REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

July 04, 2017

REVENUE MEMORANDUM CIRCULAR NO. 52-2017

SUBJECT : Publishing the Daily Minimum Wage Rates in Region VII Pursuant to Wage Order No. ROVII-20

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-20 which was issued on February 13, 2017 and published at Sun Star Cebu on February 23, 2017:

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

REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD VII

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WAGE ORDER NO. ROVII-20

PROVIDING FOR INCREASE IN 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 in their respective regions;

WHEREAS, the Trade Union Congress of the Philippines (ALU-TUCP) filed on April 26, 2016 a Petition seeking for an across-the-board wage increase in the amount of One Hundred Sixty One (₱ 161.00) per day;

WHEREAS, on June 16, 2016, the Alliance of Progressive Labor (APL), Cebu Midtown Employees Union (CMUEU-NUWHRAIN-APL-IUF), Cebu Labor Coalition, Lonbisco Employees Organization (LEO), Mactan Electric Company Employees Independent Union (MEIU), NUWHRAIN-Montebello Chapter and Shemberg Employees Independent Union (SEIU-NUWHRAIN), filed a Petition for One Hundred Forty (₱140.00) per day across-the-board wage adjustment;

WHEREAS, the two petitions were filed before the expiration of the twelve (12) month period since the latest Wage Order (WO No. 19) took effect on October 10, 2015;

WHEREAS, the Board issued a resolution on August 25, 2016 declaring the non existence of supervening condition and provided that the consolidated petitions for across-the-board wage increases shall be deliberated only after Wage Order 19 reaches its one year period;

WHEREAS, On September 7, 2016, NWPC forwarded to RTWPB VII an August 24, 2016 petition filed by PACIWU for a wage increase in Negros Island Region (NIR) at ₱101.34, ₱90.61 and ₱88.87. Considering that RTWPB NIR is not yet constituted, Negros Oriental is still considered part of Region VII;

WHEREAS, the Board conducted series of consultations in Cebu City (November 9, 2016), Bogo City (November 16, 2016) and Tagbilaran City (December 2, 2016), as part of the review and assessment of the economic conditions in the region;

WHEREAS, after publication of petitions thereof and giving due notice to all concerned sectors, a region-wide public hearing was held on December 9, 2016 in Cebu City and January 5, 2017 in Dumaguete City;

WHEREAS, as a result of its periodic and continuous review on the socio economic factors and taking into considerations the issues ventilated by the concerned stakeholders, the Board finds the need to adjust the existing minimum wage rates in Central Visayas;

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 increased by Pesos (₱ 13.00). The new daily minimum wage rate in the region for each area classification including agriculture and sugar shall be as follows:

GEOGRAPHIC AREAS	NON-AGRICULTURE	AGRICULTURE	
		NON-SUGAR	SUGAR
	NEW BASIC WAGE	NEW BASIC WAGE	NEW BASIC WAGE
CLASS A Cities of Cebu, Danao, Lapulapu, Mandaue, Naga, Talisay and Municipalities of Compostela, Consolacion, Cordova, Liloan, Minglanilla, San Fernando, or Expanded Metro Cebu	366	368	316
CLASS B Cities of Toledo, Bogo, and the rest of Municipalities in Cebu Province except except Bantayan and Camotes Islands	333	318	303
CLASS C All Cities and Municipalities in Bohol and Negros Oriental Provinces	323	303	303
CLASS D Municipalities in Siquijor Province & Municipalities in Bantayan and Camotes Islands	308	288	303

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 helpers; persons in the personal service of another, including family drivers; and workers of registered 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. 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 5. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) 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 increase in this Order pursuant to R.A. 7277.

Section 6. 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 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 2016-2017shall 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 2017-2018.

Private educational institutions which have not increased their tuition fees for the School Year 2016-2017 may defer compliance with the increase prescribed herein until the beginning of School Year 2017-2018. In any case, private educational institutions shall implement the increase herein starting School Year 2017-2018.

Section 8. *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 the principals 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.

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Section 9. ***EXEMPTION.*** No petition for exemption shall be entertained by the Board. However, in case of a calamity, the Board may accept applications for exemption filed by establishments adversely affected by calamities such as natural and/or human-induced disasters pursuant to NWPC Resolution No. 1, series of 2014.

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 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/allowance/rates in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 18. ***PROHIBITION AGAINST INJUCTION.*** 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 31, 2018 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.

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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, February 13, 2017

ATTY. HIDELITO S. PASCUAL
Member, Employer's Representative

ATTY. ERNESTO F. CARREON
Member, Labor Representative

PHILIP N. TAN
Member, Employer's Representative

JOSE F. TOMONGHA
Member, Labor Representative

EFREN B. CARREON
Vice Chairperson

ASTERIA C. CABERTE
Vice Chairperson

EXEQUIEL R. SARCAUGA
Chairperson

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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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