



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

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RECORDS MGT. DIVISION

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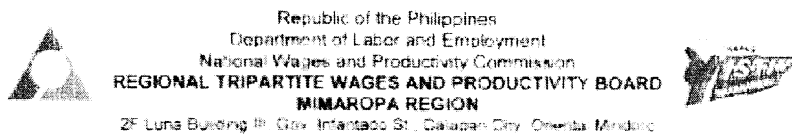
September 25, 2017

REVENUE MEMORANDUM CIRCULAR NO. 87-2017

SUBJECT : Publishing the Daily Minimum Wage Rates in Region IV-B
Pursuant to Wage Order No. RB-MIMAROPA-08

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. RB-MIMAROPA-08 issued on September 05, 2017 and published in The Manila Times on September 09, 2017:



WAGE ORDER NO. RB-MIMAROPA-08

**PRESCRIBING NEW MINIMUM WAGE RATES
IN MIMAROPA REGION**

WHEREAS, the Regional Tripartite Wages and Productivity Board-MIMAROPA Region, hereinafter referred to as the Board, is mandated by Republic Act 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, no wage petition was filed nor did a supervening event occur in the more than two (2) years since the issuance of the last minimum wage adjustment under Wage Order No. IV-B-07 which took effect on February 3, 2015;

WHEREAS, in the absence of both a wage petition or a supervening event and with due notice to concerned sectors, the Board "motu proprio" conducted stakeholders' consultations/public hearings in the five (5) provinces of the Region, on 12 October 2016 in Occidental Mindoro, on 17 November 2016 in Marinduque, on 5 December 2016 in Palawan, on 30 March 2017 in Oriental Mindoro, and on 25 April 2017 in Romblon, to determine the propriety of issuing a new wage order for minimum wage earners;

WHEREAS, after a thorough evaluation of the existing socio-economic conditions in the Region, the Board has determined the need to provide workers with immediate relief measures to enable them to cope with the rising cost of living;

WHEREAS, in setting the minimum wage, the Board has to consider the various criteria under RA 6727 and the Guidelines of the Commission particularly on First Tier that the minimum wage should be higher than the poverty threshold but lower than the prevailing average wage;

WHEREAS, for the effective and efficient administration and enforcement of wage standards, the Board decided to simplify the sector classification in the Region.

NOW THEREFORE by virtue of the power and authority vested under Republic Act No. 6727, otherwise known as the Wage Rationalization Act, the Regional Tripartite Wages and Productivity Board MIMAROPA Region hereby issues this Wage Order :

Section 1. NEW CLASSIFICATIONS AND MINIMUM WAGE INCREASE. Upon effectivity of this Wage Order:

1. The sector classification shall be changed into "Establishments with 10 workers and above" and "Establishments with less than 10 workers". The previous area classifications shall be merged as "All Areas".
2. There shall be an increase in the basic wage as follows:
 - a. For workers in Establishments with 10 workers and above, a FIFTEEN PESO (P15.00) per day basic wage increase to be given in two (2) tranches

Amount of Increase	Date of Effectivity
P 5.00 (1 st Tranche)	Upon Effectivity
P10.00 (2 nd Tranche)	February 1, 2018

- b. For workers in Establishments with less than 10 workers, a FORTY-SEVEN PESO (P47.00) per day basic wage increase to be given in four (4) tranches

Amount of Increase	Date of Effectivity
P12.00 (1 st Tranche)	Upon Effectivity
P12.00 (2 nd Tranche)	February 1, 2018
P12.00 (3 rd Tranche)	August 1, 2018
P11.00 (4 th Tranche)	February 1, 2019

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Section 2. NEW MINIMUM WAGE RATES. The new daily minimum wage rates of covered workers in the private sector in MIMAROPA Region shall be as follows:

Sector/Industry	Minimum Wage Under WO No. IVB-07	Upon Effectivity		Effectivity					
				Second Tranche		Third Tranche		Fourth Tranche	
		Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate	Wage Increase	New Minimum Wage Rate
All Sectors									
Establishment with 10 workers and above	285.00	5.00	290.00	10.00	300.00	-	300.00		300.00
Establishment with less than 10 workers	235.00	12.00	247.00	12.00	259.00	12.00	271.00	11.00	282.00

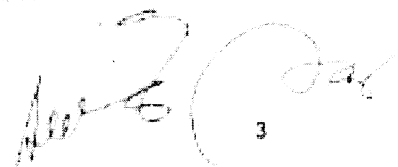
Section 3. COVERAGE. The wage increase prescribed in this Wage Order shall apply to all private sector minimum wage workers in the Region, regardless of their position, designation or status of employment and irrespective of the method by which their wages are paid.

This Wage Order shall not cover household or domestic workers, persons in the personal service of another including family drivers and workers of duly registered Barangay Micro-Business Enterprises with Certificate of Authority pursuant to R.A. 9178.

Section 4. BASIS OF NEW MINIMUM WAGE RATES. The minimum 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 5. APPLICATION TO WORKERS PAID BY RESULT. All workers paid by result, including those who are paid on piecework, "takey", "pakyaw" or task basis shall be entitled to receive the prescribed minimum wage rate for eight (8) normal working hours a day, or a proportion thereof for working less than eight (8) hours.

Section 6. APPLICATION TO SPECIAL GROUPS OF WORKERS. Apprentices and learners shall receive not less than seventy five (75%) percent of the applicable minimum wage rates prescribed in this Order.

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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 prescribed wage rates.

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

Section 7. APPLICATION TO CONTRACTORS/SUB-CONTRACTORS

In the case of contracts for construction, security, janitorial and similar services, the prescribed minimum wage rates for covered workers shall be borne by the principal or clients thereof, and the contracts shall be deemed amended accordingly. If the principal or client fails to pay the prescribed minimum wage rates, the construction/service contractors shall be jointly and severally liable with the principal or client.

Section 8. 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 2017-2018 shall be considered as compliance with the minimum wage rates prescribed in this Wage Order. However, payment of any shortfall in the minimum wage rates set forth in the Wage Order 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.

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

Section 9. APPLICATION TO MOBILE, BRANCH AND TRANSFERRED EMPLOYEES. 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. 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 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. Workers transferred from a lower rate municipality to a higher rate municipality shall be entitled to the minimum wage rates applicable therein.

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Section 10. CREDITABLE WAGE INCREASE. Wage increases granted by an employer in an organized establishment within three (3) months prior to the effectivity of this Wage Order shall be credited as compliance with the prescribed increase set forth herein, if expressly provided for and agreed upon in a collective bargaining agreement.

In unorganized establishments, wage increases granted by the employer within three (3) months prior to the effectivity of this Wage Order shall be credited as compliance therewith.

If such increases are less than the prescribed minimum wage increase herein, the employer shall pay the difference. Such increases shall not include anniversary wage increases, merit wage increases and those resulting from the regularization or promotion of employees.

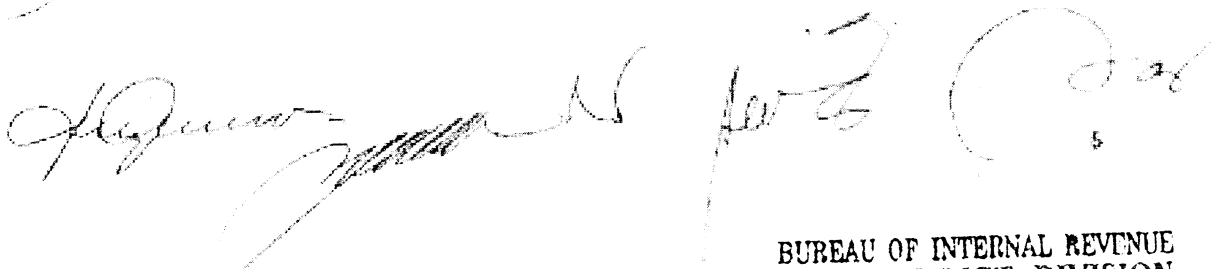
Section 11. EFFECT ON EXISTING WAGE STRUCTURE. Where the application of the wage increases prescribed in this Wage Order results in distortion in the wage structure within the establishment, it shall be corrected in accordance with the procedure under Article 124 of the Labor Code, as amended.

Section 12. PRODUCTIVITY-BASED WAGES. In order to sustain rising levels of wages and enhance competitiveness, private businesses are encouraged to adopt productivity improvement schemes such as Service Quality for the Supply Chain in the Tourism Industry, ISTIV Productivity Awareness Program, 5S good housekeeping, time and motion studies, as well as implement green productivity and gain-sharing programs and other related productivity incentive schemes. Accordingly, the Board shall provide the necessary studies and technical assistance, pursuant to Republic Act No. 6971 or the Productivity Incentives Act of 1990.

Section 13. EXEMPTION. This Wage Order shall not allow exemption from compliance with the provisions of this Wage Order. However, in case of a calamity, the Board may accept applications for exemptions for establishments adversely affected by calamities such as natural and/or human induced disasters.

Section 14. APPEAL TO THE COMMISSION. Any party aggrieved by the 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.

Section 15. EFFECT OF FILING AN APPEAL. 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 surety or sureties.



satisfactory to the Commission for payment of the corresponding increase to employees affected by the Wage Order, in the event such Order is affirmed.

Section 16. 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 either mandatory thirty (30) days conciliation and mediation process under Single Entry Approach (SEnA) or Complaint Inspection especially for anonymous complaint. However, if settlement under SEnA fails, the case becomes subject of enforcement proceedings under Articles 128 and 129 of the Labor Code, as amended.


Section 17. NON-DIMINUTION OF BENEFITS Nothing in this Wage Order shall be construed to reduce any existing wage rates, allowances or other benefits under existing laws, decrees, issuances and executive orders and/or under any contract or agreement between workers and employers.

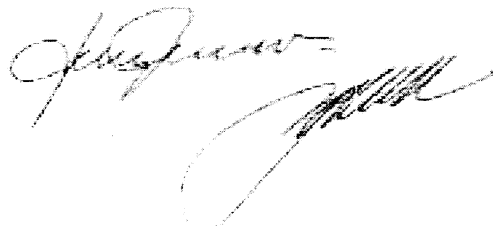


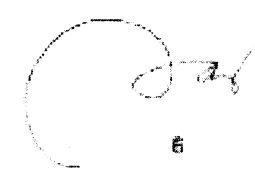
Section 18. FREEDOM TO BARGAIN This Wage Order shall not be construed to prevent workers in particular firms or enterprises or industries from bargaining for higher wages with their respective employers.

Section 19. REPORTING REQUIREMENTS Any person, company, corporation, partnership or any entity engaged in business shall submit an itemized listing under oath of their labor component to the Board not later than January 31, 2018 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

Section 20. PENAL PROVISION Any employer who refuses or fails to pay the minimum wage rate prescribed in this Wage Order shall be subject to the penalties imposed under R.A. 6727, as amended by R.A. 8188.

Section 21. 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 22. 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 23. 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 24. IMPLEMENTATION OF TIER-TWO Pursuant to the provisions of the Advisory on the Implementation of Productivity-Incentives Pay which the Board issued for the Tourism Industry, employers who recognize and value the contribution of their workers may provide productivity and incentives based pay to their workers based on indicators like business performance, labor productivity, work behaviour, competitiveness of establishments, among others.

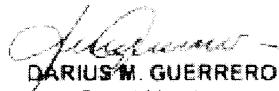
Section 25. IMPLEMENTING RULES The Regional Tripartite Wages and Productivity Board - MIMAROPA shall submit to the NWPC the necessary Rules and Regulations to implement this Wage Order subject to the approval of the Secretary of Labor and Employment not later than ten (10) days from the publication of the Wage Order.

Section 26. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED this 5th day of September 2017 at Calapan City, Oriental Mindoro, Philippines


ROMEO R. ARICA
Board Member


OSIAS C. NAVARRO
Board Member


DARIUS M. GUERRERO
Board Member


VACANT
Board Member


SUSAN A. SUMBELING
Vice-Chairperson


JOEL B. VALERA
Vice-Chairperson


ALVIN M. VILLAMOR
Chairperson

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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