015 and published in the Baguio Midland Courier on June 14, 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
Cordillera Administrative Region
Baguio City

WAGE ORDER NO. RB-CAR-17

PRESCRIBING THE NEW MINIMUM WAGE RATES OF PRIVATE SECTOR WORKERS IN THE CORDILLERA ADMINISTRATIVE REGION

WHEREAS, RA 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 the corresponding Wage Orders subject to the guidelines issued by the National Wages and Productivity Commission, in particular NWPC Guidelines No. 01 of 2007, as amended by NWPC Guidelines No. 02 of 2012;

WHEREAS and in consonance with the aforementioned guidelines for the implementation of RA 6727, the Regional Tripartite Wages and Productivity Board – Cordillera Administrative Region (herein referred to as the Board) continuously adheres to policy requirements of the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage fixing authority consistent with the policy of the government to provide safety measures for lowly paid workers, attain a higher level of productivity in the work area, increase employment and augment the income of workers through incentives, without necessarily impairing the growth of business and interest of employers particularly those in the micro enterprises group;

WHEREAS, it was the intent of the Board when it issued Wage Order No. 15 to attain a single floor wage level for the BLIST Area and another for the Other Areas of the region after a certain period of time, aimed at enhancing the economic welfare of the most vulnerable group of workers who are the minimum wage earners;

WHEREAS and after considering that the current Wage Order has reached its first anniversary date and no petition for wage increase had been filed, the Board in its meeting on February 13, 2015, resolved Moto Proprio to initiate and conduct wage review, studies on the socio-economic condition of the region aside from undertaking a series of public consultations for possible wage adjustments on the current minimum wage levels;

WHEREAS, the public consultations were conducted on March 24, 2015 for the provinces of Ifugao and Mountain Province, March 25, 2015 for the provinces of Apayao and Kalinga, March 31, 2015 for the province of Abra, and on April 7, 2015 for the province of Benguet and Baguio City;

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WHEREAS, the Board further resolved that in conducting the public consultations, a workshop for participants, grouped per sector shall be done to elicit their respective positions on the following issues: (1) Does the Two-Tiered Wage System (TTWS), as procedure for wage adjustments sufficiently address or is effective in balancing the interests of both workers and employers; and (2) The possibility of adjusting the minimum wage rates of workers under the First Tier and implementing the productivity based pay under the Second Tier;

WHEREAS, after a series of deliberations on the results of the public consultations and studies on the socio-economic conditions prevailing in the region, the Board has determined the following: (1) The TTWS, as a guideline for minimum wage adjustments, is well appreciated by both workers and employers claiming that it is more effective in balancing their respective interests; (2) There is a need to adjust the minimum wage levels of workers in the region; and (3) The need to assist the micro enterprises, providing them more opportunities to grow and therefore increase their contribution to the region's economic development and employment;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board, Cordillera Administrative Region, hereby issues this Wage Order.

Section 1. **Coverage.** All minimum wage earners in the Cordillera Administrative Region regardless of their position, designation or status and irrespective of the method their wages are paid are covered by this Wage Order. Not covered are house helpers or domestic workers or persons employed in the personal service of another including family drivers and workers in the registered Barangay Micro Business Enterprises with Certificate of Authority pursuant to R.A. 9178, otherwise known as "Barangay Micro Business Enterprises (BMBE) Act of 2002"

Section 2. **The Minimum Wage Levels.** The new levels of minimum wages as provided by this Wage Order shall be as follows:

a. Upon Effectivity of this Wage Order

Industry/ Sector	DAILY MINIMUM WAGE RATES					
	Baguio City, Municipalities of La Trinidad, Itogon, Sabian, and Tuba, Benguet (BLIST)			Other Areas in the Region		
	Basic	COLA	Total	Basic	COLA	Total
Non-Agriculture & Retail/Service with 11 workers and above	270	15	285	255	10	265
Agriculture & Retail/Service with 10 workers and below	260	10	270	245	10	255

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b. Effective January 01, 2016, the new daily basic minimum wage levels and structures after the integration in the basic wage of the remaining P10.00 and P15.00 COLAs shall be as follows:

Industry/ Sector	NEW DAILY BASIC MINIMUM WAGE RATES	
	Baguio City, Municipalities of La Trinidad, Itogon, Sablan, and Tuba, Benguet (BLIST)	Other Areas in the Region
All Industries/Sectors	285	265
Microenterprises	270	255

Section 3. ***Basis of Minimum Wage.*** The minimum wage rates prescribed under this Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 4. ***Implementation of Second Tier.*** The Second Tier or the Productivity Based Pay shall continue to be implemented following the guidelines provided by Advisory No. 01, series of 2013, Advisory 02 of 2014 and subsequent Advisories which may be issued by the Board.

Section 5. ***Creditable Productivity Based Pay.*** For establishments identified as priority industries and already granting Productivity Based Pay or its equivalent to their workers, this may be credited as compliance to the Second Tier. Merit increases, anniversary increases or wage increases resulting from the regularization or promotion of the employees per company policy or as provided by law are not credited as compliance to the Second Tier.

Section 6. ***Application to Private Educational Institutions.*** In the case of private educational institutions, the share of covered workers and employees in the tuition fee increases for School Year 2014-2015 shall be considered as compliance to this Wage Order. However, payment of any shortfall shall be done starting School Year 2015-2016.

Private Educational institutions which did not increase their tuition fees for the School Year 2014-2015, may defer compliance with this Wage Order until School Year 2015-2016.
In any case, all private educational institutions shall implement this Wage Order starting School Year 2015-2016.

Section 7. ***Application to Contractors.*** In the case of contracts for construction projects and for security, janitorial and other similar services, the prescribed increases shall be borne by the principals or clients of the construction/service contractors and the contract 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 their principals or clients.

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Section 8. *Workers Paid by Results.* All workers paid by results, including those who are paid on piecework, takay, pakyaw, or task basis, shall receive not less than the adjusted amount prescribed by this Order for the normal working hours which shall not exceed eight (8) hours per day or a proportion thereof for working less than eight (8) hours.

Section 9. *Apprentices and learners.* Persons employed under Apprenticeship or learnership agreement shall be entitled to not less than Seventy Five Percent (75%) of the new minimum wage rate under this Order.

All learnership and apprenticeship agreements entered into before the effectivity of this Order shall be automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

Section 10. *Mobile and Branch Workers.* 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.

The minimum wage rates of workers working in branches or agencies of establishments in or outside the Region shall be those applicable in the place where they are stationed.

Section 11. *Exemption.* Applications for exemption from compliance with this Order shall not be allowed except in cases of establishments adversely affected by calamities such as natural and/or human induced disasters pursuant to NWPC Resolution 01, Series of 2014.

Section 12. *Transfer of Personnel.* The transfer of personnel from one province or region to another shall not be a valid reason for the reduction of the wage rate being enjoyed by the worker prior to the transfer.

Section 13. *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 14. *Effect of Filing of Appeal.* The filing of the appeal does not operate to stay this 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 increases for covered employees in the event this Order is affirmed.

Section 15. *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, executive orders and/or under any contract or agreement between the workers and employers.

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Section 16. *Effects on Existing Wage Structure.* Where effects of the wage increases provided for by this Order result in the 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 17. *Complaints for Non-Compliance.* Complaints for non-compliance with this wage order may be filed with the Regional Office of the Department of Labor and Employment (DOLE-CAR) and shall be the subject of enforcement proceedings under Article 128 of the Labor Code, as amended, without prejudice to criminal prosecution which may be undertaken against those who fail to comply.

Section 18. *Penal Provisions.* Any person, corporation, trust or firm, partnership, association or entity that refuses or fails to pay the prescribed increases in accordance with this Order shall be subject to the penal provisions under R.A. 6727, as amended by RA 8188.

Section 19. *Prohibition Against Injunction.* No preliminary or permanent injunction or temporary restraining order maybe issued by any court, tribunal or other entity against any proceedings before the Board.

Section 20. *Freedom to Bargain.* This Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.

Section 21. *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 31, 2016 and every year thereafter in accordance with the form prescribed by the Commission.

Section 22. *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 23. *Rules Implementing this Order.* The Board shall prepare the necessary rules to implement this Order subject to approval of the Secretary of Labor and Employment.

Section 24. *Separability Clause.* If, for any reason, a section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

Section 25. *Effectivity.* This Order shall take effect fifteen (15) days after its publication in at least one (1) local newspaper of general circulation in the Region.

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APPROVED: This 14th day of May 2015, Baguio City, Philippines.

MILTON L. BALAGTEY
Workers' Representative

ALFONSO T. LAO
Employers' Representative

RENERIO C. LARDIZABAL, JR.
Workers' Representative

JUAN JOHNNY R. DE LA CRUZ
Employers' Representative

MYRNA P. PABLO
Vice-Chairperson

MILAGROS A. RIMANDO
Vice-Chairperson

HENRY JOHN S. JALBUENA
Chairperson

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

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue

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