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

October 13, 2015

REVENUE MEMORANDUM CIRCULAR NO. 66-2015

SUBJECT : Publishing the Daily Minimum Wage Rates in Region 10 Pursuant to Wage Order No. RX – 18.

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. RX – 18 issued on May 15, 2015 and published in the Mindanao Gold Star Daily on June 5, 2015:

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Republic of the Philippines
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region 10, Northern Mindanao

WAGE ORDER NO. RX-18
Prescribing a New Minimum Wage Rate in Region X

WHEREAS, the Regional Tripartite Wages and Productivity Board - X (RTWPB-X), is mandated under the Wage Rationalization Act (RA 6727), to periodically assess the wage rates and conduct continuing studies in the determination of the minimum wage applicable in the Region;

WHEREAS, RTWPB-X issued Wage Order No. RX-17 which took effect on June 20, 2013, providing for a twenty (Php 20.00) pesos increase per day: ten pesos into the basic wage and ten pesos as cost of living allowance (COLA), and effective on January 1, 2014, the ten pesos cost of living allowance was integrated into the basic wage;

WHEREAS, on July 18, 2014, the Associated Labor Union - Trade Union Congress of the Philippines (ALU-TUCP) filed with the Board a petition for an eighty-nine (Php 89.00) pesos per day across the board wage increase;

"WHEREAS, series of consultations were conducted in Gingoog City, Municipality of Maramag, Iligan City and Ozamiz City on August 14, 26, September 25 and 26, 2014, respectively and a region-wide public hearing on April 17, 2015 at Cagayan de Oro City;

"WHEREAS, considering the series of the consultation and public hearing, position submitted by labor and management groups are the assessment of the socio-economic conditions vis-à-vis the competitiveness and development of the region, the Board finds its imperative to provide an adjustment in the minimum wage to augment the income of workers without significantly affecting business' viability and sustainability; farther, in recognition of the right of labor to its just share in the fruits of production and in consonance with the national goal of inclusive growth through decent and productive work".

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, the Regional Tripartite Wages and Productivity Board of Region X hereby issue this Wage Order.

Section 1. NEW MINIMUM RATES. Upon effectivity of this Wage Order, the minimum daily wage rates of covered workers and employees in the private sector in Region X shall receive an increase in the basic wage of Twelve (P 12.00) pesos per day, as follows:

CLASSIFICATION	NON-AGRICULTURE			AGRICULTURE		
	MWR under WO RX-17	Increase in Basic Wage	NEW MINIMUM WAGE RATE	MWR under WO RX-17	Increase in Basic Wage	NEW MINIMUM WAGE RATE
Wage Category I (Cities of Cagayan de Oro and Iligan, and the Municipalities of Tagaloan, Villanueva, and Jasaan)	306.00	12.00	318.00	294.00	12.00	306.00

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Wage Category II (Cities of Malaybalay, Valencia, Gingoog, El Salvador and Ozamiz, and the Municipalities of Maramag, Quezon, and Manolo Fortich)	301.00	12.00	313.00	289.00	12.00	301.00
Wage Category III (Cities of Oroquieta and Tangub and the Municipalities of Lugait, Opo and Mambajao; All establishments employing ten (10) workers or less)	296.00	12.00	308.00	284.00	12.00	296.00
Wage Category IV (All other areas not covered under the above categories)	291.00	12.00	303.00	279.00	12.00	291.00

A supplemental wage order may be issued prescribing the minimum wage rate for Sugar Agricultural Industry.

Section 2. COVERAGE. The wage increase prescribed herein shall apply to all minimum wage earners in the private sector in the region, regardless of their position, designation or status and irrespective of the method by which their wages are paid.

This Wage Order shall not include household or domestic workers covered by RA 10361 or the Batas Kasambahay, persons in the personal service of another, including family drivers, and workers in registered Barangay Micro Business Enterprises (BMBEs) with 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. PRODUCTIVITY BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, businesses are encouraged to adopt productivity improvement schemes such as time and motion studies, labor management cooperation as well as implement gain-sharing programs. 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 5. ADVISORY ON PERFORMANCE BASED PAY. In line with the two-tiered wage system where the 1st tier is the mandatory wage adjustment prescribed in this Wage Order, the Board issued an advisory on the 2nd tier, the Advisory on the Implementation of Productivity-Based Incentive Scheme for the Bus Transport Industry which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise or industry may provide based on agreement between workers and management.

Section 6. CREDITABLE WAGE INCREASE. All wage increases granted to workers within three (3) months prior to the effectivity of this Wage Order shall be credited as compliance with this Order. Where such increases are less than the prescribed adjustment, the employer shall pay the difference.

Such creditable increases shall not include anniversary wage increases, merit increases and those resulting from the regularization or promotion of employees.

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Section 7. 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 not less than the prescribed minimum wage rates per eight hours of work a day, or a proportion thereof for work less than eight (8) hours.

Section 8. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners of accredited learnership and apprenticeship programs 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 approved by TESDA and 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 RA 7277.

Section 9. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS INCLUDING THOSE OFFERING TECHNICAL/VOCATIONAL EDUCATION AND TRAINING (TVET). In the case of private educational institutions, the share of covered workers and employees in the increase of tuition fees for current school year shall be considered as compliance with the increases prescribed herein. However, any shortfall in the basic wage set forth herein shall be paid starting of the opening of the next school year.

Private educational institutions which have not increased their tuition fees for the current school year may defer compliance with the provisions of this Wage Order until the beginning of the next school year.

Section 10. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects, security, janitorial and similar services, their wages shall be automatically adjusted in accordance with this Order. The adjustment in the wage rates shall be borne by the principal of the construction/service contractor and the contract shall be deemed amended accordingly.

In the event, however, that the principal fails to pay the prescribed increase, the construction/service contractor shall be jointly and severally liable.

Section 11. EXEMPTIONS. Upon application with and as determined by the Board in accordance with the National Wages and Productivity Commission (NWPC) Guidelines No. 02, Series of 2007 (Amended Rules on Exemption from Compliance with the Prescribed Wage Increases) and Resolution No. 01, series of 2014, the following maybe exempted from the applicability of this Wage Order, to wit:

a. Distressed establishments;
b. New Business Enterprises (NBEs) as defined in the Implementing Rules and Regulations (IRR); and
c. Establishments adversely affected by natural calamities and human-induced disasters.

Section 12. EFFECT OF APPLICATION FOR EXEMPTION. An application for exemption duly filed shall have the effect of deferring any action in any complaint for non-compliance with the Order until the resolution of the application by the Regional Board.

In case the application for exemption is not approved, covered employees/workers of the applicant-establishment shall be paid the mandated wage increase under this Wage

Order plus one percent (1%) interest per month retroactive to the effectivity of this Wage Order.

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.

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 the employees affected by the Order in the event such Order is affirmed.

Section 14. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the increase 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 Article 124 of the Labor Code, as amended.

Section 15. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Wage Order shall be filed before the Regional Office of the Department of Labor and Employment (DOLE) or any of its Provincial Extension Offices subject to the Single Entry Approach (SENA) as defined under Department Order No. 107-10, Series of 2010, 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 16. NON-DIMINUTION OF BENEFITS. Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances and benefits in 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, entity or employer who refuses or fails to pay the prescribed minimum wage in accordance with this Order shall be subject to the penal provisions under RA 6727, as amended by RA 8188.

Section 18. 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 19. FREEDOM TO BARGAIN. This Order shall not prevent workers in particular firms or enterprises from bargaining for higher wages and/or benefits 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, 2016 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 Wage Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.

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Section 23. IMPLEMENTING RULES. The Board shall issue the necessary rules to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

Section 24. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation in the region.

APPROVED, May 12, 2015, Cagayan de Oro City, Philippines.

ARSENIO L. SEBASTIAN III
Management Representative

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Chairperson, RTWPB-X
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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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