

Economic Provisions of Collective Bargaining Agreements in 2016 (Last of a Three-Part Series)

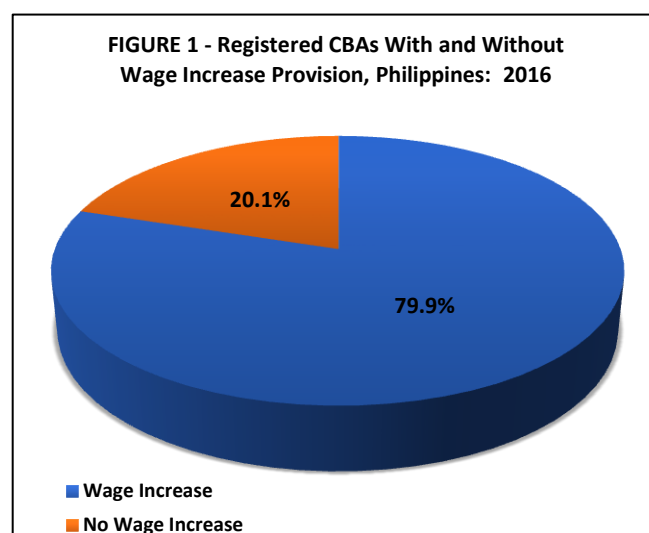
The registration of Collective Bargaining Agreements (CBAs) is closely monitored as an indicator of harmonious labor-management relations and industrial peace in the country. A collective bargaining is a process where both parties, labor and management, agree to fix and administer terms and conditions of employment which must not be below the minimum standards fixed by law, and to set 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 last part of a three-part series on CBAs specifically highlights the economic provisions of CBAs registered in 2016.

Four out of every five registered CBAs provided various wage increases in 2016

- A total of 328 CBAs were registered in 2016. These CBAs stipulated various economic provisions for the benefit of covered workers, majority of which granted varying wage increases during the life span of the agreement.
- Four out of every five CBAs (79.9% or 262) provided wage increases to workers covered by the agreement. Meanwhile, around one-fifth (20.1%) of total CBAs did not provide any wage increase during the year. (Figure 1)

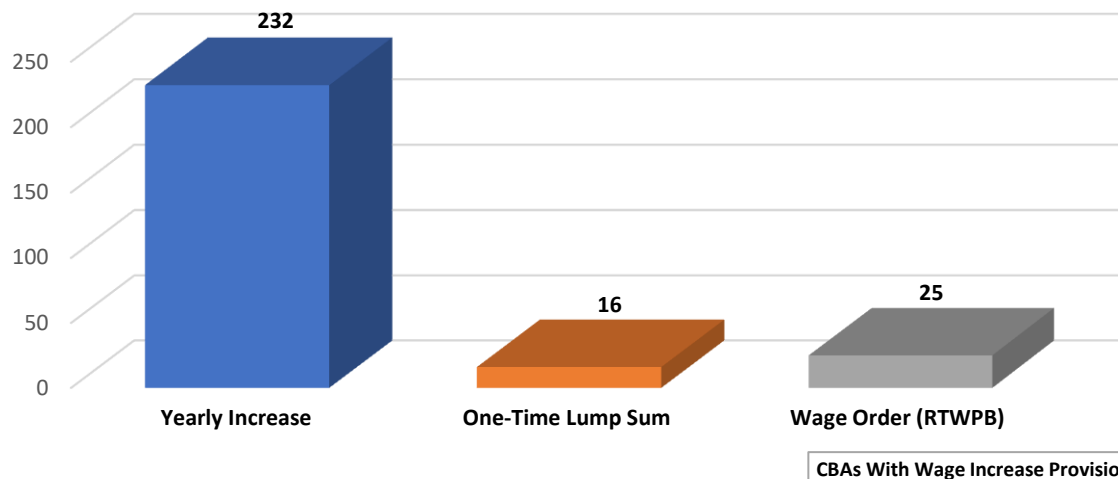


Source of data: Department of Labor and Employment,
Bureau of Labor Relations.

- Of the total 262 CBAs with wage increase provision, 9 out of every 10 CBAs (88.5%) specified yearly wage increases for its covered workers. (Figure 2)
- While some CBAs provided wage increases based on the wage orders

prescribed by the *Regional Tripartite Wages and Productivity Boards* of the *National Wages and Productivity Commission* (9.5%), other CBAs granted one-time lump-sum increases (6.1%) during the year.

FIGURE 2 - Registered CBAs by Type of Wage Increase Provision, Philippines: 2016

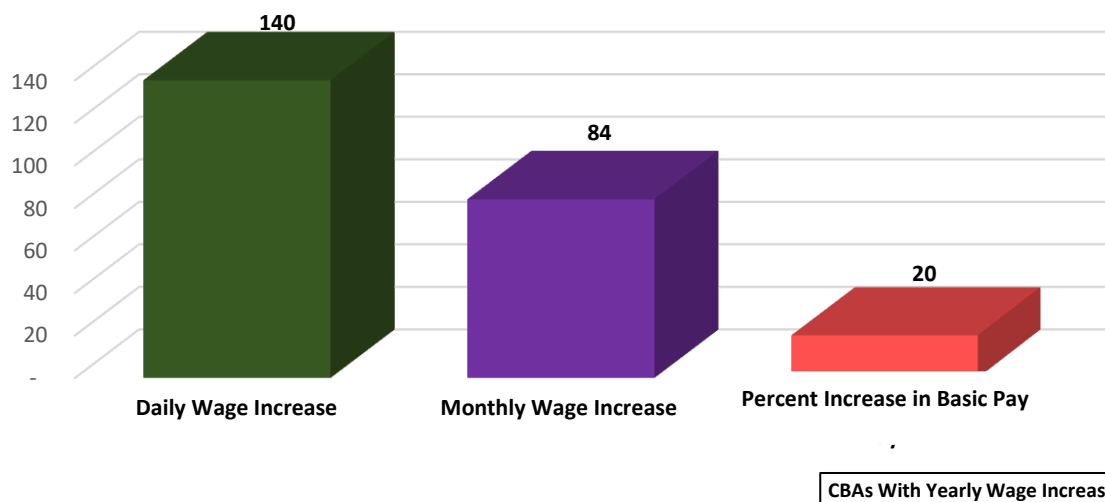


Note: A CBA may have multiple wage increase provisions.

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

- Meanwhile, of the total 232 CBAs with yearly wage increases, around three-fifths granted specific amounts of increases in daily wage (60.3% or 140) while more than one-third (36.2% or 84) provided monthly wage increases.
- Meanwhile, least share of CBAs stipulated percentage increases in the basic pay of covered workers (8.6% or 20). (Figure 3)

FIGURE 3 - Registered CBAs by Type of Yearly Increase Provisions, Philippines: 2016



Note: A CBA may have multiple wage increase provisions.

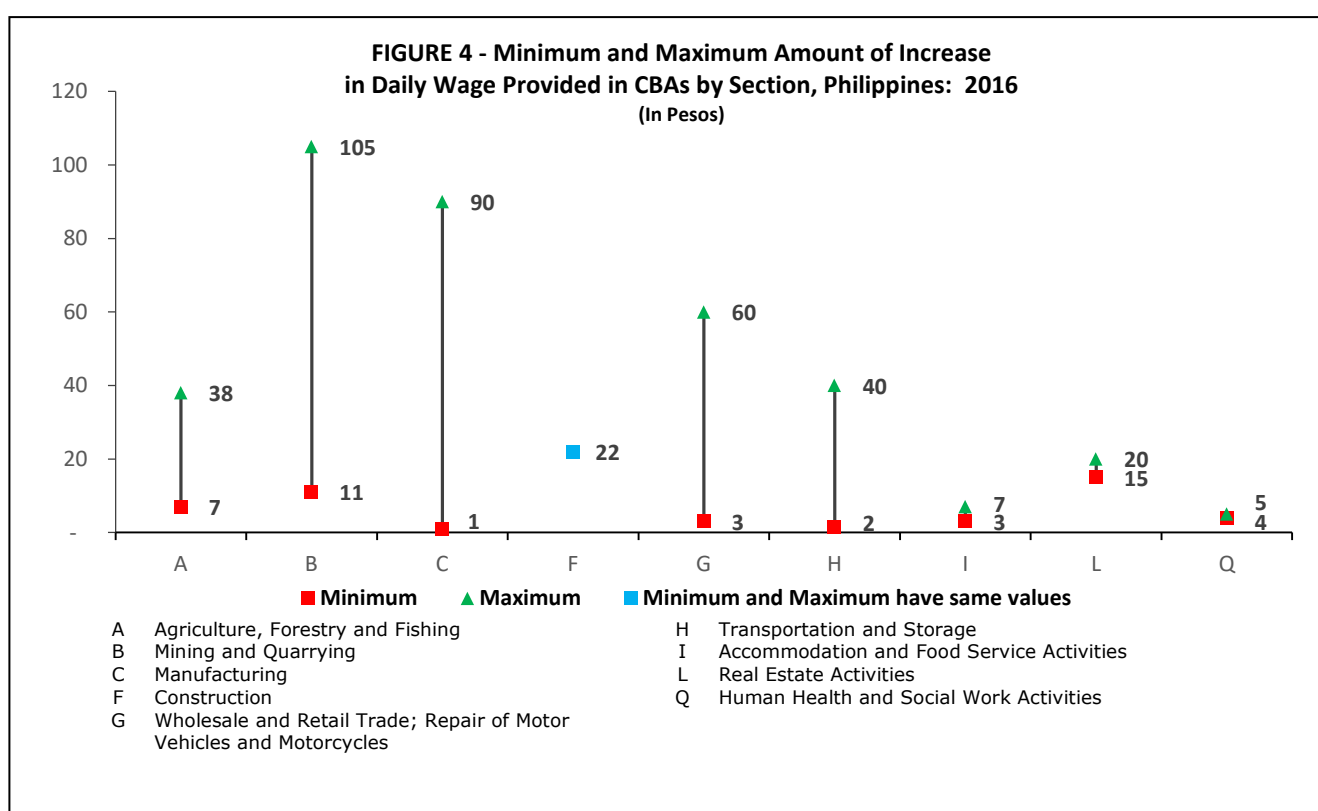
Source of data: Department of Labor and Employment, Bureau of Labor Relations.

All registered CBAs in 3 industries provided wage increases to its employees

- Across industries, increase in wages were stipulated in all the registered CBAs in human health and social work activities (10 CBAs); mining and quarrying (4 CBAs); and real estate activities (2 CBAs). (Table 6)
- By order of magnitude, majority of registered CBAs in the following industries provided wage increases:
 - financial and insurance activities (94.4%); manufacturing (86.7%); construction and arts, entertainment and recreation industry (both with 83.3%).
 - Meanwhile, only a little more than a quarter (26.3%) of the filed CBAs in the education industry specified wage increases in the agreement.

Three out of every seven registered CBAs provided increase in the daily wage of workers

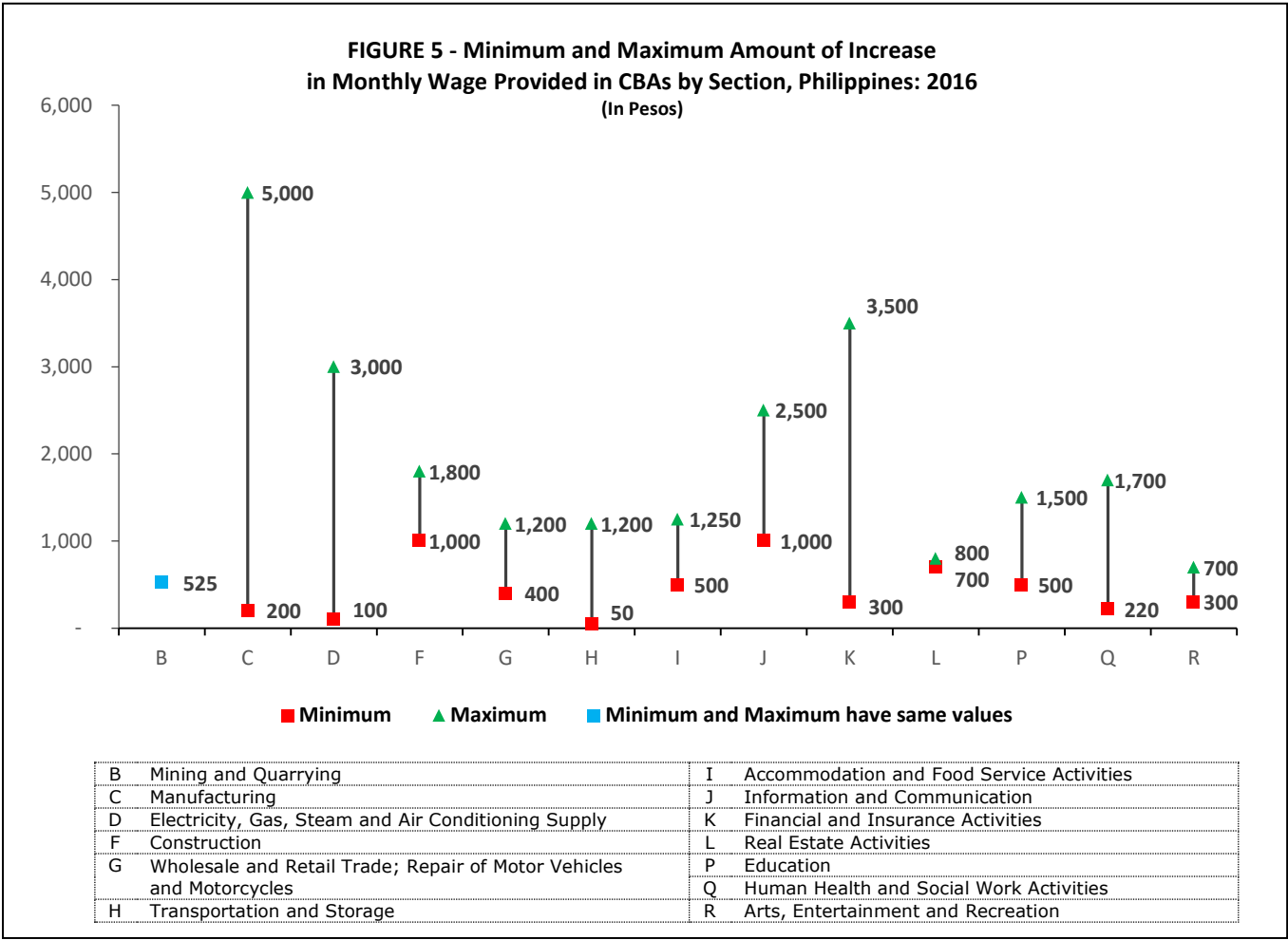
- Relative to the total 328 registered CBAs, 140 CBAs (42.7%) granted varying amounts of daily wage increases to covered employees. (Table 7)
- Classified by section, manufacturing had the highest percentage of total CBAs that provided increases in the daily wage of workers (63.6% or 110 out of 173). This was followed by agriculture, forestry and fishing (57.1% or 4 out of 7); and mining and quarrying and real estate activities both with 50.0 percent each.
- In terms of amount of wage increase, the minimum amount of daily wage increase provided among CBAs ranged from as low as ₱1.00 (manufacturing) to ₱15.00 (real estate activities). On the other hand, the maximum amount of wage increase ranged from ₱5.00 (human health and social work activities) to ₱105.00 (mining and quarrying). (Figure 4)



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

**One out of every four registered CBAs
granted increase in monthly wage of workers**

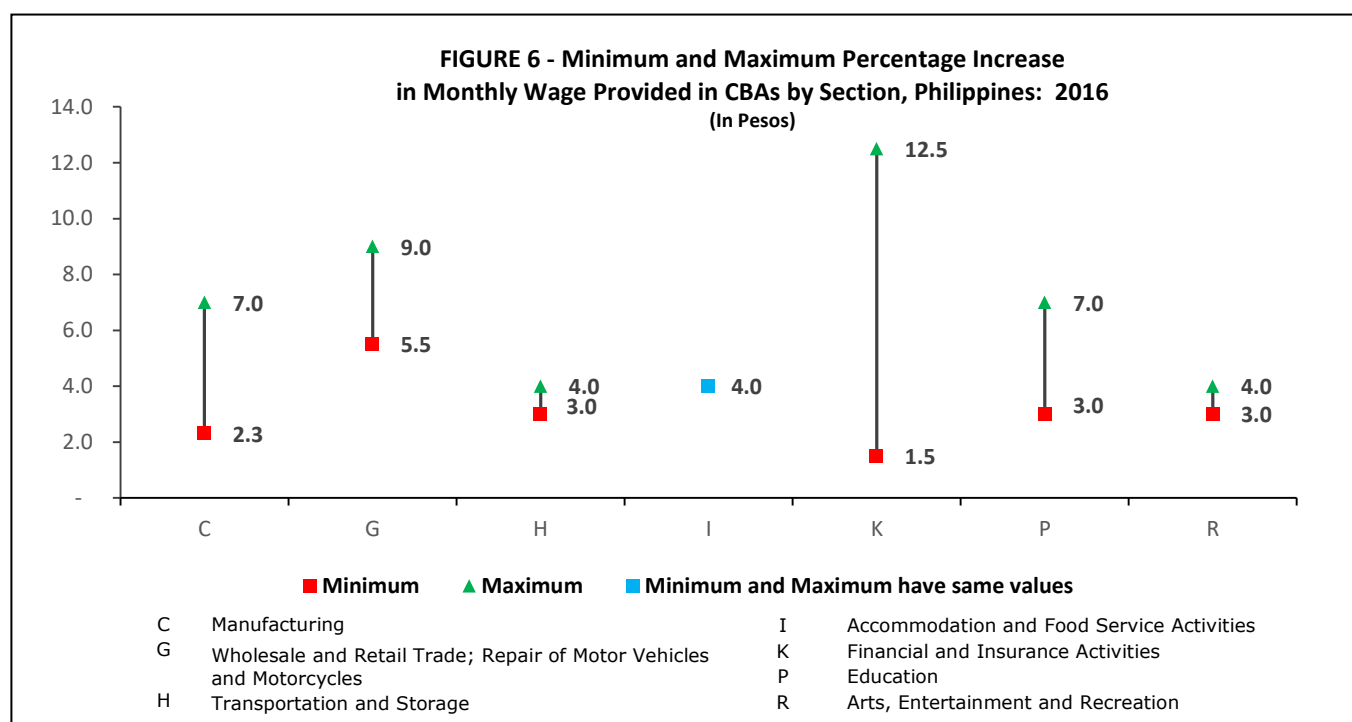
- One-fourth of total registered CBAs (25.6% or 84 out of 328) in 2016 provided varying monthly wage increases to CBA-covered workers. (Table 7)
- By section, majority of registered CBAs specified monthly wage increases in financial and insurance activities (94.4%) and human health and social work activities (80.0%).
- Meanwhile, the amount of monthly wage increase varies across sections ranging from a minimum amount of ₱50.00 (transportation and storage) to ₱1,000.00 (both construction and information and communication). (Figure 5)
- On the other hand, the maximum increase in monthly wage ranged from ₱700.00 in arts, entertainment and recreation to ₱5,000.00 in manufacturing.



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

Only a low proportion of total registered CBAs granted percent increases in the basic pay of covered employees

- In terms of minimum and maximum percentage increase in the monthly wage rates, the minimum percentage increase in the monthly wage among CBAs ranged from 1.5 percent (financial and insurance activities) to 5.5 percent (wholesale and retail trade; repair of motor vehicles and motorcycles). (Figure 6)
- On the other hand, the maximum increase specified in CBAs ranged from 4.0 percent (transportation and storage; accommodation and food service activities; and arts, entertainment and recreation) to 12.5 percent (financial and insurance activities).



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

More than half of the registered CBAs included medical treatment and services to workers

- Benefits like medical treatment and services were the major medical assistance enjoyed by workers as stipulated in more than half (54.6% or 179) of the total 328 registered CBAs in 2016. Annual physical examination constitutes most of these medical treatment and services which was provided in 45.4 percent of total CBAs and followed by dental services (36.6%). (Table 1)
- Other medical benefits include hospitalization and hospitalization assistance as included in 46.3 percent and 29.6 percent of total registered CBAs, respectively.

TABLE 1 - Number of CBAs by Type of Medical Benefit and Minimum/Maximum Amount Granted, Philippines: 2016			
MEDICAL BENEFIT	No. of CBAs	Amount Granted(₱)	
		Min.	Max.
Medical Treatment & Services	179	-	-
Annual Physical Examination	149	-	-
Dental Services	120	-	-
Annual Optical Assistance	42	500	17,000
Hospitalization	152	-	-
Hospitalization Assistance	97	-	-
Medical Reimbursement	97	300	1,000,000
Medicine Allowance	55	300	48,000
Health Fund	35	84	180,000
Disability	15	150,000	1,400,000

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

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

More than 10 percent of registered CBAs provided maternity assistance to employees

- Registered CBAs do not only usually focus on the health of workers but also on the maternal and paternal care of workers through the financial assistance offered to them. This particular type of assistance was granted in 11.9 percent (39 CBAs) of the 328 total CBAs in 2016. (Table 2)
- Specifically, almost 10 percent of the total CBAs provided maternity assistance for normal delivery (9.5%) in the amount ranging from ₱1,500 to ₱45,000 and caesarian delivery (8.8%) in the amount of ₱3,000 to ₱70,000. Meanwhile, paternity assistance was likewise provided in some CBAs (2.1%) with grants amounting from ₱2,000 to ₱12,000.

- Other CBAs had provisions for monetary grants on the following medical benefits: medical reimbursement with grants ranging from ₱300 to ₱1,000,000 as provided in 29.6 percent of total CBAs; medicine allowance with benefits ranging from ₱300 to ₱48,000 (16.8% of total CBAs); annual optical assistance with grants ranging from ₱500 to ₱17,000 (12.8% of total CBAs); and health fund with benefits ranging from ₱84 to ₱180,000 (10.7% of total CBAs).

TABLE 2 - Number of CBAs by Maternity/Paternity Benefits and Minimum and Maximum Amount Granted, Philippines: 2016

MATERNITY/ PATERNITY BENEFITS	No. of CBAs	Amount Granted (₱)	
		Min.	Max.
Maternity/Paternity Assistance	39	-	-
Normal Delivery	31	1,500	45,000
Caesarian Delivery	29	3,000	70,000
Paternity Assistance	7	2,000	12,000

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

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

A little over one-half of total registered CBAs had provisions on death benefits for employees and their families

- One out of every 2 CBAs (50.9% or 167) in 2016 included provisions for death/funeral benefits for employees and their families. In case of employees' death, almost one-half (47.9%) of total CBAs stipulated benefits ranging from ₱2,000 to ₱300,000. In case of death of immediate family member, 3 out of every 10 CBAs (30.5%) provided benefits ranging from ₱1,000 to ₱75,000. (Table 3)
- Aside from death benefits, considerable share of total CBAs (42.7% or 140) provided funeral/burial aid to employees and their families. Specifically, 40.9 percent of total CBAs covered the granting of funeral/burial aid ranging from ₱750 to ₱150,000 in the event of an employee's death. In case of death of the employee's immediate family member, 3 out of every 10 CBAs (29.0%) stipulated the provision of funeral/burial aid ranging from ₱500 to ₱35,000.

TABLE 3 – Number of CBAs by Death/Funeral Benefits and Minimum/Maximum Amount Granted Philippines: 2016

DEATH/FUNERAL BENEFITS	No. of CBAs	Amount Granted (₱)	
		Min.	Max.
Death	167	-	-
Death of employee	157	2,000	300,000
Death of immediate family member	100	1,000	75,000
Funeral/burial aid	140	-	-
Death of employee	134	750	150,000
Death of immediate family member	95	500	35,000

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

More than one-third of all registered CBAs provided monetary assistance to workers in the form of loans

- Another important economic benefit specified under CBAs is the granting of loans to covered workers as provided in 120 CBAs out of total 328 CBAs (36.6%). By type of loan, emergency loan was the most granted monetary aid as provided in almost one-fifth (18.0%) of total CBAs, the loanable amount of which ranged from ₱2,000 to ₱200,000. (Table 4)
- Similarly, educational loan was provided in 8.2 percent of total CBAs with amount of benefits ranging from ₱2,000 to ₱250,000. This was followed by both calamity and housing loans which was stipulated in 7.3 percent of CBAs with loanable amount ranging

TABLE 4 – Number of CBAs by Type of Loan Benefits Granted and Minimum/Maximum Amount Granted Philippines: 2016

TYPE OF LOAN	No. of CBAs	Amount Granted (₱)	
		Min.	Max.
Total	120	-	-
Emergency Loan	59	2,000	200,000
Educational Loan	27	2,000	250,000
Calamity Loan	24	500	40,000
Housing Loan	24	13,000	1,500,000
Multi-Purpose Loan	20	20,000	500,000
Cash Advance/Vale	14	100	20,000
Vehicle/Car Loan	13	100,000	750,000
Company Loan	8	2,000	25,000
Bereavement Loan	3	20,000	100,000
Livelihood Loan	1	50,000	50,000

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

from ₱500 to ₱40,000 and ₱13,000 to ₱1,500,000, respectively.

- Aside from housing loan, relatively high loanable amounts for vehicle/car loan (₱100,000-₱750,000) was likewise granted in some CBAs during the year.
- Meanwhile, other assistance provided by registered CBAs include monthly rice allowance, the most granted benefit among the list, as provided in around one-fifth (21.0%) of total CBAs. (*Table 5*)
- Monthly rice allowance ranged from ₱54 to ₱2,500 while meal allowance, which accounted for 15.9 percent of total CBAs, granted benefits ranging from ₱10 to ₱4,650.

TABLE 5 - Number of CBAs by Other Assistance Provided by Amount Granted, Philippines: 2016

Other Assistance Provided	No. of CBAs	Amount Granted (₱)	
		Min.	Max.
Monthly Rice Allowance	69	54	2,500
Meal Allowance	52	10	4,650
Gratuity	11	700	7,500
Calamity Assistance	8	2,000	20,000
Teller's Allowance	8	600	6,600
Laundry Allowance	7	250	13,000
Wedding Assistance	6	500	5,000
Cost of Living Allowance (COLA)	5	5	800

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

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>

TABLE 6 – Number and Percent Share of Registered Collective Bargaining Agreement (CBAs) With and Without Wage Increase Provision by Section, Philippines: 2016

SECTION	Registered CBAs	With Wage Increase Provision	Percent Share	Without Wage Increase; On Moratorium; No Specific Provision
ALL SECTIONS	328	262	79.9	66
Agriculture, Forestry and Fishing	7	5	71.4	2
Mining and Quarrying	4	4	100.0	-
Manufacturing	173	150	86.7	23
Electricity, Gas, Steam and Air Conditioning Supply	9	7	77.8	2
Water Supply; Sewerage, Waste Management and Remediation Activities	1	-	-	1
Construction	6	5	83.3	1
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	22	16	72.7	6
Transportation and Storage	28	23	82.1	5
Accommodation and Food Service Activities	19	11	57.9	8
Information and Communication	3	2	66.7	1
Financial and Insurance Activities	18	17	94.4	1
Real Estate Activities	2	2	100.0	-
Administrative and Support Service Activities	1	-	-	1
Education	19	5	26.3	14
Human Health and Social Work Activities	10	10	100.0	-
Arts, Entertainment and Recreation	6	5	83.3	1

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

TABLE 7 - Number of Registered Collective Bargaining Agreements (CBAs) with Wage Increase Provision by Type of Wage Increase Provided and Section, Philippines: 2016

SECTION	Registered CBAs	CBAs With Wage Increase Provision					
		Type of Yearly Wage Increase Provided				RTWPB Wage Increase	One Time Lump Sum
		TOTAL	Increase in Daily Wage	Increase in Monthly Wage	Percent Increase in Basic Pay		
ALL SECTIONS	328	232	140	84	20	16	25
Agriculture, Forestry and Fishing	7	4	4	-	-	1	-
Mining and Quarrying	4	3	2	1	-	-	1
Manufacturing	173	133	110	24	6	5	17
Electricity, Gas, Steam and Air Conditioning Supply	9	6	-	6	-	1	3
Water Supply; Sewerage, Waste Management and Remediation Activities	1	.	-	-	-	-	-
Construction	6	5	1	4	-	-	2
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	22	12	7	4	2	4	-
Transportation and Storage	28	20	10	6	4	2	1
Accommodation and Food Service Activities	19	9	4	4	1	2	-
Information and Communication	3	2	-	2	-	-	-
Financial and Insurance Activities	18	17	-	17	4	-	-
Real Estate Activities	2	2	1	1	-	-	-
Administrative and Support Service Activities	1	.	-	-	-	-	-
Education	19	5	-	3	2	-	1
Human Health and Social Work Activities	10	9	1	8	-	1	-
Arts, Entertainment and Recreation	6	5	-	4	1	-	-

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