BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

OCT 12 2017
at 2:05 pm
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September 25, 2017

REVENUE MEMORANDUM CIRCULAR NO. 86-2017

SUBJECT : Publishing the Daily Minimum Wage Rates in Region II Pursuant to Wage Order No. RTWPB-02-18

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. RTWPB-02-18 was issued on August 11, 2017 and published in The Northern Forum on September 10, 2017:

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD 02

WAGE ORDER NO. RTWPB-02-18

ADJUSTING THE MINIMUM WAGE RATES FOR WORKERS IN THE PRIVATE SECTOR IN REGION 2

WHEREAS, under Republic Act No. 6727 (The Wage Rationalization Act), the Regional Tripartite Wages and Productivity Boards (RTWPBs) are mandated to determine and fix minimum wage rates in their respective regions;

WHEREAS, Wage Order No. RTWPB-II-17, setting a uniform wage rate of P300.00 for the non-agriculture sector and retail/service establishments employing more than 10 workers, P280.00 for the agriculture sector, and P260.00 for retail and service establishments employing not more than 10 workers for the entire region took effect on May 14, 2016;

WHEREAS, the non-agriculture sector under Wage Order No. RTWPB-II-17 already includes retail and service establishments employing more than 10 workers, pursuant to its thrust of simplifying the wage rates in the region;

WHEREAS, the Board, acting *motu proprio*, decided to review the current minimum wage rates in the region after the one-year period within which Wage Order No. 17 cannot be superseded has expired, and in view of the absence of any petition for increase filed by any interested party;

WHEREAS, pursuant to Rule III of the Rules of Procedure on Minimum Wage Fixing, the Board conducted public consultations on July 7, 2017 in Santiago City, Isabela and on July 14, 2017 in Tuguegarao City, Cagayan, and a public hearing on August 9, 2017 in Santiago City, Isabela;

WHEREAS, the mandatory minimum wage level is set as a safety net to ensure workers' welfare and protection;

WHEREAS, data presented by the National Economic and Development Authority show that the 2015 annual per capita poverty threshold in Region 2 is P21,860 or P209.00 per day for a family of 5 members;

WHEREAS, as a result of the consultations/public hearing and deliberations conducted and based on the existing socio-economic conditions of the region, the Regional Board determined and **unanimously agreed** that the minimum wages of workers in the private sector in Region 2 **should be increased** in order to reach or exceed the poverty threshold;

NOW, THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, the REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD-Region II hereby issues this Wage Order.

SECTION 1. NEW MINIMUM WAGE RATES. Upon effectivity of this Wage Order, all minimum wage workers and employees of private establishments in Region 02 shall be paid the following minimum wage rates:

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INDUSTRY/SECTOR	New MINIMUM WAGE RATES UNDER W.O. No. RTWPB-02-18
1. Non Agriculture, and Retail/Service Establishments employing more than 10	340.00
2. Agriculture	320.00
3. Retail/Service Establishments employing not more than 10	300.00

SECTION 2. COVERAGE. The new minimum wage rates prescribed under this Wage Order shall apply to all minimum wage workers and employees in the private sector in the region, regardless of their position, designation or status of employment.

Excluded from the coverage of this Wage Order are domestic workers and persons in the personal service of another including family drivers, and workers of registered Barangay Micro-Business Enterprises (BMBEs) with valid Certificates of Authority.

SECTION 3. APPLICATION OF THE NEW WAGE RATES. The new wage rates prescribed under this Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours of work a day.

SECTION 4. APPLICATION TO PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of covered workers in the increase in tuition fees for the School Year 2017-2018 shall be considered as compliance with the wage increase prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting School Year 2018-2019.

Private educational institutions which have not increased their tuition fees for the School Year 2017-2018 may defer compliance with the provisions of this Wage Order until the beginning of the School Year 2018-2019.

In any event, all private educational institutions shall implement the wage increase prescribed herein starting School Year 2018-2019.

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 not less than the prescribed minimum wage rate for eight (8) normal working hours a day, or a portion thereof for those working less than eight (8) hours.

SECTION 6. WAGE DISTORTION. Where the application of the new wage rates prescribed in this Wage Order results in wage distortion within the establishment, it shall be corrected in accordance with the procedure provided for under Article 124 of the Labor Code, as amended.

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SECTION 7. EXEMPTIONS. Upon application with and as verified and determined by the Board, the following categories of establishments may be exempted from compliance with this Wage Order:

1. Distressed establishments
2. New business enterprises (NBEs)
3. Retail/Service establishments employing not more than ten (10) workers
4. Establishments adversely affected by calamities such as natural and/or human induced disasters in accordance with NWPC Resolution No.1, series of 2014.

SECTION 8. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Wage Order shall be filed with the Regional Office of the Department of Labor and Employment (DOLE) having jurisdiction over the workplace and shall be subject 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 9. NON-DIMINUTION OF BENEFITS. Nothing in this Wage Order shall be construed to reduce any existing wage rate, allowance or other benefits of any form under existing laws, decrees, issuances and executive orders or under any contract or agreement between workers and employers.

SECTION 10. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS. In order to sustain rising levels of wages and enhance competitiveness, labor and management as partners in business are encouraged to adopt productivity improvement schemes that will improve the quality of work of employees and, in turn, enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor-management cooperation, as well as implement gainsharing programs and other performance incentive programs.

Pursuant to the Two-Tiered Wage System, the Board issued Advisory No. RTWPB-II-01, with higher educational institutions as its target industry, notwithstanding the issuance of future advisories to guide workers and management in the formulation, adoption and implementation of programs and performance and productivity-based incentive schemes.

SECTION 11. 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 12. FREEDOM TO BARGAIN. This Wage Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

SECTION 13. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal with the National Wages and Productivity Commission through the Board within ten (10) calendar days from the publication of this Wage Order.

The filing of the appeal does not operate to stay the Wage Order unless the party appealing such Wage 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 Wage Order in the event such Wage Order is affirmed.

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REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD II

SECTION 14. 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 RTWPB II not later than January 31, 2018 and every year thereafter in accordance with the form prescribed by the Commission.

SECTION 15. 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.

SECTION 16. 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 17. IMPLEMENTING RULES. The Board shall prepare the implementing rules of this Wage Order subject to the approval of the Secretary of Labor and Employment.

SECTION 18. EFFECTIVITY. This Wage Order takes effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED this 11th of August, 2017 in Tuguegarao City, Cagayan.

CECILIA LA MADRID DY
Employers' Representative

ARCELI L. DULIN
Employers' Representative

JOHNNY M. ALVARO
Employees' Representative

ERNESTO J. FUECONCILLO
Employees' Representative

FERDINAND P. TUMALIUAN
Vice Chairperson

RUBEN B. DICIANO
Vice Chairperson

MANUEL C. ROLDAN
Chairperson

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

CAESAR R. DULAY
Commissioner of Internal Revenue

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