



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

July 04, 2017

REVENUE MEMORANDUM CIRCULAR NO. 51-2017

SUBJECT : Publishing the Daily Minimum Wage Rates in CAR
Pursuant to Wage Order No. RB-CAR-18

TO : All Internal Revenue Officials, Employees and Others Concerned

For the information and guidelines of all internal revenue officers, employees and others concerned, we are publishing Wage Order No. RB-CAR-18 which was issued on April 26, 2017 and published at Baguio Midland Courier on May 21, 2017:

Republic of the Philippines
Department of Labor and Employment
National Wages and Productivity Commission
REGIONAL TRIPARTITE WAGES AND PRODUCTIVITY BOARD
Cordillera Administrative Region
Baguio City

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WAGE ORDER NO. RB-CAR-18

**PRESCRIBING THE NEW MINIMUM WAGE RATES
OF PRIVATE SECTOR WORKERS IN THE
CORDILLERA ADMINISTRATIVE REGION**

WHEREAS, RA 6727, otherwise known as the Wage Rationalization Act, empowers the Regional Tripartite Wages and Productivity Boards to determine and fix minimum wage rates applicable in the regions and to issue the corresponding Wage Orders subject to the guidelines issued by the National Wages and Productivity Commission, in particular NWPC Guidelines No. 01 of 2007, as amended by NWPC Guidelines No. 02 of 2012;

WHEREAS, in consonance with the aforementioned guidelines for the implementation of RA 6727, the Regional Tripartite Wages and Productivity Board – Cordillera Administrative Region (herein referred to as the Board) continuously adheres to policy requirements of the Two-Tiered Wage System (TTWS) in the exercise of its minimum wage fixing authority consistent with the policy of the government to provide safety measures for lowly paid workers, attain a higher level of productivity in the work area, increase employment and augment the income of workers through incentives, without necessarily impairing the growth of business and interest of employers.

WHEREAS, in the absence of any petition for a wage adjustment filed, the Board decided motu proprio to initiate wage review and thereafter scheduled a series of Public Consultations/Hearings throughout the region as follows: Morning of November 29, 2016 at Hotel Supreme, Magsaysay Ave., Baguio City for Benguet and the City of Baguio, Morning of December 13, 2016 at Southville Inn, Lagawe for Ifugao, Morning of December 14, 2016 at Ridgebrook, Samoki Bontoc for Mountain Province, Morning of January 10, 2017 at Golden Bernier Hotel, San Juan, Tabuk for Kalinga, Morning of January 11, 2017 at the Municipal Hall, Luna for Apayao and Morning of January 12, 2017 at Lucky's Hotel & Restaurant, Bangued for Abra. These activities were subsequently conducted by the Board as scheduled;

WHEREAS, in the conduct of Public Consultations/Hearings, sectoral workshop for participants was done to elicit their respective positions on the wage issues focused on the possibility of wage adjustments for domestic workers and formal sector workers and the applicability of TTWS;

WHEREAS, in formulating this new wage order, the Board considered the following indicators, among others, prevailing Socio-economic condition of the region, overall economic performance (GRDP), classification of cities and municipalities based on income, centrality index and population analysis, economic growth centers, employment, investment and inflation rates indices.

WHEREAS, the series of deliberations resulted to the realization of revising the classifications of sector/industry and geographical area categories so that the new wage adjustments shall be responsive to the diverse and actual socio-economic conditions prevailing in various areas of the region but without veering away with the principle of wage simplification and other policy directives;

WHEREAS, as a necessary consequence of the aforementioned revision, the Sector / Industry and the geographical areas were reclassified as provided under Section 2 of this new Wage Order;

WHEREAS, the necessary reclassification is specifically illustrated in the case of Ilogon, Tuba, and Sablan clustered together with Baguio City and La Trinidad to form the BLIST Area. Their economic growth and development are significantly slower than that of Baguio City and La Trinidad and therefore, they have to be dissociated and treated differently, again to reflect the actual economic situation of the concerned municipalities.

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, Cordillera Administrative Region, hereby issues this Wage Order.

Section 1. Coverage. All minimum wage earners in the Cordillera Administrative Region regardless of their position, designation or status and irrespective of the method their wages are paid are covered by this Wage Order. Not covered are persons employed in the personal service of another, domestic workers by virtue of R.A. 10361, otherwise known as the Balas Kasambahay and workers in the registered Barangay Micro Business Enterprises with Certificate of Authority pursuant to R.A. 9178, otherwise known as "Barangay Micro Business Enterprises (BMBE) Act of 2002"

Section 2. The Minimum Wage Levels.

Upon effectivity of this Wage Order, the levels of minimum wages in the Cordillera Administrative Region shall be as follows.

Daily Minimum Wage Rates

| Sector/Industry | Baguio City & La Trinidad | Tabuk City, Bangued, Hontuc, Lagawe, Banaue, Huguan, Bauko, Sagada, & Tubbay | Other Areas in the Region |
|---|---------------------------|--|---------------------------|
| All Industries / Sectors employing 11 or more | BASIC+COLA 285+15 | BASIC+COLA 275+15 | BASIC+COLA 265+15 |
| | 300 | 290 | 280 |
| All Industries/Sectors employing 10 or less | BASIC+COLA 270+15 | BASIC+COLA 265+15 | BASIC+COLA 255+15 |
| | 285 | 280 | 270 |

In the areas of Ilogon, Tuba, and Sablan, covered workers shall continue to receive the minimum wage rates provided by the previous Wage Order, comprising of P285 basic rate per day in all industries and 270 basic rate per day for microenterprises.

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Section 3. *Basis of Minimum Wage.* The minimum wage rates prescribed under this Wage Order shall be for the normal working hours, which shall not exceed eight (8) hours work a day.

Section 4. *Non-Diminution of Benefits.* Nothing in this Order shall be construed to reduce or eliminate 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 or employer practices or policies being enjoyed by the workers prior to the issuance of this Order.

Section 5. *Implementation of Second Tier.* The Second Tier or the Productivity Based Pay shall continue to be implemented following the guidelines provided by Advisory No. 01, series of 2013, Advisory 02 of 2014 and subsequent Advisories which may be issued by the Board.

Section 6. *Creditable Productivity Based Pay.* For establishments identified as priority industries and already granting Productivity Based Pay or its equivalent to their workers, this may be credited as compliance to the Second Tier. Merit increases, anniversary increases or wage increases resulting from the regularization or promotion of the employees per company policy or as provided by law are not credited as compliance to the Second Tier.

Section 7. *Application to 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 2017-2018 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 2018-2019.

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

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

Section 8. *Workers Paid by Results.* All workers paid by results, including those who are paid on piecework, takay, pakyaw, or task basis, shall receive not less than the adjusted amount prescribed by this Order for the normal working hours which shall not exceed eight (8) hours per day or a proportion thereof for working less than eight (8) hours.

Section 9. *Apprentices and learners.* Persons employed under Apprenticeship or learnership agreement shall be entitled to not less than Seventy Five Percent (75%) of the new minimum wage rate under this Order.

All learnership and apprenticeship agreements entered into before the effectivity of this Order shall be automatically modified insofar as their wage clauses are concerned to reflect the new prescribed wage rates.

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Section 10. Mobile and Branch Workers. 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.

The minimum wage rates of workers working in branches or agencies of establishments in or outside the Region shall be those applicable in the place where they are stationed.

Section 11. Exemption. Applications for exemption from compliance with this Order shall not be allowed. However, in case of a calamity, the Board may accept application from exemption filed by establishments adversely affected by calamities such as natural and/human induced disasters pursuant to NWPC Resolution 01, Series of 2014.

Section 12. Transfer of Personnel. The transfer of personnel from one province or region to another shall not be a valid reason for the reduction of the wage rate being enjoyed by the worker prior to the transfer.

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 Order.

Section 14. Effect of Filing of Appeal. The filing of the appeal does not operate to stay this 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 increases for covered employees in the event this Order is affirmed.

Section 15. Effects on Existing Wage Structure. Where the application of the wage increase provided for by this Order results in the distortion of the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code, as amended.

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-Cordillera Administrative Region (DOLE-CAR) having jurisdiction over the workplace and shall be subjected to the mandatory thirty (30) day conciliation and mediation process under the Single Entry Approach (SEnA). However, if settlement fails, the case becomes subject of enforcement proceedings under Article 128 and 129 of the Labor Code, as amended.

Section 17. Penal Provisions. Any person, corporation, trust or firm, partnership, association or entity that refuses or fails to pay the prescribed increases in accordance with this Order shall be subject to the penal provisions under R.A. 6727, as amended by RA 8188.

Section 18. Prohibition Against Injunction. No preliminary or permanent injunction or temporary restraining order maybe issued by any court, tribunal or other entity against any proceedings before the Board.

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Section 19. Freedom to Bargain. This Order shall not be construed to prevent workers from bargaining for higher wages with their respective employers.

Section 20. 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 Board not later than January 31, 2018 and every year thereafter in accordance with the form prescribed by the Commission.

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

Section 23. Separability Clause. If, for any reason, a section or provision of this Order is declared unconstitutional or illegal, the other provisions or parts shall remain valid.


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

APPROVED: This 26th day of April 2017, Baguio City, Philippines.


MILTON L. SALAGTEY
Workers' Representative


ALFONSO T. LAO
Employers' Representative


RENERIO C. LARDIZABAL, JR.
Workers' Representative



JUAN JOHNNY R. DE LA CRUZ
Employers' Representative


MYRNA P. PABLO
Vice-Chairperson


MILAGROS A. RIMANDO
Vice-Chairperson


EXEQUIEL ROMIE A. GUZMAN
Chairperson


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


CAESAR R. DULAY
Commissioner of Internal Revenue

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