



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

July 29, 2010

REVENUE MEMORANDUM CIRCULAR NO. 64-2010

SUBJECT : Publishing the Full Text of Wage Order No. NCR-15, "Providing an Increase in the Minimum Wage in the National Capital Region" issued by the Regional Tripartite Wages and Productivity Board, National Capital Region, Department of Labor and Employment

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidance of all internal revenue officers, employees and others concerned, quoted hereunder are the provisions of Wage Order No. NCR-15, An Order Providing an Increase in the Minimum Wage in the National Capital Region, reproduced as follows:

"Wage Order No. NCR-15

**PROVIDING AN INCREASE IN THE MINIMUM WAGE IN
THE NATIONAL CAPITAL REGION**

WHEREAS, the Regional Tripartite Wages and Productivity Board-National Capital Region is mandated under R.A. 6727 (The Wage Rationalization Act), to periodically assess wage rates and conduct continuing studies in the determination of the minimum wage applicable in the region or industry;

WHEREAS, the Board notes that it has been two years since the last Wage Order was issued and it sees the need to alleviate the plight of the private sector workers and employees in the National Capital Region in order to restore the purchasing power of the workers whose wages have been eroded by inflation for the past two years;

WHEREAS, the Trade Union Congress of the Philippines (TUCP) filed on 01 March 2010 a petition for a Seventy -Five (P75.00) per day across-the-board wage increase;

WHEREAS, after due notice to all concerned sectors, the RTWPB-NCR conducted consultations with labor and employer sectors and the Regional Tripartite Industry Peace Council on April 9, April 19, April 26, 2010 respectively, and a public hearing on April 29, 2010 to determine the propriety of issuing a new wage order;

WHEREAS, in the light of the foregoing considerations the Board deemed it necessary to grant an increase in the minimum wage rates of workers and employees therein;

NOW THEREFORE, by virtue of the power and authority vested under Republic Act No. 6727, the RTWPB-NCR hereby issues this Wage Order.

Section 1. NEW MINIMUM WAGE RATES. Upon effectivity of this Wage Order, all private sector minimum wage workers and employees in the National Capital Region shall receive an **increase in the amount of Twenty Two Pesos (P22.00) per day.**

- a. The new daily minimum wage rates of covered workers in the private sector in the National Capital Region shall be as follows:

Sector/Industry	Basic Wage	Wage Increase under Wage Order No. NCR-15	New Minimum Wage Rates
Non-Agriculture	P382.00	P22.00	P404.00
Agriculture (Plantation and Non Plantation)	P345.00	P22.00	P367.00
Private Hospitals with bed capacity of 100 or less	P345.00	P22.00	P367.00
Retail/Service Establishments employing 15 workers or less	P345.00	P22.00	P367.00
Manufacturing Establishments regularly employing less than 10 workers	P345.00	P22.00	P367.00

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

This Wage Order shall not cover household or domestic helpers; persons in the personal service of another, including family drivers, and workers of duly registered Barangay Micro Business Enterprises (BMBEs) with Certificates of Authority pursuant to Republic Act No.9178.

Section 3. BASIS OF MINIMUM WAGE RATES. The minimum wage rates prescribed under this Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

Section 4. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the increase prescribed in this Order shall be borne by the principals or clients of the construction/service contractors and the contract shall be deemed amended accordingly.

In the event, however, that the principals or clients fail to pay the prescribed wage rates, the construction/service contractor shall be jointly and severally liable with his principal or client.

Section 5. 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 2010-2011 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 2011-2012.

Private educational institutions which have not increased their tuition fees for School Year 2010-2011 may defer compliance with the minimum wage prescribed herein until the beginning of School Year 2011-2012.

In any case, all private educational institutions shall implement the Minimum Wage prescribed herein starting School Year 2011-2012.

Section 6. WORKERS PAID BY RESULT. All workers paid by result, including those who are paid on piecework, "takay", "pakyaw" or task basis, shall be entitled to receive the prescribed Minimum Wage per eight (8) hours work a day, or a proportion thereof for working less than eight (8) hours.

Section 7. WAGES OF SPECIAL GROUPS OF WORKERS. Wages of apprentices and learners 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 entered into before the effectivity of this Order shall be considered automatically modified insofar as their wage clauses are concerned to reflect the new minimum wage rates.

All qualified handicapped workers shall receive the full amount of the minimum wage rate prescribed herein pursuant to Republic Act No. 7277, otherwise known as the Magna Carta for Disabled Persons.

Section 8. EXEMPTIONS. Upon application with and as determined by the Board, based on documentation and other requirements in accordance with applicable rules and regulations issued by the National Wages and Productivity Commission (NWPC) the following may be exempted from the applicability of this Order:

1. Distressed Establishments;
2. Retail/Service Establishments Regularly Employing Not More Than Ten Workers;
3. Establishments whose Total Assets including those arising from loans but exclusive of the land on which the particular business entity's office, plant and equipment are situated, are not more than P3 Million;
4. Establishments Adversely Affected by Natural Calamities.

Section 9. 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 10. CREDITABLE WAGE INCREASE. Any increase granted by an employer in an organized establishment within three (3) months prior to the effectivity of this Order shall be credited as compliance with the prescribed increase set forth herein, provided that an agreement to this effect has been forged between the parties or a collective bargaining agreement provision allowing creditability exists. In the absence of such an agreement or provision in the CBA, any increase granted by the employer shall not be credited as compliance with the wage increase prescribed in this Order.

In unorganized establishments, any increase granted by the employer within five (5) months prior to the effectivity of this Order shall be credited as compliance therewith.

In case the increases given are less than the prescribed Minimum Wage, the employer shall pay the difference. Such increases shall not include anniversary increases, merit wage increases and those resulting from the regularization or promotion of employees.

Section 11. EFFECTS ON EXISTING WAGE STRUCTURE. Where the application of the wage increase prescribed in this Order results in distortions in the wage structure within the establishment, it shall be corrected in accordance with the procedure provided for under Article 124 of Presidential Decree No. 442, as amended, otherwise known as the Labor Code of the Philippines.

Section 12. COMPLAINTS FOR NON-COMPLIANCE. Complaints for non-compliance with this Order shall be filed with the National Capital Region Office of the Department of Labor and Employment, and shall be the subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.

Section 13. NON-DIMINUTION OF BENEFITS. Nothing in this 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 or agreement between the workers and employers.

Section 14. 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 15. FREEDOM TO BARGAIN. This 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 16. REPORTING REQUIREMENT. Any person, company, corporation, partnership or any entity engaged in business shall submit a verified report on their wage structure to the Board not later than January 31, 2011 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

Section 17. PENAL PROVISION. Any employer who refuses or fails to comply with this Order shall be subject to the penalties specified under RA 6727, as amended under R.A. No. 8188.

Section 18. REPEALING CLAUSE. All orders, issuances, rules and regulations or parts thereof inconsistent with the provisions of this Wage Order are hereby repealed, amended or modified accordingly.

Section 19. SEPARABILITY CLAUSE. If any provision or part of this Wage Order is declared unconstitutional, or in conflict with existing law, the other provisions or parts thereof shall remain valid.

Section 20. IMPLEMENTING RULES. The Regional Tripartite Wages and Productivity Board-National Capital Region shall submit to the NWPC the necessary Rules and Regulations to implement this Order subject to approval of the Secretary of Labor and Employment not later than ten (10) days from the publication of the Wage Order.

Section 21. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED.

Manila, Philippines, 07 June 2010.

I dissent as the amount is not enough

I dissent

(Original Signed)
JESSIE L. AGUILAR
Labor Representative

(Original Signed)
VICENTE LEOGARDO, JR.
Employer Representative

(Original Signed)
GERMAN N. PASCUA, JR.
Labor Representative

I dissent
(Original Signed)
ALBERTO R. QUIMPO
Employer Representative

(Original Signed)
MA. THERESA PELAYO-TY
Vice-Chairperson

(Original Signed)
DENNIS M. ARROYO
Vice-Chairperson

(Original Signed)
RAYMUNDO G. AGRAVANTE
Chairperson"

All concerned are hereby enjoined to be guided accordingly and give this circular as wide publicity as possible.

(Original Signed)
KIM S. JACINTO-HENARES
Commissioner of Internal Revenue