NATIONAL ADMINISTRATIVE REGISTER · DECEMBER 15, 2000

# GUIDELINES ON THE GRANT OF COLLECTIVE NEGOTIATION AGREEMENT (CNA) SIGNING BONUS

*DBM BUDGET CIRCULAR NO. 2000-19, December 15, 2000*

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1.0 Background

1 1 Executive Order No 180 dated June 1, 1987 and Chapter 6, Title 1. Book V of Executive Order No. 292 (Administrative Code of 1987) dated July 25, 1987, authorize all employees of the government including those in GOCCs with original charters, to form, join or assist employees' organization of their own choosing for the furtherance and protection of their interests

1.2 Pursuant to the above issuances, the Public Sector Labor-Management Council (PSLMC) was created chaired by the Civil Service Commission Chairman and vice-chaired by the Secretary of Labor and Employment, with the Secretaries of Budget and Management, Finance, and Justice as members

1 3 The Council is tasked to implement and administer the requirements of pertinent laws, and promulgate the necessary rules and regulations to promote the right of government employees to self-organization. The PSLMC for this purpose issued Resolution No. 1 dated July 20, 1999, providing for the conditional grant of CNA signing bonus to government personnel

2.0 Purpose

This Circular is being issued to prescribe the rules and regulations on the grant of CNA signing bonus pursuant to the said PSLMC Resolution No. 1.

3.0 Governing Principle

CNA signing bonus is granted as a reward to the rank-and-file employees for their successful efforts in forging unity, cooperation and organization within their ranks to protect and further their interests at the same time fostering alliance/partnership with management for a well-organized/operated agency.

4.0 Coverage

All rank-and-file employees of the government, whether permanent, temporary, contractual, casual or emergency in nature, on full time or part-time, who:

4 1 Have rendered at least a total six (6) months service including leaves of absence with pay in NGAs, GOCCs. GFIs and LGUs within one year immediately preceding the date of the signing/ratification of the CNAs of their respective agencies; and

4.2 Who are still employed in the same agency as of the signing of its CNA.

5.0 Exemptions

5.1 High level government personnel whose functions are normally considered policy-making or managerial, or whose duties are highly confidential in nature or those higher than division chiefs



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5.2 Individuals whose services are hired not as part of the regular workforce and such hiring bears no employee-employer relationship like consultants and experts, contract workers hired on piecework basis (pakiao workers); student laborers and apprentices; and others similarly situated.

5.3 In the local governments, those occupying position with the rank of Assistant Department Head and above.

6.0 Definition of Terms

Rank-and-File Employees - refers to the employees of the government with the rank of division chief and below.

Collective Negotiation Agreement - refers to the written agreement entered into by the employee organization with the management, stipulating the terms and conditions of employment or improvements not fixed by law in accordance with EO 180.

Employee Organization - refers to an association or body of rank and file employees organized to further and safeguard their rights and interests with respect to working conditions, rights, privileges, and other employee concerns.

Duly Registered Employee Organization -refers to the employee organization duly registered with the Department of Labor and Employment and the Civil Service Commission in accordance with EO 180.

Duly Recognized Employee Organization - refers to employee organization accorded voluntary recognition by the Department of Labor and Employment through its Bureau of Labor Relations, in accordance with EO 180 cited above.

7.0 Rules and Regulations

7.1 The CNA signing bonus may be granted at a rate not exceeding P5,000 per personnel, provided that:

7.1.1 The government entity concerned has a duly registered and recognized employee organization;

7.1.2 A CNA has been duly ratified/approved by both the management and the registered and recognized employee organization;

7.1.3 Funding requirements has been provided as follows:

> 7.1.3.1 For GOCCs/GFIs/SUCs - An appropriate resolution of the Board of Directors approving the grant of CNA signing bonus and inclusion of a specific funding requirement for the purpose in the corporate operating budget in case of GOCCs and GFIs; and appropriate resolution/approval of the Board of Trustees and inclusion of a specific funding requirement in the case of SUCs. In committing resources for the grant of CNA signing bonus, the following should be observed:
>
> 7.1.3.1.1 For GOCCs/GFIs, the required 50% dividends to be remitted to the National Treasury pursuant to RA No. 7656 dated November 9, 1993 shall not be reduced; and
>
> 7.1.3.1.2 That no additional funding shall come from the national government.
>
> 7.1.3.1.3 For Local Water Districts, the funding requirement therefor should be within 75% of revenue from operation net of the required subsidy for loan amortization
>
> 7 13 2 For NGAs - A specific appropriation item in the annual budget of the agency under the General Appropriations Act (GAA). Agencies concerned shall include the fund-ing requirement for the purpose in their respective budget proposals;
>
> 7.1.3.3 For LGUs - An Appropriation Ordinance by the Local Sanggunian concerned approving the grant of CNA signing bonus and the necessary funds therefor, or the inclusion of a specific funding requirement in the


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annual budget or supplemental budget of the LGU concerned, subject to the personal services limitation under RA 7160

7.2 The head of the GOCC/GFI/SUC/LGU concerned shall decide the rate of the CNA bonus not exceeding the maximum rate provided herein, in consideration of the availability of funds and their program priorities. For NGAs, the rate shall be based on the amount provided in the annual budget of the concerned agency under the GAA.

7.3 The benefit shall be granted not earlier than the date of the signing of the CNA. Once a new CNA is approved, the signing bonus may be granted again, but only once in three (3) years.

7.4 Where the CNA of an agency is ratified every year, the counting of the three (3) years starts from the approval date of the CNA which was used as basis of the payment of the last signing bonus

7.5 Those who already received the CNA bonus in their old agencies and who were subsequently transferred before the signing of the CNA in another agency, shall no longer be entitled to the bonus in the new agency within the three-year period following the grant of the benefit in the old agency. However, if the amount of the CNA bonus received in the old agency is lower than the CNA in the new agency, the employee may receive the difference, provided that he has rendered at least six (6) months of service in the new agency before the signing of the CNA therein.

7.6 For purposes of granting the herein benefit, an entity or a frontline bureau created as such under a distinct enabling act or law, and, thus deemed as an institution in its own right shall be treated as a separate and distinct agency. Government offices/bureaus placed directly under a department/department level government entity and whose creation is not through a charter shall be considered part of the concerned department.

7.7 All CNAs ratified before July 20, 1999, the signing date/approval of PSLMC Resolution No 1, s 1999, are not covered by this Circular.

7.8 The signing bonus shall, in no way, be part of the terms and conditions of the CNAs.

7.9 In the event that funds for the purpose is not sufficient, government entities may grant a lesser amount at a uniform rate for all personnel.

8.0 Funding Source

The funding sources for the amounts necessary to implement the CNA bonus shall be as follows:

8.1 GOCCs/GFIs/SUCs shall charge the funding requirement of the benefits from their respective corporate/agency funds;

8.2 NGAs shall charge it from the appropriation for the purpose in their annual budgets as authorized in the General Appropriations Act;

8.3 LGUs shall charge the necessary amounts from local funds.

9.0 Responsibility of the Head of Agency

The Head of the Agency/Local Chief Executive shall be held personally liable for any payment of the signing bonus not in accordance with the herein circular, without prejudice however to the refund of any excess payment by the employee concerned. A report shall be submitted to the DBM or concerned DBM Regional Offices in the case of LGUs, of the implementation of the herein Circular by accomplishing the attached form document.

10.0 Saving Clause


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Cases not covered by the provisions of this Circular shall be referred to the Secretary of Budget and Management for resolution.

11.0 Effectivity

This Circular shall take effect January 1, 2001.

Adopted: 15 Dec 2000

(SGD.) BENJAMIN E. DIOKNO
Secretary

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