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

July 7, 2016

REVENUE MEMORANDUM CIRCULAR NO. 77-2016

SUBJECT : Publishing the Daily Minimum Wage Rates in Region - IVA Pursuant to Wage Order No. IVA-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. IVA-17 issued on May 30, 2016 and published in the Philippine Star on June 16, 2016:

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Republic of the Philippines
DEPARTMENT OF LABOR AND EMPLOYMENT
National Wages and Productivity Commission
Regional Tripartite Wages and Productivity Board No. IV-A
City of Calamba, Laguna

WAGE ORDER NO. IVA-17

SETTING THE NEW MINIMUM WAGE FOR PRIVATE ESTABLISHMENTS IN REGION – IVA

WHEREAS, the Regional Tripartite Wages and Productivity Board – IVA (RTWPB - IVA) is mandated under R. A. 6727 "The Wage Rationalization Act" to set the applicable minimum wage of workers in private establishments in the Region following a standard minimum wage fixing process and set of criteria;

WHEREAS, Wage Order No. IVA-16 dated May 01, 2014 has reached its anniversary date thereby warranting *motu proprio* action of the Board to review the socio-economic conditions in the Region including the income classification of the cities and municipalities;

WHEREAS, after due notice to all concerned sectors, the Board conducted a series of provincial consultations on November 05, 2015 in Laguna; November 17, 2015 in Batangas; November 18, 2015 in Quezon and November 20, 2015 in Cavite and a public hearing on December 01, 2015 in Laguna, to determine the propriety of issuing a new wage order and to update the public on changes in the income classification of cities/municipalities based on Philippine Statistics Authority-Philippine Standard Geographic Code as of June 30, 2015;

WHEREAS, the Laguna Workers' Alliance (LAWA) filed a petition, dated October 22, 2015, for a wage increase in the amount of Php1,080.00 to be given in a 5-year staggered basis;

WHEREAS, a Notice of Public Hearing on the Petition was published in a newspaper of general circulation on November 18, 2015;

WHEREAS, in setting the new minimum wage in the region, the Board considered the need to simplify its wage structure by integrating the Conditional Temporary Productivity Allowance (CTPA) and Socio-Economic Allowance (SEA) into the basic wage; the petition for a wage increase; results of the review of the socioeconomic indicators, provincial consultations and public hearing, and; changes in the income classification of cities and municipalities;

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 of Region IV-A hereby issues this Wage Order:

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SECTION 1. WAGE INCREASE. All covered private sector workers and employees in Region IVA (CALABARZON Region) shall receive the following increase in their daily wage:

A. CTPA and SEA Integration into the Basic Wage

Upon effectivity of this Wage Order, the CTPA of Php12.50 under Wage Order No. IVA-15 and SEA of Php13.00 under Wage Order No. IVA-16 shall be integrated into the basic wage. However, CTPA integration shall take effect four (4) months thereafter.

B. Wage Increase by Reason of Area Reclassification

Upon effectivity of this Wage Order, all private sector minimum wage workers and employees in the eighty-five (85) reclassified areas of Region IVA (CALABARZON Region) shall receive an increase in the basic wage in the amount ranging from Php5.00 to Php73.50 for a seven-year tranche.

C. Wage Adjustment

Upon effectivity of this Wage Order, the lowest minimum wage rate or the floor wage in Region IVA-CALABARZON Region shall be Two Hundred and Eighty-Three Pesos (Php283.00).

c.1 Minimum Wage Workers and Employees receiving over Php283.00

All private sector minimum wage workers and employees of Region IVA-CALABARZON receiving over Php283.00 shall receive an increase in the basic wage in the amount of Php16.00 for the Growth Corridor Area, Php12.00 for the Emerging Growth Area and Php6.00 for the Resource-Based Area in consideration of socio-economic and region-specific considerations and indicators.

c.2 Minimum wage workers and employees receiving Php283.00 and below

Upon effectivity of this Wage Order, the amount of Php8.00, representing the first tranche of increase under this new Wage Order shall be on December 01, 2016, coinciding with the final tranche of increase of Php4.00 under Wage Order No. RBIVA-16 shall be paid to all covered workers.

Those who are already receiving Php267 upon the effectivity of this Order shall receive the Php8.00 representing the first tranche of increase under this new Wage Order.

The Php8.00 representing the second tranche of increase under this new Wage Order shall take effect six (6) months thereafter.

SECTION 2. NEW DAILY MINIMUM WAGE RATES. Upon effectivity, the new daily minimum wage rates of covered workers in the private sector in Region IVA-CALABARZON shall be as follows:

GROWTH CORRIDOR AREA

| Covered Areas | W.O. NO. NA-16 | | | | | | | | | | | Basic Wage Adjustment | | | | | | | | | | |

GROWTH CORRIDOR AREA

| Covered Areas | W.O. NO. IVA-16 | | |

EMERGING GROWTH AREA

Covered Areas	W.O. NO. IVA-16													Basic Wage Adjustments																W.O. NO. IVA-17									
	Existing Minimum Wage									Integration into the Basic Wage		Area Reclassification Increase	Minimum Wage Increase															New Minimum Wage									
	Non-Agri	Agriculture		R&S 10 <	CTPA	SEA	Non-Agri	Agriculture		R&S 10 <	SEA	(CTPA + SEA)		Non-Agri	Agriculture			Retail & Service Estab. Employing Not More Than 10 Workers (RES 13-c)				Non-Agri	Agriculture				Retail & Service Estab. Employing Not More Than 10 Workers									
		Plant	Non-Plant					Plant	Non-Plant						Plant	Non-Plant		WO 16	WO 17				Plant		Non-Plant													
	1-Jul-16	1-Nov-16									1-Jul-16	1-Jan-17	1-Jul-16 (Year 1)	1-Jul-16	1-Jan-17	1-Jul-16	1-Jan-17	1-Jul-16	1-Jan-17	1-Jul-16	1-Jan-17	1-Dec-16	1-Jan-17	1-Jan-17	1-Jul-16	1-Nov-16	1-Jan-17	1-Jul-16	1-Nov-16	1-Jan-17	1-Jul-16	1-Nov-16	1-Jan-17	1-Jul-16	1-Nov-16	1-Jan-17	1-Jul-16	1-Nov-16	1-Jan-17
Highest Wage Rate Level (2nd Class Municipalities) i.e 316.50, 291.50, 267.00 and 267.00																																						
Province of Cavite																																						
Maragondon	271	261	261	208	12.50	13	296.50	267.00	267.00	263	13.00	25.50	9.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	305.00	317.50		284.00		292.00	284.00		292.00	272.00	284.00		292.00		
Noveleta	280	261	261	233	12.50	13	305.50	267.00	267.00	263	13.00	25.50		12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	305.00	317.50		271.00		283.00	275.00		283.00	263.00	275.00		283.00		
Province of Laguna																																						
Bay, Calauan, Nagcarlan, Siniloan	271	261	261	208	12.50	13	296.50	267.00	267.00	263	13.00	25.50	10.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	306.00	318.50		285.00		293.00	285.00		293.00	273.00	285.00		293.00		
Alaminos, Cavinti, Kalayaan, Lumban, Paguanjan, Pila	271	261	261	208	12.50	13	296.50	267.00	267.00	263	13.00	25.50	9.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	305.00	317.50		284.00		292.00	284.00		292.00	272.00	284.00		292.00		
Province of Batangas																																						
Calatagan	281	266	261	226	12.50	13	316.50	291.50	267.00	267	13.00	25.50		12.00		12.00		8.00	8.00		8.00		8.00		316.00	328.50		291.00	303.50		275.00		283.00	275.00		283.00		
Tuysan	275	261	261	232	12.50	13	300.50	267.00	267.00	263	13.00	25.50	11.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	311.00	323.50		286.00		294.00	286.00		294.00	274.00	286.00		294.00		
Ibaan, Malvar, Padre Garcia	271	261	261	208	12.50	13	296.50	267.00	267.00	263	13.00	25.50	10.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	306.00	318.50		285.00		293.00	285.00		293.00	273.00	285.00		293.00		
Lemery, Lian, Lobo, Taal, Talisay, Tuy	271	261	261	208	12.50	13	296.50	267.00	267.00	263	13.00	25.50	9.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	305.00	317.50		284.00		292.00	284.00		292.00	272.00	284.00		292.00		
Province of Rizal																																						
Teresa	275	261	261	232	12.50	13	300.50	267.00	267.00	263	13.00	25.50	11.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	311.00	323.50		286.00		294.00	286.00		294.00	274.00	286.00		294.00		
Morong	271	261	261	208	12.50	13	296.50	267.00	267.00	263	13.00	25.50	10.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	306.00	318.50		285.00		293.00	285.00		293.00	273.00	285.00		293.00		
Cardona	271	261	261	208	12.50	13	296.50	267.00	267.00	263	13.00	25.50	9.00	12.00		8.00	8.00	8.00	8.00	4.00		8.00		8.00	305.00	317.50		284.00		292.00	284.00		292.00	272.00	284.00		292.00		
Province of Quezon																																						
Lucban, San Francisco (Aurora), Guinayangan, Polillo, San Narciso	261	261	249	201			267.00	267.00	267.00	263			10.00	8.00	8.00	8.00	8.00	8.00	8.00	4.00		8.00		8.00	285.00		293.00	285.00		293.00	285.00		293.00	273.00	285.00		293.00		

RESOURCE BASED AREA

| Covered Areas | W.O. NO. IVA-16 | | |

All workers covered by this Wage Order receiving wage rates less than the prescribed minimum wage shall be adjusted at least to the new minimum wage rates prescribed herein.

SECTION 3. COVERED WORKERS AND EMPLOYEES. The minimum wage rates prescribed under this Wage Order shall apply to all minimum wage workers and employees in private establishments in Region IV-A (CALABARZON 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 kasambahay/domestic workers, persons employed in the personal service of another, including family drivers and workers of Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority, pursuant to R.A. 10644 otherwise known as Go Negosyo Act of 2014.

SECTION 4. BASIS OF MINIMUM WAGE. The minimum wage prescribed under this Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

SECTION 5. APPLICATION TO WORKERS OF CONTRACTORS OR SUBCONTRACTORS. All workers of legitimate contractors or subcontractors in the construction and other industries are entitled to the prescribed minimum wage, provided for under Section 1 of this Wage Order. The prescribed wage rates of covered workers shall be borne by the principal or "user enterprise" and the service agreement or contract shall be deemed amended accordingly.

In the event, however, that the principal fails to pay the prescribed wages, the contractor or sub-contractor shall be jointly and severally liable with the principal or "user enterprise".

SECTION 6. 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 2016-2017 shall be considered as compliance with the wage rates 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 School Year 2016-2017 may defer compliance with the wage rates prescribed herein until the beginning of School Year 2017-2018.

In any case, all private education institution shall implement the wage rates prescribed herein starting school year 2017-2018.

SECTION 7. APPLICATION TO WORKERS PAID BY RESULTS. All workers paid by result, including those who are paid on piece work, takay, pakyaw or task basis, shall receive the minimum wage for the normal working hours which shall not exceed eight (8) hours work a day, or a proportion thereof for working less than the normal working hours.

SECTION 8. APPLICATION TO MOBILE, BRANCH AND TRANSFERRED PERSONNEL. 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 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. In the case of mobile worker/employee, the home base rate shall apply. 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.

SECTION 9. APPLICATION TO SEASONAL OR TEMPORARY WORKERS. Seasonal, reliever, week-ender, temporary or promo jobber workers directly hired by the principal or engaged by a contractor or subcontractor shall receive the prescribed minimum wage.

SECTION 10. APPLICATION TO SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners shall in no case be less than seventy-five percent (75%) of the minimum wage prescribed in this Wage Order. All recognized learnership and apprenticeship agreements entered into before the effectivity of this Wage Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the provisions of this Wage Order.

All qualified handicapped workers shall receive the full amount of the minimum wage prescribed in this Order, pursuant to R.A. 7277, otherwise known as the Magna Carta for Disabled Persons.

SECTION 11. EXEMPTION. No exemption from compliance with this Wage Order shall be allowed. However, The Board may accept application for exemption based on the following:

a) In case of a calamity, establishments adversely affected by calamities such as natural and/or human-induced disasters per NWPC Resolution No. 1, Series of 2014 on Amended Rules on Exemption.

b) Exporters with valid forward contracts.

c) Distressed establishment per NWPC Guidelines No. 2, Series of 2007 on Amended Rules on Exemption.

SECTION 12. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE. In order to sustain rising levels of wages and enhance competitiveness, labor and management, as partners, are encouraged to adopt productivity improvement schemes such as time and motion studies, good housekeeping, quality circles, labor and management cooperation and implement gain-sharing and other performance incentive schemes in order to improve the quality of life of workers and in turn enable them to perform better and contribute to enterprise growth.

Pursuant to the Two-Tiered Wage System, the Board issued an Advisory attached to the W.O. No. RBIVA-16 for reference.

SECTION 13. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the wage increase prescribed under this Wage Order results in distortion in the wage structure within the establishments, it shall be corrected in accordance with the procedure under Article 124 of the Labor Code, as amended.

SECTION 14 COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed with the Department of Labor and Employment- Regional Office-IVA (DOLE-RO IVA) or to any DOLE-Provincial Field Office in the Region, and shall be the subject to the mandatory thirty (30)-day conciliation and mediation process under Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

SECTION 15. APPEAL TO THE COMMISSION. Any party aggrieved by this wage order may file an appeal to the NWPC, through the board, in three (3) printed copies, not later than ten (10) days from the publication of this Wage Order.

SECTION 16. FREEDOM TO BARGAIN. This Wage Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.

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SECTION 17. NON-DIMINUTION OF BENEFITS. Nothing in this Wage 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 of agreement between the workers and employers.

SECTION 18. PENAL PROVISIONS. Any employer who refuses or fails to pay the corresponding minimum wage rates provided under this Order shall be subject to the penalties under RA. 6727 and R.A.8188.

SECTION 19. PROHIBITION AGAINST INJUNCTION. No preliminary injunction or temporary restraining order maybe issued by any court, tribunal or any entity against the Board, this Wage Order or any proceedings before the Regional Board.

SECTION 20. REPORTING REQUIREMENT. All business establishments shall submit a verified report on their wage structure to the Board not later than January 31 of each year and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

SECTION 21. REPEALING CLAUSE. All orders, issuances, rules and regulations, or parts thereof inconsistent with 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 invalid, the other provisions or parts shall remain valid.

SECTION 23. IMPLEMENTING RULES. The Regional Board shall prepare the necessary rules and regulations to implement this Wage Order, subject to the approval of the Secretary of Labor and Employment.

SECTION 24. EFFECTIVITY. This Order shall take effect on July 01, 2016, following the fifteen (15) days publication requirement in a newspaper of general circulation.

Approved this 30th day of May, 2016 in Calamba City, Laguna.

MA. ZENAIDA A. ANGARA-CAMPITA
Regional Director, DOLE -IVA
Chairman

LUIS G. BANUA
OIC-Regional Director, NEDA -IVA
Vice-Chairman

MARILOU Q. TOLEDO
Regional Director, DTI-IVA
Vice-Chairman

RENATO B. ALMEDA
Employers' Representative

DELIA T. UY
Employers' Representative

PATROCINIO S. CAISIP
Workers' Representative

ENGLEBERT C. LASANG
Workers' Representative

supported by NWPC/RTWP

I dissent to the integration of CTPA & SEA into the basic wage, a move initiated by NWPC and unreasonably supported & implemented by concerned. Said integration will negate and destroy the spirit of the TWO-TIER WS which promotes productivity an initiative/concept which should be

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

(Original Signed)
CAESAR R. DULAY
Commissioner of Internal Revenue

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