



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION

11:08 A.M.

NOV 18 2013

November 5, 2013

lptg
RECEIVED

REVENUE MEMORANDUM CIRCULAR NO. 71-2013

SUBJECT : Publishing the Daily Minimum Wage Rates in the National Capital Region Pursuant to Wage Order No. NCR-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. NCR-18 which was issued on September 6, 2013 and published at Philippine Star on September 19, 2013:



**REGIONAL
TRIPARTITE WAGES and
PRODUCTIVITY BOARD
NATIONAL CAPITAL REGION**

Republic of the Philippines
Department of Labor and Employment
2nd Floor, 1650 DY International Building,
San Marcelino cor. Gen. Malvar Street,
Malate, Manila
Telefax: 527-51-55/400-67-65
Email: wage_ncr@yahoo.com.ph
Website: www.nwpc.dole.gov.ph

**WAGE ORDER No. NCR-18 RTWPB-NCR
COMPENSATORY COPY**

**PROVIDING FOR A WAGE INCREASE IN THE
NATIONAL CAPITAL REGION**

WHEREAS, the Regional Tripartite Wages and Productivity Board-National Capital Region (RTWPB-NCR) 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, Wage Order No. NCR-17 took effect on 03 June 2012 and under Section 3, Rule IV of the Amended Rules of Procedure on Minimum Wage Fixing issued by the National Wages and Productivity Commission (NWPC), the Wage Order may not be disturbed for a period of twelve (12) months from its effectiveness unless there is a supervening condition, such as extraordinary increase in prices of petroleum products and basic goods/services, as determined by RTWPB-NCR and confirmed by the NWPC;

WHEREAS, the Trade Union Congress of the Philippines (TUCP) filed on April 3, 2013 and June 7, 2013 petitions for an Eighty Five Pesos (P85.00) and Eighty Three Pesos (P83.00) for an across-the-board daily wage increase;

WHEREAS, the RTWPB-NCR issued on 22 April 2013 Resolution No. 01, series of 2013, denying the petition for premature filing within the period of prohibition;

WHEREAS, the TUCP re-filed on 01 July 2013 the petition filed last April 3, 2013.

WHEREAS, after due notice to all concerned sectors, the RTWPB-NCR conducted wage consultations on 05 and 17 July 2013 and a public hearing on 08 August 2013, to determine the propriety of issuing a new wage order;

WHEREAS, the Board, duly noting that the two petitions prayed for across-the-board increases, it is suggested that subsequent petitions for wage increase should conform to the standards/criteria prescribed by law;

WHEREAS, after a thorough evaluation of the existing socio-economic conditions of the region, the RTWPB-NCR has determined the need to provide workers with immediate relief measures to enable them to cope with the rising cost of living without impairing the viability of business and industry;

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 WAGE RATES.

- a) Upon effectivity of this Wage Order, all minimum wage earners shall receive an increase in the existing Basic Wage in the amount of TEN PESOS (P10.00) per day.
- b) 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	Basic Wage Increase	New Basic Wage	COLA	New Wage Rates
Non-Agriculture	P 426.00	P 10.00	P 436.00	P 30.00	P 466.00
Agriculture (Plantation and Non Plantation)	P 389.00	P 10.00	P 399.00	P 30.00	P 429.00
Private Hospitals with bed capacity of 100 or less	P 389.00	P 10.00	P 399.00	P 30.00	P 429.00
Retail/Service Establishments employing 15 workers or less	P 389.00	P 10.00	P 399.00	P 30.00	P 429.00
Manufacturing Establishments regularly employing less than 10 workers	P 389.00	P 10.00	P 399.00	P 30.00	P 429.00

- c) Effective 01 January 2014, the Cost of Living Allowance (COLA) of FIFTEEN PESOS (P15.00) of the existing Thirty Pesos (P30) COLA per day under Wage Order No. NCR-17 shall be integrated into the Basic Wage making the new minimum wage rates of covered workers in the private sector in the National Capital Region as follows:

Sector/Industry	New Basic Wage	COLA Integration Effective 01 January 2014	Basic Wage After Integration	COLA	New Minimum Wage Rates Effective 01 January 2014
Non-Agriculture	P 436.00	P 15.00	P 451.00	P 15.00	P 466.00
Agriculture (Plantation and Non Plantation)	P 399.00	P 15.00	P 414.00	P 15.00	P 429.00
Private Hospitals with bed capacity of 100 or less	P 399.00	P 15.00	P 414.00	P 15.00	P 429.00
Retail/Service Establishments employing 15 workers or less	P 399.00	P 15.00	P 414.00	P 15.00	P 429.00
Manufacturing Establishments regularly employing less than 10 workers	P 399.00	P 15.00	P 414.00	P 15.00	P 429.00

Section 2. COVERAGE. The wage rates per day 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 9178.

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

Section 4. APPLICATION TO CONTRACTORS. In the case of contracts for construction projects and for security, janitorial and similar services, the wage rates 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 2013-2014 shall be considered as compliance with the wage rates prescribed herein. However, payment of any shortfall in the wage increase set forth herein shall be covered starting School Year 2014-2015.

Private educational institutions which have not increased their tuition fees for School Year 2013-2014 may defer compliance with the wage rates prescribed herein until the beginning of School Year 2014-2015.

In any case, all private educational institutions shall implement the wage rates prescribed herein starting School Year 2014-2015.

Section 6. WORKERS PAID BY RESULT. All workers paid by result, including those who are paid on piecework, "takay" or task basis, shall be entitled to receive not less than the prescribed wage rates 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 new 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 wage rates.

All qualified handicapped workers shall receive the full amount of the new wage rates 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 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 (10) workers;
3. Establishments whose Total Assets (ETA) 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; and
4. Establishments Adversely Affected by Natural Calamities.

Within one (1) year from the grant of exemption to a qualified ETA, said ETA is encouraged to register as Barangay Micro Business Enterprise under the BMBE Law.

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 subject to compliance with Article 123 of the Labor Code, as amended.

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 rates 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 wage rates, 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 rates 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 the Labor Code, as amended.

Section 12. PRODUCTIVITY AND OTHER PERFORMANCE INCENTIVE PROGRAMS. In order to sustain rising levels of wages and enhance competitiveness, labor and management as partners are encouraged to adopt productivity improvement schemes that will improve the quality of life of workers and in turn enable them to produce more and earn more, such as time and motion studies, good housekeeping, quality circles, labor and management cooperation as well as implement gain-sharing and other performance incentive programs.

Section 13. 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 14. 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 15. 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 in accordance with pertinent provisions of the Labor Code, as amended.

Section 16. 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 17. 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, 2014 and every year thereafter in accordance with the form prescribed by the National Wages and Productivity Commission.

Section 18. 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 by R.A. No. 8188.

Section 19. 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 20. 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 21. IMPLEMENTING RULES. The Regional Tripartite Wages and Productivity Board-National Capital Region shall submit to the Commission 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 22. ADVISORY ON PRODUCTIVITY BASED PAY. Pursuant to the Two-Tiered Wage System, the Board shall issue corresponding advisories on the 2nd tier or the productivity based pay which shall serve as guidelines for private establishments on the range of productivity bonuses and incentives that an enterprise may provide based on agreement between workers and management.

Section 23. EFFECTIVITY. This Wage Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

APPROVED.

Manila, Philippines, 06 September 2013.

JESSIE L. AGUILAR
Labor Representative

GERMAN N. PASCUA, JR.
Labor Representative

FERDINAND L. MANFESTE
Vice-Chairperson

VICENTE LEONARDO, JR.
Employers' Representative

ALBERTO R. QUIMPO
Employers' Representative

ROSEMARIE G. EDILLON
Vice-Chairperson

ALEX V. AVILA
Chairperson

"

Wage Order No. NCR-18

6

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

BUREAU OF INTERNAL REVENUE
RECORDS MGT. DIVISION
11:08 A. M.

NOV 18 2013 17

KIM S. JACINTO-HENARES
Commissioner of Internal Revenue