

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

July 7, 2016

REVENUE MEMORANDUM CIRCULAR NO. 76-2016

SUBJECT : Publishing the Daily Minimum Wage Rates in Region II
Pursuant to Wage Order No. RTWPB-II-17.

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. RTWPB-II-17 issued on April 22, 2016 and published in the Malaya on April 29, 2016:

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Republic of the Philippines
Department of Labor and Employment
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Region No. 02
Tuguegarao City

WAGE ORDER NO. RTWPB-II-17

**SETTING NEW 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-16, increasing the wages of employees in retail/service establishments employing not more than ten (10) workers, took effect on January 4, 2014;

WHEREAS the Board, acting *motu proprio*, decided to review the current minimum wage rates in the region, 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 consultations on February 16, 2016 in Cauayan City, Isabela; on February 24, 2016 in Santiago City, Isabela; and on March 15, 2016 in Bayombong, Nueva Vizcaya; and a public hearing on March 18, 2016 in Santiago City, Isabela;

WHEREAS as a result of the studies made on the socio-economic conditions of the region and as a consequence of the consultations/public hearing and deliberations conducted, the Regional Board decided to provide workers with immediate relief to cope with the rising cost of living without impairing the viability of business and industry;

WHEREAS pursuant to the principles of the two-tiered wage system as a reform introduced to the Wage Rationalization Act, the Board resolved that there is a need to simplify the minimum wage structure for all industries in the region, denominating three categories: **agricultural, non-agricultural and retail/service establishments employing not more than ten (10) workers;**

WHEREAS to give intent to the desired process of simplification, the Board deemed it necessary to prescribe the herein wage rates applicable in all provinces of the region.

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 II shall be paid the following minimum wage rates:

INDUSTRY/SECTOR/ PROVINCE	MINIMUM WAGE RATES UNDER W.O. No. RTWPBII- 15	AMOUNT OF INCREASE UNDER W.O. No. RTWPBII -16	MINIMUM WAGE RATES UNDER W.O. No. RTWPBII-16	WAGE ORDER NO. RTWPB II-17	
				AMOUNT OF INCREASE	NEW MINIMUM WAGE RATE
ISABELA					
1. Non Agriculture	255.00		255.00	45.00	300.00
2. Agriculture	243.00		243.00	37.00	280.00
3. Retail/Service Employing more than 10 Employing not more than 10	247.00 220.00	9.00	247.00 229.00	53.00 31.00	300.00 260.00
CAGAYAN					
1. Non Agriculture	252.00		252.00	48.00	300.00
2. Agriculture	240.00		240.00	40.00	280.00
3. Retail/Service Employing more than 10 Employing not more than 10	244.00 217.00	12.00	244.00 229.00	56.00 31.00	300.00 260.00
NUEVA VIZCAYA					
1. Non Agriculture	248.00		248.00	52.00	300.00
2. Agriculture	236.00		236.00	44.00	280.00
3. Retail/Service Employing more than 10 Employing not more than 10	240.00 213.00	16.00	240.00 229.00	60.00 31.00	300.00 260.00
QUIRINO/BATANES					
1. Non Agriculture	247.00		247.00	53.00	300.00
2. Agriculture	235.00		235.00	45.00	280.00
3. Retail/Service Employing more than 10 Employing not more than 10	239.00 212.00	17.00	239.00 229.00	61.00 31.00	300.00 260.00

SECTION 2. COVERAGE. The increase 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 persons in the personal service of another including family drivers, and workers of registered Barangay Micro-Business Enterprises (BMBEs) with Certificates of Authority.

SECTION 3. BASIS OF WAGE INCREASE. The wage increase 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. All private educational institutions shall implement the wage increase prescribed herein starting School Year 2016-2017, without prejudice to any existing and valid collective bargaining agreement (CBA) between the management and the employees.

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 wage increase 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.

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-Q1, 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 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.

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, 2017 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.

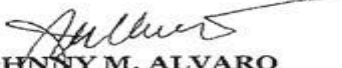
SECTION 17. IMPLEMENTING RULES. The Board shall prepare the implementing rules of this Wage Order subject to the approval of the Secretary of Labor and Employment.

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

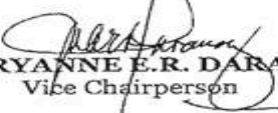
APPROVED this 22nd of April 2016 in Tuguegarao City, Cagayan,


CECILIA LA MADRID DY
Employers' Representative


ARCELI L. DULIN
Employers' Representative


JOHNNY M. ALVARO
Employees' Representative


ERNESTO J. FUECONCILLO
Employees' Representative


MARYANNE E.R. DARAUAY
Vice Chairperson


MA. ESPERANZA C. BAÑARES
Vice Chairperson


SIXTO T. RODRIGUEZ, JR.
Chairperson

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