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

June 2, 2016

REVENUE MEMORANDUM CIRCULAR NO. 59-2016

SUBJECT : Publishing the Daily Minimum Wage Rates in ARMM Pursuant to Wage Order No. ARMM-16.

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all concerned, quoted hereunder is the full text of Wage Order No. ARMM-16 issued on March 1, 2016 and published in the Kutang Bato Star Weekly News on February 15, 2016:

Republic of the Philippines
Autonomous Region in Muslim Mindanao
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES & PRODUCTIVITY BOARD
Cotabato City

WAGE ORDER NO. ARMM-16
PROVIDING FOR A NEW BASIC WAGE RATE INCREASE AT P 15.00/DAY FOR NON-AGRICULTURE AND P 5.00/DAY FOR AGRICULTURE SECTORS

WHEREAS, per R.A. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board is mandated to determine and fix the minimum wage rates applicable in the region;

WHEREAS, its been two (2) years since the Wage Board had issued Wage Order No. ARMM-15 providing for a basic wage rate increase at P18.00/day, thus making the Minimum Wage Rate at P250.00/day effective February 01, 2014;

WHEREAS, the Regional Wage Board, *motu propio*, conducted public consultations/dialogues with the tripartite sectors regionwide on October 22, 2015-Tawi-Tawi and Sulu, October 24, 2015-Basilan, November 16, 2015- Marawi City/Lanao del Sur, and November 25, 2016-Maguindanao;

WHEREAS, after the conduct of said public consultations, the Regional Wage Board made the following assessments, to wit:

a) That both the EMPLOYERS and WORKERS support a minimum wage adjustment per sector;
b) That the EMPLOYERS shall continue to develop and improve their policies on non-wage benefits, bonuses and other related incentives;
c) That all sectors supported the productivity based scheme on the firm level, in a form of income augmentation;
d) That the ARMM, under the leadership of RG MUJIV S. HATAMAN, maintains to offer the lowest minimum wage rate compared to neighboring regions, in order to attract more investors here and abroad.

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, known as the "Wage Rationalization Act", the Regional Tripartite Wages and Productivity Board - Autonomous Region in Muslim Mindanao (RTWPB-ARMM), hereby issues this Wage Order:

Section 1. New Wage Rate. Upon effectivity of this, Wage Order the basic pay of all covered workers in the region shall be increased by:

a. FIFTEEN PESOS (P15.00) per day basic wage for Non-Agriculture;
b. FIVE PESOS (P5.00) per day basic wage for Agriculture Plantation and Non-Plantation.

The new minimum wage rates of covered workers in the private sector in ARMM shall be as follows;"

Sector/Industry	Minimum Wage under Wage Order No. ARMM-15	Basic Wage Increase	New Daily Minimum Wage Rate
A. Non – Agriculture (Industrial/Manufacturing/ Construction/Commercial /Mining/Academe)	P250.00/day	P15.00/day	P265.00/day
B. Agriculture • Plantation • Non-Plantation	P250.00/day	P5.00/day	P255.00/day

Section 2. Coverage. This Wage Order applies to all minimum wage earners in the region, except domestic workers, family drivers, those employed in the personal service of another, and workers in registered Barangay Micro Business Enterprises with certificates of authority pursuant to R. A. 9178.

Section 3. Productivity Based Wages. In order to sustain rising levels of wages and enhance competitiveness, business establishments are encouraged strongly to adopt productivity improvement schemes such as time & motion studies, good housekeeping, quality circles, labor management cooperation as well as implement gain-sharing programs that will provide more incentives to the workers through increased productivity. 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 4. Basis of Minimum Wage. The minimum basic wage rates prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 5. 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 minimum basic wage rate per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours work a day.

Section 6. 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 the region.

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 7. Application to Private Educational Institution. In the case of private educational institutions, the share of covered workers and employees in the increase of tuition fees for school year 2015-2016 shall be considered as compliance with the minimum basic wage increase set forth herein; provided, that if such minimum basic wage increase is less than the prescribed adjustment, the employer shall pay the difference in the 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 until the beginning of School Year 2016-2017.

In any case, all private educational institutions shall implement the Minimum Basic Wage increase prescribed herein starting School Year 2016-2017.

Section 8. 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 9. 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 basic wage increase to employees affected by the Order, in the event such Order is affirmed.

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Section 10. Exemptions. Upon application with and as determined by the Board, in accordance with the NWPC Guidelines No. 02, series of 2007 (The Amended Rules on Exemption), the following may be exempted from the applicability of this Wage Order:

a. Retail and Service Establishments regularly employing not more than 10 workers.
b. Distressed Establishments;
c. New Business Enterprises; and
d. Establishments adversely affected by extreme weather and natural calamities; and human-induced disaster.

All applications with complete supporting documents as specified in the Rules Of Exemption from compliance with this Order shall be filed within seventy-five (75) days from the date of publication of the Rules Implementing this Order. Failure to submit the required supporting documents within the prescribed period will be tantamount to dismissal of the application for exemption.

Section 11. Complaints for Non-Compliance. Complaints for non-compliance with this Order shall be filed with the Department of Labor and Employment (DOLE) 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 12. 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 13. Penal Provision. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to comply to this Order, shall be subjected to the penal provisions under R. A. 6727, as amended by R. A. 8188.

Section 14. 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 15. 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 16. 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, 2017 and every year thereafter in accordance with the form prescribed by the Commission..

Section 17. 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 18. 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 19. Implementing Rules. The Board shall prepare the necessary Rules to implement this Order subject to approval of the Regional Governor of ARMM.

Section 20. Effectivity. This Order shall take effect fifteen (15) days after publication in at least one (1) newspaper of general circulation in the region.

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Approved this 20th day of January, 2016 in Cotabato City, Philippines.

HON. MUSLIMIN A. JAKILAN
Board Chairman
DOLE-ARMM Regional Secretary

HON. BAINTAN A. AMPATUAN
Vice-Chairman
RPDO Executive Director

HON. SAKIRAN A. HAJAN
Vice-Chairman
DTI-ARMM Regional Secretary

HON. ALE B. TUBA
Workers' Representative

HON. EDGAR L. BULLECER
Employers' Representative

HON. ALMARIO U. LERIOS
Workers' Representative

Vacant
Employers' Representative

Attested by:

LILIAN RUTH C. CABANBAN
Board Secretary VI

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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