

## Economic Provisions of Collective Bargaining Agreements in 2017 (Second of a Three-Part Series)

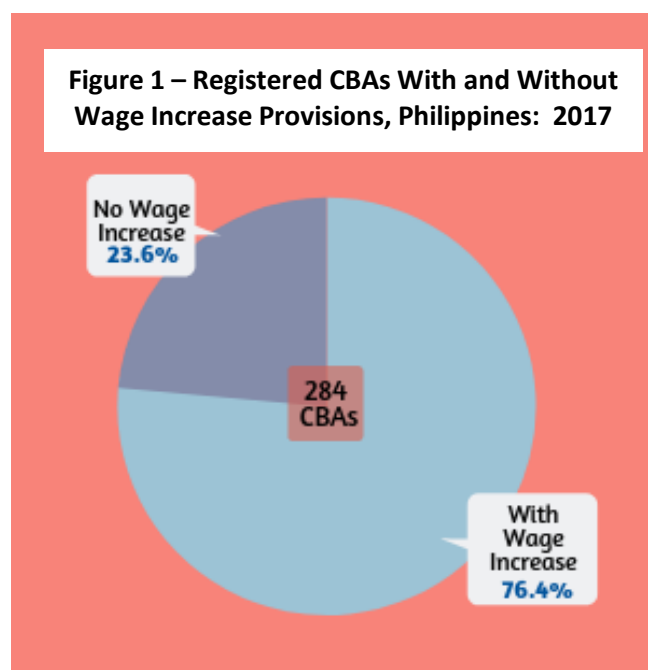
The registration of Collective Bargaining Agreements (CBAs) is closely monitored as an indicator of harmonious labor-management relations and industrial peace in the country. A collective bargaining is a process where both parties, labor and management, agree to fix and administer terms and conditions of employment which must not be below the minimum standards fixed by law. This also sets a mechanism for resolving the parties' grievances.

Specifically, a CBA is a contract executed upon incorporating the agreements reached after negotiations with the employer and the exclusive bargaining representative of the employees with respect to wages, hours or work and all other terms and conditions of employment. As such, a CBA includes economic provisions and non-economic provisions. Economic provisions include monetary value of wage increases, loan benefits, bonuses, allowances, retirement plan, and other fringe benefits. On the other hand, non-economic clauses include union security clauses, grievance procedures, labor-management cooperation schemes, and other provisions without monetary value.

This three-part series of LABSTAT Updates presents administrative data on CBAs gathered, tabulated and analyzed as sourced from the documents filed at the Bureau of Labor Relations (BLR) of the Department of Labor and Employment (DOLE). This second part of a three-part series on CBAs specifically highlights the economic provisions of CBAs registered in 2017.

### More than three-fourths of the registered CBAs provided various wage increase provisions in 2017

- A total of 284 Collective Bargaining Agreements (CBAs) were registered at the Bureau of Labor Relations of the Department of Labor and Employment in 2017. Various economic provisions were stipulated on the reported CBAs. Majority of which include different mode of wage increases for the covered members.
- Three out of every four CBAs (76.4% or 217) provided wage increase benefits to workers covered by the agreement. On the other hand, two out of every nine CBAs (23.6% or 67) did not include this benefit. (Figure 1)



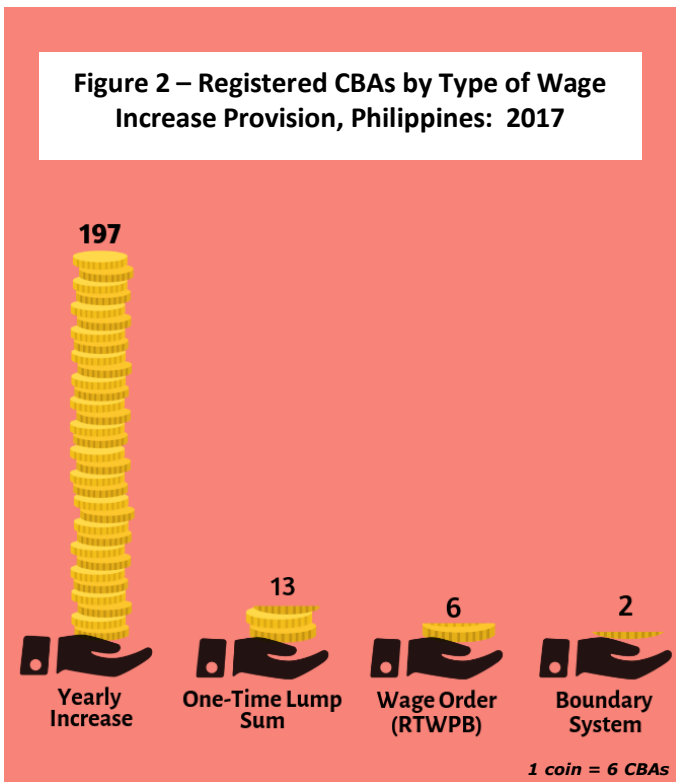
Source of data: Department of Labor and Employment, Bureau of Labor Relations.

- Of the total 217 CBAs with wage increase provision, 197 CBAs (90.8%) specified yearly increases for their covered workers. (Figure 2)
- The rest of the CBAs provided a one-time lump sum increase (13 or 6.0%) and wage increases based on the wage orders prescribed by the *Regional Tripartite Wages and Productivity Boards* of the *National Wages and Productivity Commission* (6 or 2.8%) during the

year. Very few (2 or 0.9%) provided wage increase through boundary system.

- Among the CBAs with yearly increase, 118 CBAs (59.9%) provided various amounts of increase on daily wages and 70 CBAs (35.5%) granted monthly wage increase on covered members. Only 14 CBAs (7.1%) declared a percentage increase on basic pay of workers. (Figure 3)

**Figure 2 – Registered CBAs by Type of Wage Increase Provision, Philippines: 2017**



Note: Details do not add up to total due to multiple wage increase provisions of some CBAs. Source of data: Department of Labor and Employment, Bureau of Labor Relations.

**Figure 3 – Registered CBAs With Yearly Increase Provisions by Mode of Increase, Philippines: 2017**



Note: Details do not add up to total due to multiple wage increase provisions of some CBAs. Source of data: Department of Labor and Employment, Bureau of Labor Relations.

**Three industries stipulated wage increases in all of their CBAs**

- Across industries, increases in wage were stipulated in all registered CBAs in water supply, sewerage, waste management and remediation activities; real estate activities; and other service activities. (Table 4)
- Wage increases were also stipulated in almost all (90.9%) of the CBAs

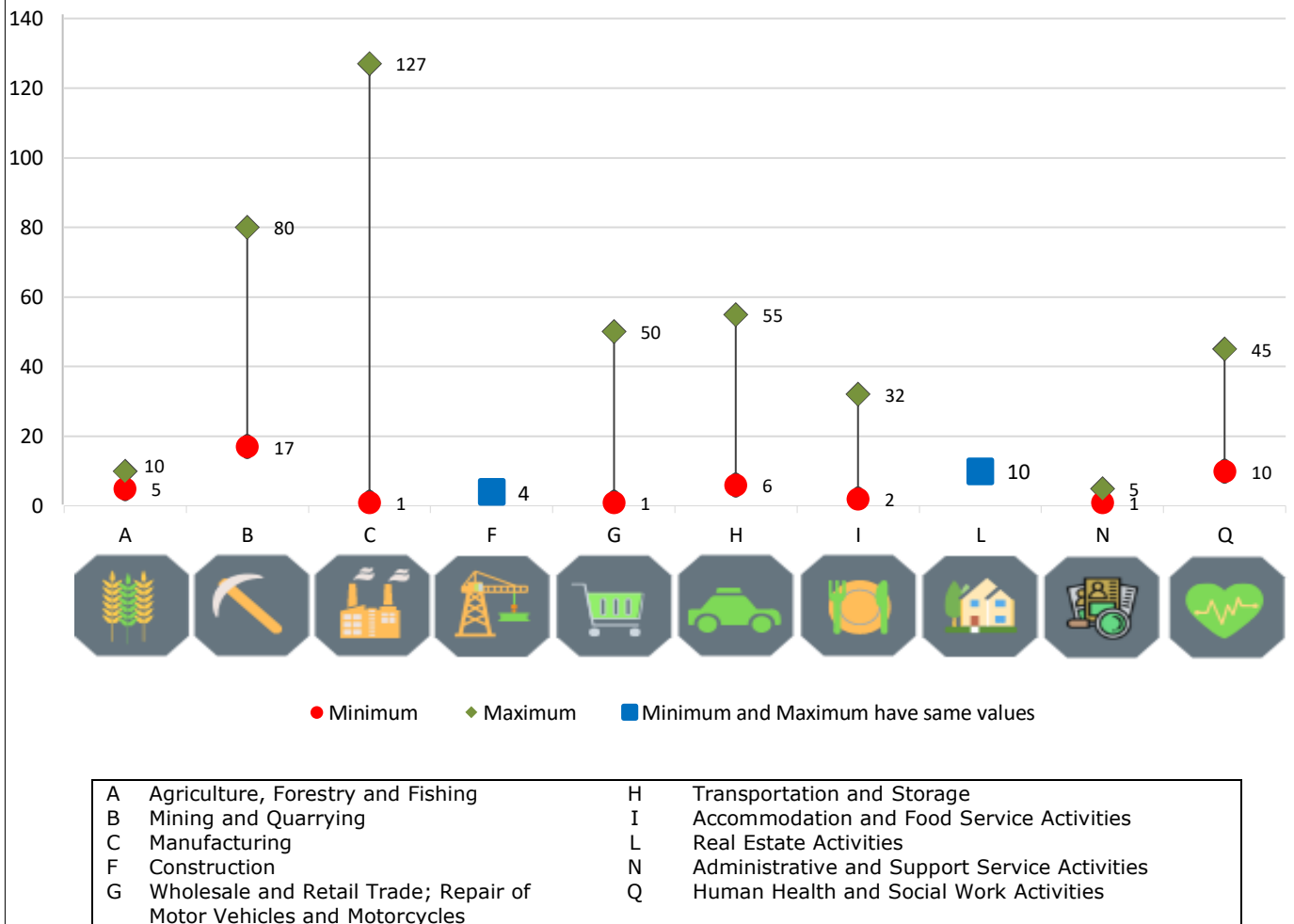
in financial and insurance activities, information and communication (85.7%), and manufacturing (83.5%).

- Half (50.0%) of the registered CBAs in both construction and education had provisions for wage increase.

**Two out of every five CBAs provided increase in the daily wage**

- Of the 284 registered CBAs, 118 CBAs (41.5%) provided increase in the daily wage of covered employees. (Table 5)
- By section, provision on increase in the daily wage were highest among agriculture, forestry and fishing (83.3% or 5 out of 6). Followed by manufacturing (55.4% or 77 out of 139), wholesale and retail trade; repair of motor vehicles and motorcycles (54.5% or 18 out of 33), and mining and quarrying (50.0% or 2 out of 4).
- In terms of amount of increase, the amount of daily minimum wage increase ranges from ₱1.00 (manufacturing; wholesale and retail trade, repair of motor vehicles and motorcycles; and administrative and support service activities) to a high of ₱17.00 (mining and quarrying). (Figure 4)
- Meanwhile, the amount of maximum increase ranges from ₱4.00 (construction) up to ₱127.00 (manufacturing).

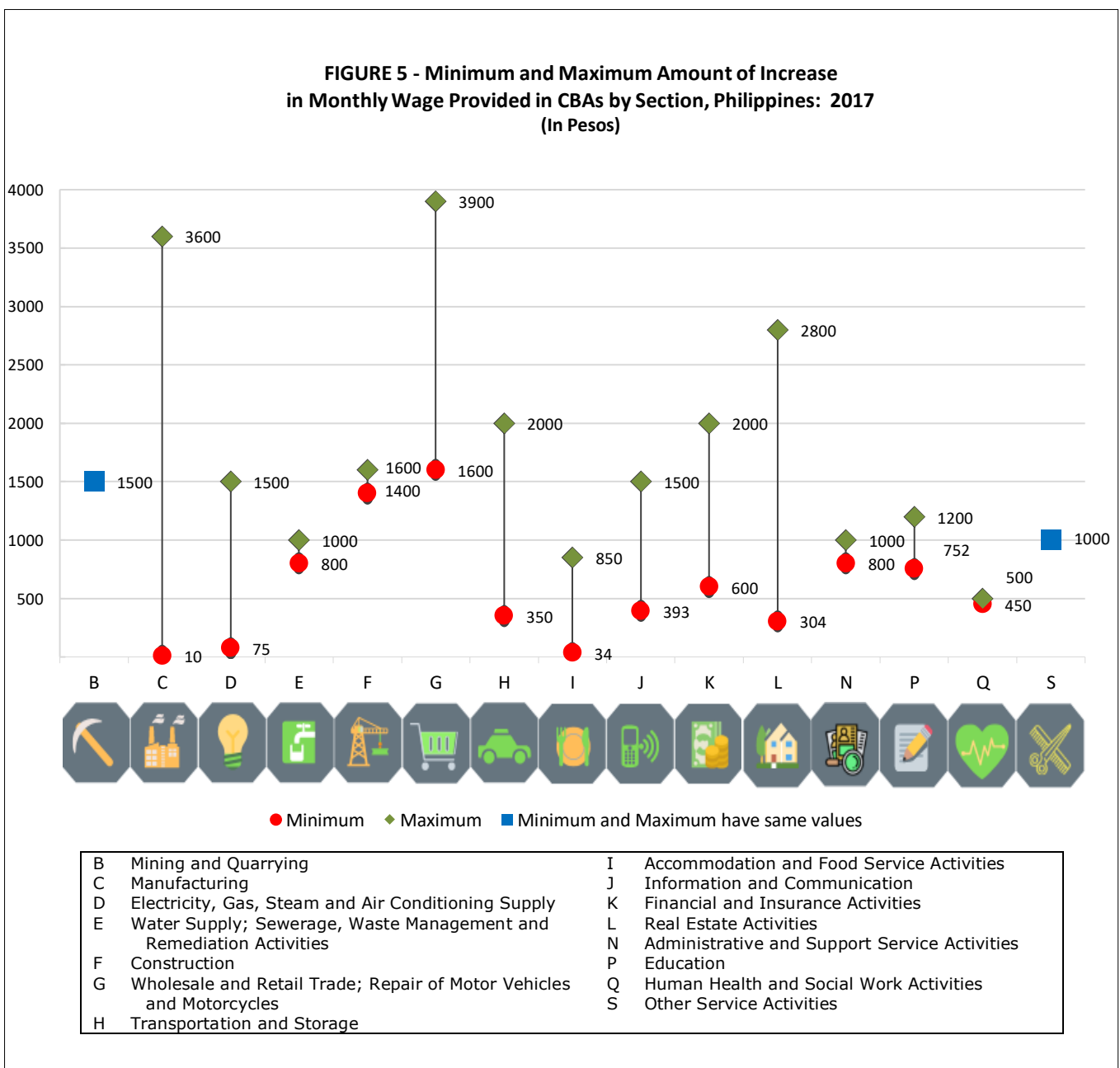
**FIGURE 4 - Minimum and Maximum Amount of Increase in Daily Wage Provided in CBAs by Section, Philippines: 2017 (In Pesos)**



Source of data: Department of Labor and Employment, Bureau of Labor Relations.

### **One-fourth of registered CBAs granted increase in monthly wage of workers**

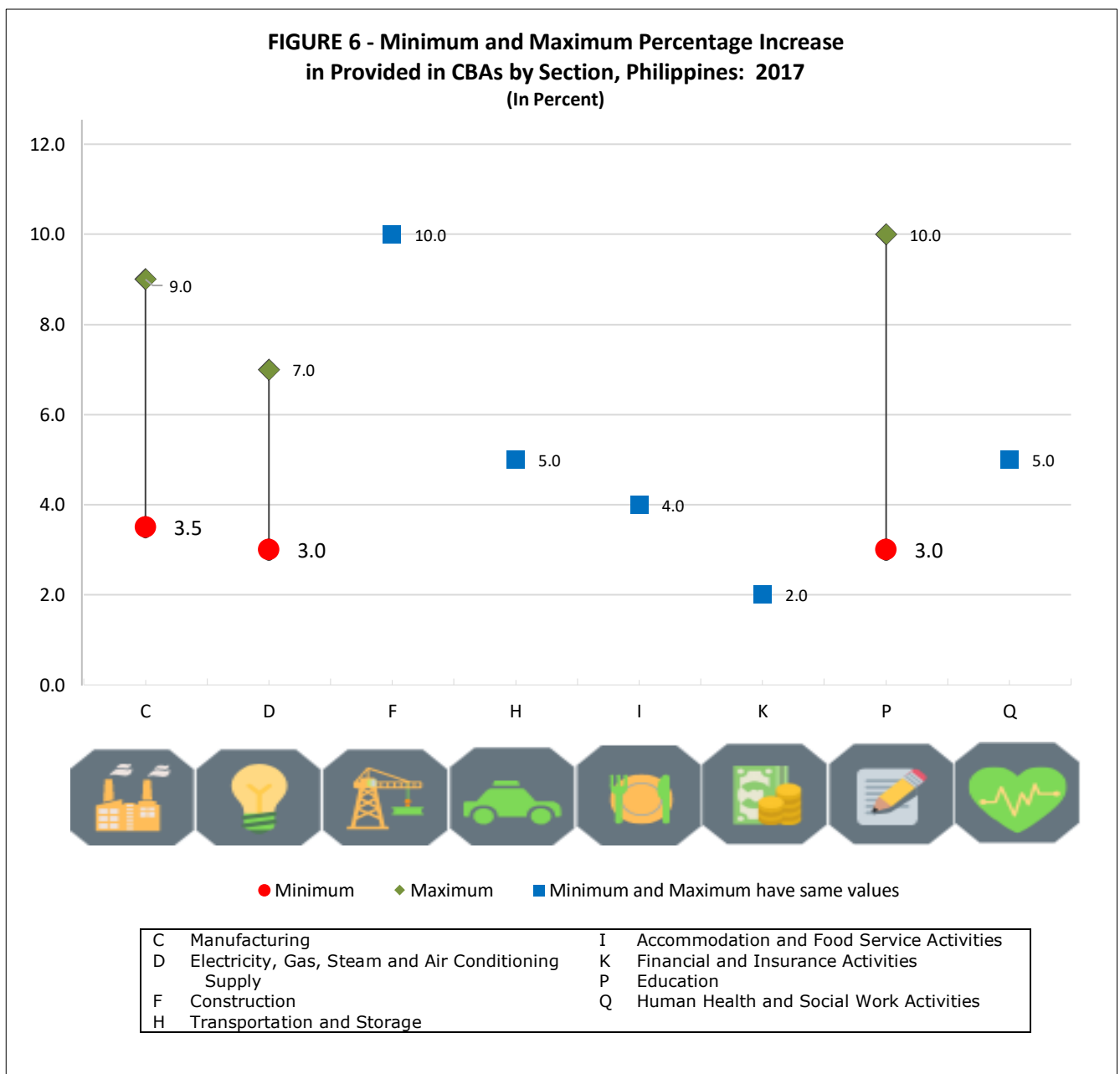
- A total of 70 registered CBAs (24.6% of the total 284 CBAs) provided varying amount of monthly wage increases to covered workers.
- By section, increase in the monthly wage rates were stipulated mostly among CBAs in information and communication (85.7%) and financial and insurance activities (81.8%). This increase was also provided by the lone CBA in water supply; sewerage, waste management and remediation activities and other service activities. (Table 5)
- The amount of monthly wage increase varied across industries with the minimum amount granted ranging from ₱10 (manufacturing) to ₱1,600 (wholesale and retail trade; repair of motor vehicles and motorcycles). (Figure 5)
- The maximum increase in monthly wage ranged from ₱500 in human health and social work activities to ₱3,900 in wholesale and retail trade; repair of motor vehicles and motorcycles.



Source of data: Department of Labor and Employment, Bureau of Labor Relations.

**Five percent of the registered CBAs had percent increase in the basic pay**

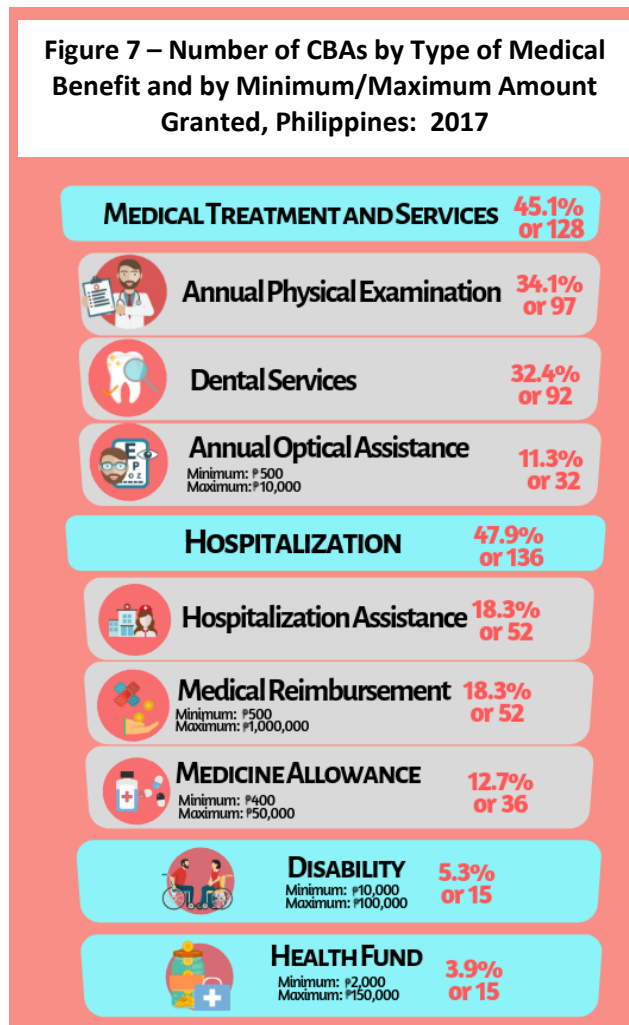
- Only 14 out of 284 registered CBAs (4.9%) provided percentage increases in the basic pay of workers. (Table 5)
- The amount of percentage increase in the basic pay varied across CBAs. This type of increase is mostly indicated in CBAs in the sections of electricity, gas, steam and air conditioning supply (18.2%); construction and education (both at 16.7%).
- The lowest and highest minimum percentage increase was provided to financial and insurance activities (2.0%) and the lowest and highest maximum percentage increase was provided to construction (10.0%). (Figure 6)



Source of data: Department of Labor and Employment, Bureau of Labor Relations.

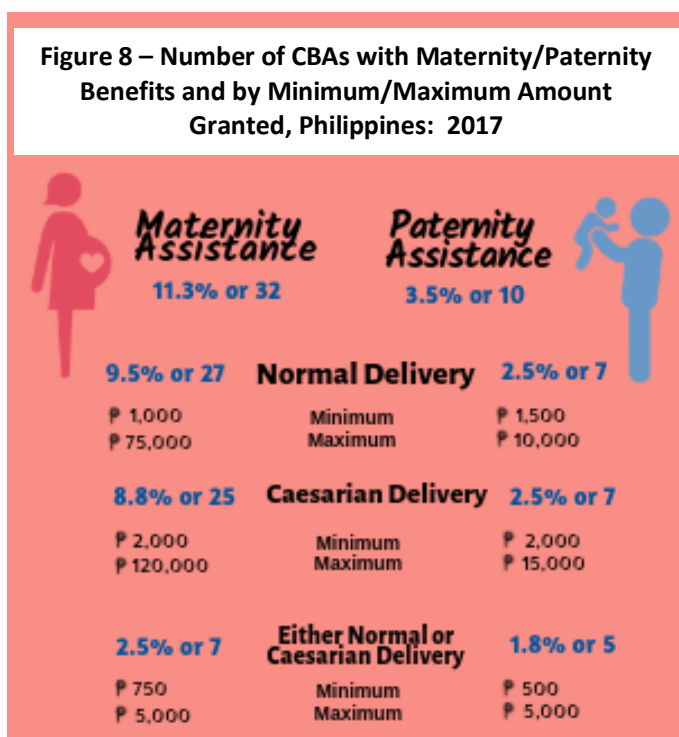
**Almost half of the registered CBAs granted medical treatment services**

- Medical benefits specifically medical treatment and services were negotiated in 128 of registered CBAs (45.1%). Annual physical examination was the top medical service granted in 97 CBAs (34.1%) followed by dental services (32.4%). (Figure 7)
- Other medical benefits stipulated were hospitalization (47.9%), hospitalization assistance (18.3%), disability (5.3%), and health fund (3.9%).
- The following were the medical benefits with monetary grants stipulated in their CBAs: annual optical assistance ranging from ₱500 to ₱10,000; medical reimbursement ranging from ₱500 up to ₱1M; medicine allowance in the amount of ₱400 to ₱50,000; disability grant ranging from ₱10,000 to ₱100,000 and health fund in the amount of ₱2,000 to ₱150,000.



*Note: Details do not add up to total due to multiple responses. Source of data: Department of Labor and Employment, Bureau of Labor Relations.*

**One out of nine registered CBAs included maternity assistance benefits**



- Maternity assistance was indicated on 32 CBAs in 2017. For normal delivery, 27 CBAs specified assistance ranging from ₱1,000 to ₱75,000. For caesarian delivery, 25 CBAs provided assistance ranging from ₱2,000 to ₱120,000. For either normal or caesarian delivery, the amount provided by 7 CBAs ranges from ₱750 to ₱5,000. (Figure 8)

*Note: Details do not add up to total due to multiple responses. Source of data: Department of Labor and Employment, Bureau of Labor Relations.*

- 10 CBAs (3.5%) likewise granted paternity assistance to covered employees. A total of 7 CBAs (2.5%) stipulated assistance for both normal and caesarian delivery, while 5 CBAs (1.8%) had granted assistance for either normal or caesarian delivery.
- For normal delivery, the amount ranges from ₱1,500 to ₱10,000; caesarian delivery ranges from ₱2,000 to ₱15,000; and ₱500 to ₱5,000 for either normal or caesarian delivery.

**Almost half of the total registered CBAs provided for death benefit/assistance for their employees**

- Provisions on death benefits were included in 134 CBAs (47.2%). In case of death of employee, 123 CBAs had specified monetary benefits ranging from ₱1,000 up to ₱300,000. In case of death of employees' immediate family member, 76 CBAs (26.8%) had provided assistance ranging from ₱500 to ₱50,000. (Table 1)
- Other than death benefits, funeral/burial aid was likewise provided to 107 CBAs (37.7%) with amount granted ranging from ₱1,000 to ₱110,000 for death of employee. In case of death of employees' immediate family member, the amount given ranged from ₱450 to ₱80,000.

DEATH/FUNERAL BENEFITS	No. of CBAs	Amount Granted (₱)	
		Min.	Max.
Death	134		
Death of employee	123	1,000	300,000
Death of immediate family member	76	500	50,000
Funeral/burial aid	107		
Death of employee	100	1,000	110,000
Death of immediate family member	72	450	80,000

*Note: Details do not add up to total due to multiple responses.  
Source of data: Department of Labor and Employment,  
Bureau of Labor Relations.*

**Three of every eight registered CBAs provided monetary assistance to workers in the form of loans**

- Another economic benefit stipulated among CBAs is the provision of loans to covered members. This was provided in 106 CBAs (37.3%) in 2017.
- By type of loan, emergency loan was the most common monetary assistance that was granted to 37 CBAs (13.0%). The loanable amount ranged from ₱1,000 to ₱200,000. This was followed by educational loan specified in 25 CBAs (8.8%) with amount of loan ranging from ₱5,000 to ₱350,000. (Table 2)

TYPE OF LOAN	No. of CBAs	Amount Granted (₱)	
		Min.	Max.
Total	106		
Emergency Loan	37	1,000	200,000
Educational Loan	25	5,000	350,000
Multi-Purpose Loan	19	4,000	300,000
Cash Advance/Vale	18	500	100,000
Housing Loan	18	50,000	2,000,000
Company Loan	16	3,000	300,000
Calamity Loan	11	7,000	60,000
Vehicle/Car Loan	8	1,000	800,000
Bereavement Loan	6	2,500	30,000

*Note: Details do not add up to total due to multiple responses.  
Source of data: Department of Labor and Employment,  
Bureau of Labor Relations.*

- Multi-purpose loan was the next most provided assistance with loanable amount ranging from ₱4,000 up to ₱300,000.
- It was also worth noting that housing loan had the highest loanable amount ranging from ₱50,000 to ₱2M.
- Other economic benefits stipulated in CBAs include separation/severance pay, with amount of benefit ranging from ₱1,200 to ₱15,000. (Table 3)
- Rice allowance was included in 107 CBAs (37.7%) with amount ranging from ₱1,000 to ₱26,400 per year. Daily meal allowance given ranged from ₱20 to ₱665.
- Labor Education assistance and union activity were also included in the negotiations with amount provided ranging from ₱300 to ₱200,000 and ₱3,000 to ₱130,000, respectively.
- Other benefits provided includes wedding gift (₱3,500 to ₱8,000); laundry allowance (₱400 to ₱6,000); and grocery allowance (₱750 to ₱2,000).

**TABLE 3 - Number of CBAs by Other Assistance Provided by Minimum/Maximum Amount Granted, Philippines: 2017**

OTHER ASSISTANCE PROVIDED	No. of CBAs	Amount Granted (₱)	
		Min.	Max.
Separation/Severance Pay	107	1,200	15,000
Rice Allowance/per year	107	1,000	26,400
Daily Meal Allowance	80	20	665
Longevity Pay/Service or Loyalty Award	66	10,000	15,000
Gratuity	29	5,000	7,500
Calamity Assistance	13	1,200	40,000
Incentive pay	12	80	4,000
Labor Education Assistance	12	300	200,000
Union Activity Assistance	9	3,000	130,000
Wedding Gift	3	3,500	8,000
Laundry Allowance	3	400	6,000
Grocery Allowance	2	750	2,000

Source of data: Department of Labor and Employment, Bureau of Labor Relations.

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#### FOR INQUIRIES

Regarding this report contact **LABOR STANDARDS AND RELATIONS STATISTICS DIVISION** at telefax 376-1921  
 Regarding other statistics contact **Knowledge Management and Communications Division** at 462-6600 loc 832  
 Or visit our website at <http://www.psa.gov.ph>

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**TABLE 4 – Number and Percent Share of Registered Collective Bargaining Agreement (CBAs) With and Without Wage Increase Provision by Section, Philippines: 2017**

SECTION	Registered CBAs	With Wage Increase Provision	Percent Share	Without Wage Increase; On Moratorium; No Specific Provision
ALL SECTIONS	284	217	76.4	67
Agriculture, Forestry and Fishing	6	5	83.3	1
Mining and Quarrying	4	3	75.0	1
Manufacturing	139	116	83.5	23
Electricity, Gas, Steam and Air Conditioning Supply	11	8	72.7	3
Water Supply; Sewerage, Waste Management and Remediation Activities	1	1	100.0	-
Construction	6	3	50.0	3
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	33	22	66.7	11
Transportation and Storage	24	16	66.7	8
Accommodation and Food Service Activities	14	9	64.3	5
Information and Communication	7	6	85.7	1
Financial and Insurance Activities	11	10	90.9	1
Real Estate Activities	3	3	100.0	-
Administrative and Support Service Activities	3	2	66.7	1
Education	12	6	50.0	6
Human Health and Social Work Activities	9	6	66.7	3
Other Service Activities	1	1	100.0	-

**Note:** Details do not add up to total due to multiple response.  
**Source of data:** Department of Labor and Employment,  
 Bureau of Labor Relations.

**TABLE 5 - Number of Registered Collective Bargaining Agreements (CBAs) with Wage Increase Provision by Type of Wage Increase Provided and Section, Philippines: 2017**

SECTION	Registered CBAs	CBAs With Wage Increase Provision						
		Type of Yearly Wage Increase Provided				RTWPB Wage Increase	One Time Lump Sum	Boundary System
		TOTAL	Increase in Daily Wage	Increase in Monthly Wage	Percent Increase in Basic Pay			
ALL SECTIONS	284	197	118	70	14	6	13	2
Agriculture, Forestry and Fishing	6	5	5	-	-	-	-	-
Mining and Quarrying	4	3	2	1	-	-	-	-
Manufacturing	139	104	77	27	4	4	9	-
Electricity, Gas, Steam and Air Conditioning Supply	11	6	-	4	2	-	2	-
Water Supply; Sewerage, Waste Management and Remediation Activities	1	1	-	1	-	-	-	-
Construction	6	3	1	1	1	-	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	33	21	18	3	-	-	-	-
Transportation and Storage	24	13	5	6	2	1	-	2
Accommodation and Food Service Activities	14	9	5	3	1	-	-	-
Information and Communication	7	6	-	6	-	-	-	-
Financial and Insurance Activities	11	10	1	9	1	-	-	-
Real Estate Activities	3	3	1	2	-	-	-	-
Administrative and Support Service Activities	3	2	1	1	-	-	-	-
Education	12	5	-	3	2	-	1	-
Human Health and Social Work Activities	9	5	2	2	1	1	1	-
Other Service Activities	1	1	-	1	-	-	-	-

Note: Details do not add up to total due to multiple response.

Source of data: Department of Labor and Employment, Bureau of Labor Relations.