



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

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RECORDS MGT. DIVISION

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January 21, 2016

REVENUE MEMORANDUM CIRCULAR NO. 10-2016

SUBJECT : Publishing the Daily Minimum Wage Rates in Region III Pursuant to Wage Order No. RBIII -19.

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. RBIII -19 issued on December 2, 2015 and published in the Philippine Star on December 17, 2015:

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD NO. 3
San Fernando, Pampanga

WAGE ORDER NO. RBIII-19

SETTING THE MINIMUM WAGE RATES IN REGION III

WHEREAS, Republic Act 6727 mandated the Regional Tripartite Wages and Productivity Board-Region III, hereinafter referred to as the Board, to determine and fix minimum wage rates and periodically review the same in relation to prevailing socio-economic and other conditions in the Region;

WHEREAS, in the exercise of its wage-fixing function, the Board "motu proprio" conducted sectoral wage consultation on October 27, 2015 and a regional public hearing on November 5, 2015 to gather inputs on the wage concerns that will guide the Board in its review of the current minimum wage rates in the region. The notice of consultation and public hearing was published on October 21, 2015 at SunStar Pampanga, a local newspaper of wide general circulation in the Region;

WHEREAS, as a result of the review made on the prevailing socio-economic conditions of the Region and that of the results of the sectoral consultations, public hearing and deliberations conducted, the Board agreed to provide workers immediate measures taking into account the interest of both labor and management as well as the continued and sustained viability of business and industry;

WHEREAS, the Board adheres to the Two-Tiered Wage System (TTWS) policy reform in wage setting to provide effective protection to workers by setting a minimum wage rates not lower than the region's poverty threshold;

WHEREAS, among minimum wage earners in the region, employees working in the retail and service establishments employing not more than 16 workers in the Province of Aurora receive wages below the poverty threshold;

WHEREAS, there is need to promote the implementation of the two-tiered wage system in the Region for the effective protection of the minimum wage earners by setting the floor wage and for the equitable distribution of the benefits from productivity growth by encouraging the establishment of performance-based incentive schemes acceptable to both labor and management;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Board hereby issues this Wage Order.

Section 1. AMOUNT OF INCREASE. Upon the effectivity of this Order, the basic pay of all private sector workers in the Region shall be adjusted as follows:

- a. FIFTEEN PESOS (P15.00) per day basic pay in all provinces to be given in two tranches:

1st tranche - P 8.00 upon effectivity of the Order
2nd tranche P 7.00 effective May 1, 2016

- b. TWENTY PESOS (P20.00) per day basic pay for Retail and Service with less than 15 workers in Aurora Province to be given in two tranches:

1st tranche P 10.00 upon effectivity of the Order
2nd tranche P 10.00 effective May 1, 2016

The new minimum wage rates of covered workers in the private sector in Region III shall be as follows:

SECTOR	MINIMUM WAGE									
	Provinces of Batasan, Bulacan, Nueva Ecija, Pampanga, Tarlac, Zambales					Province of Aurora				
	MW under W.O. # RBIII-18	1 st tranche: Upon effectivity of the Wage Order	New Minimum Wage	2 nd tranche: Effective May 1, 2016	New Minimum Wage	MW under W.O. # RBIII-18	1 st tranche: Upon effectivity of the Wage Order	New Minimum Wage	2 nd tranche: Effective May 1, 2016	New Minimum Wage
Non-Agriculture						298	8.00	306	7.00	313
Establishment with total assets of P30M or more	349	8.00	357	7.00	364					
Establishment with total assets of less than P30M	342	8.00	350	7.00	357					
Agriculture										
Plantation	319	8.00	327	7.00	334	263	8.00	291	7.00	298
Non-Plantation	303	8.00	311	7.00	318	271	8.00	279	7.00	286
Retail/Service										
With 15 or more workers	338	8.00	346	7.00	353					
With less than 15 workers	324	8.00	332	7.00	339	228	10.00	236	10.00	246

Section 2. COVERAGE. The new wage rate provided herein shall apply to all minimum wage earners/workers and employees in the private sector in Region III regardless of position, designation or status of employment and irrespective of the method by which their wages are paid. Not covered in this Wage Order are household or domestic helpers and persons employed in the personal service of another including family drivers and workers of Barangay Micro Business Enterprises with Certificates of Authority, pursuant to R.A. 9178.

Section 3. BASIS OF INCREASE. The wage increase prescribed under the Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

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Section 4. 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 increase in this order per eight (8) hours a day, or a proportion thereof for working less than eight (8) hours.

Section 5. SPECIAL GROUP OF WORKERS. The minimum wage rate of apprentices and learners shall in no case be less than seventy-five percent (75%) of the prescribed minimum wage rate under Section 1 of this Wage Order.

All recognized learnership and apprenticeship agreements entered into before the effectivity of this Order shall be considered automatically modified in accordance with the Wage Order.

All qualified handicapped workers shall receive the full amount of the new wage rates prescribed pursuant to R.A. 7277, otherwise known as the Magna Carta for Disabled Person.

Section 6. PRODUCTIVITY-BASED WAGES. In order to sustain rising levels 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 gainsharing programs. Accordingly, the Regional Board shall provide the necessary studies and technical assistance pursuant to RA 6971, the Productivity Incentives Act of 1990.

Section 7. PRIVATE EDUCATIONAL INSTITUTIONS. In the case of private educational institutions, the share of workers and employees covered in the increase in tuition fees for School Year 2015-2016 shall be considered as compliance with this Wage Order. Where the share of the workers and employees is less than what is provided herein, the employer shall pay the difference starting 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 Wage Order until School Year 2016-2017.

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

Section 8. CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the prescribed wage increase of the workers shall be borne by the principals or clients of the construction/service contractors and their contracts shall be deemed amended accordingly. In the event, however, that the principals or clients fail to pay the prescribed increases, the construction/service contractors shall be jointly and severally liable with his principal or client.

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Section 9. EXEMPTION. Upon application with and as determined by the Board, the following may be exempt from the applicability of this Wage Order, subject to applicable rules and regulations issued by the Commission:

1. Retail and service establishments employing not more than ten (10) workers at the time of the effectivity of this Wage Order;
2. Distressed Establishments, as defined in the NWPC Guidelines No. 02, Series of 2007;
3. Establishments adversely affected by calamities such as natural and/or human-induced disasters in accordance with NWPC Resolution No. 01, Series of 2014.

Section 10. APPEAL TO THE COMMISSION. Any party aggrieved by this Wage Order may file a verified appeal to the Commission through the Board within ten (10) calendar days from the publication of the Order.

Section 11. 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 increase to employees affected by the Order in the event such Order is affirmed.

Section 12. CREDITING. Increases granted by an employer within ninety (90) days prior to the effectivity of this Wage Order shall be credited as compliance with the Order, provided that, where such increases are less than what is provided in the Order, the employer shall pay the difference.

Such increases shall not include CBA anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employee, unless there is an agreement expressly allowing such crediting.

Section 13. EFFECTS ON EXISTING WAGE STRUCTURE. Pursuant to Article 124 of the Labor Code of the Philippines, as amended, any dispute that should arise as a result of a significant wage distortion, the employer and the union shall negotiate to correct the distortion through the grievance procedure under their Collective Bargaining Agreement, and if it remains unresolved, through voluntary arbitration. Unless otherwise agreed by the parties in writing, such dispute shall be decided by the voluntary arbitrator or panel of voluntary arbitrators within ten (10) calendar days from the time said dispute was referred to voluntary arbitration.

In cases where there are no collective bargaining agreements or recognized labor unions, the employers and workers shall endeavor to correct such distortions. Any dispute arising therefrom shall be settled through the National Conciliation and Mediation Board (NCMB) and if it remains unresolved after ten (10) calendar days of conciliation, the same shall be referred to the appropriate branch of the National Labor Relations Commission (NLRC). The NLRC shall conduct continuous hearings and decide the dispute within twenty (20) calendar days from the time said dispute is submitted for compulsory arbitration.

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Section 14. 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) 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 15. 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, issuance, executive orders and/or under any contract or agreement between workers and employers.

Section 16. PENAL PROVISION. Any person, corporation, trust or firm, partnership, association or entity which refuses or fails to pay the prescribed wage rates in accordance with this Wage Order shall be subject to the penal provisions under R.A. 6727, as amended by R.A. 8188.

Section 17. 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 18. FREEDOM TO BARGAIN. This Wage 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 19. REPORTING REQUIREMENTS. Any person, company, corporation, partnership, or any entities 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 20. REPEALING CLAUSE. All orders, rules, and regulations, or parts thereof inconsistent with the provision of this Wage Order are hereby repealed, amended or modified accordingly.

Section 21. 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 22. IMPLEMENTING RULES. The Board shall prepare the necessary rules to implement this Wage Order subject to the approval of the Secretary of Labor and Employment.

Section 23. ADVISORY ON PERFORMANCE BASED INCENTIVE PAY. Pursuant to the Two-Tiered Wage System, Advisory No. RTWBP 111-1 has been issued to guide establishments in the formulation, adoption and implementation of productivity programs and performance and productivity-based incentive schemes that an enterprise may provide based on agreement between workers and management.

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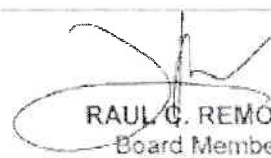
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Section 24. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in at least one (1) newspaper of general circulation.

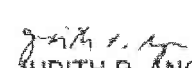
APPROVED this 2nd day of December 2015 at the City of San Fernando, Pampanga.


FLORDELIZA MARIA REYES-RAYEL
Board Member


RAUL C. REMODO
Board Member


EDGAR B. VENTURA
Board Member


SEVERINO C. SANTOS
Vice-Chairperson


JUDITH P. ANGELES
Vice-Chairperson


ANA C. DIONE
Chairperson

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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