



Collective Bargaining Agreements in 2006 *Economic and Non-economic Benefits* (Second of a two-part series)



The Labor Code encourages the forging of collective bargaining agreements (CBAs) between workers and employers to promote and maintain industrial peace and stable employment relations. CBA refers to a negotiated contract between a duly recognized or certified collective bargaining representative and an employer concerning wages, hours of work and other terms and conditions of employment in the appropriate bargaining unit including provision for grievance machinery. It covers all regular employees of an appropriate bargaining unit who are not excluded by law or by expressed provision of the CBA.

A CBA usually contains clauses on economic and non-economic benefits. The economic benefits include wage increases, allowances, bonuses, longevity pay, insurance, separation pay, monetary assistance, death aid, funeral assistance, leave benefits, retirement plan and other fringe benefits. The non-economic provisions include union security clauses, grievance procedures, labor-management cooperation schemes, among others. Although the term of a CBA is five (5) years, its economic provisions can be renegotiated on the third year after its execution.

Since 1997, the Bureau of Labor and Employment Statistics (BLES) has published articles on the profile of collective bargaining agreements (CBAs) specifically on its economic and non-economic provisions. Data were culled from actual documents on file of CBAs registered at the Bureau of Labor Relations.

This issue of LABSTAT Updates presents the benefits provided to workers through the 436 CBAs filed in 2006.

Welfare benefits are of foremost consideration in any collective bargaining negotiations. These include provisions on wage increases, social security, health care, leave benefits and other fringe benefits.

Wage Increases

Provisions for wage increases in CBAs are expressed either in terms of across the board increases of specified amounts or as percent increase in basic pay of workers.

Daily wage increases, as stipulated in 232 registered CBAs, ranged from a low of ₱0.50 to as high as ₱100.00. These increases were enjoyed by some 24,528 workers and specifically by 16,243 workers in the manufacturing industry. The 1,155 workers engaged in wholesale and retail trade were granted yearly increases of ₱1.00 to ₱60.00 during the term of their CBAs. Only a ₱2.00 increase was negotiated by 55 workers in real estate, renting and business activities. (Tables 1 and 2)

- On the other hand, monthly wage increases stipulated in 93 CBAs affecting 19,653 workers ranged from P50.00 to P6,111.00. The four (4) CBAs in the education industry granted an increase of P100.00 to P6,111.00 to its 646 workers. Meanwhile, the sole CBA filed in mining and quarrying provided for a P1,500.00 increase to its 174 workers. Workers engaged in other community, social and personal service activities were granted the lowest increase of P100.00 to P330.00.
- The rest of the CBAs (32) covering 7,356 workers had wage increases in the form of percent increases in the workers' basic pay.

Supplementary Benefits

- The most common supplementary benefits provided in 2006 CBAs were signing bonus (29.8%), longevity/ loyalty pay (18.3%) and Christmas Bonus (17.9%). *Table 3*
- Other supplementary benefits granted were merit increase (10.1%), perfect attendance (6.2%), COLA (6.0%), incentive pay (3.4%) and performance bonus (2.5%).

Health Care Benefits

Provisions on health care benefits were also stipulated in CBAs. Employers either subsidize or shoulder



all the medical expenses of their workers. In cases where the medical expenses exceeded the limit of basic coverage, the employers

initially settle the bill and paid by the worker through salary deduction.

- The most common health care benefits provided were medical services (82.3%), hospitalization assistance (64.0%) and dental services (47.9%). Medical services include x-ray/laboratory, check up, consultation, free medication and other clinical services. *(Table 3)*
- Some CBAs also provided medicine allowance (21.6%) and optical allowance (12.2%).

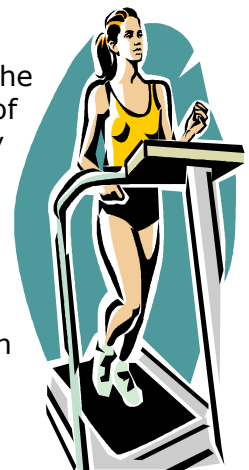
Employee Assistance

As stipulated in some CBAs, employee assistance can be availed by employees during emergencies.

- Eight out of every 10 companies provided assistance to their workers in times of bereavement. The assistance primarily covered deceased spouse, son/daughter, parent or sibling of the worker. *(Table 3)*
- Workers in 3 out of every 10 companies in 2006 were also provided rice allowance/subsidy.

Well-being/ Health Promotion Programs

- When it comes to the well-being/ health of workers, family planning (67.2%), recreational activities (44.3%) and workers education (37.2%) were the most common programs stipulated in the CBAs. *(Table 3)*



- Health and safety measures and provision of life/accident insurance were mentioned in 34.6% and 34.9% of the CBAs, respectively.

Terminal Benefits

- Most CBAs (4 out of every 5) provided retirement benefits to employees while only 2 out of every 5 CBAs gave gratuity pay. (Table 3)

Leave Benefits

Paid leave benefits were provided by employers either in observance of existing laws, or as an incentive or assistance to workers. (Table 3)

- Most popular among the leave benefits were vacation and sick leave benefits, which were provided in 4 out of every 5 CBAs. (Table 3)
- Some CBAs also stipulated for union and paternity leave (1 out of every 2), and maternity leave (2 out of every 5).

Job Security

Provisions on job security stipulated in 2006 CBAs include the following:

Provision	Number of CBA	Percent Share
Just dismissal/ layoff	171	39.2
Hiring next of kin of retired employees	78	17.9
Rehire/recall of laid off or dismissed employees	40	9.2
Provide skills training	13	3.0
Promotion	158	36.2
Transfer	79	18.1
Lay-off	147	33.7

- About 2 out of every 5 (39.2%) CBAs stipulated that no worker will be dismissed or laid off from employment except for a just cause.

- Preference in the hiring of employees' qualified dependents was specified in 1 out of every 5 CBAs while some 40 CBAs (9.2%) stipulated to the rehire/recall of laid off or dismissed employees.

- Only 13 CBAs (3.0%) had provisions on skills training of their workers.

Union Security

- Seven out of every 10 CBAs in 2006 allowed check off, wherein payments for union regular dues, special assessments and fines are deducted from the member's salaries. Such payments are then remitted to a duly authorized union official.

Provision	Number of CBA	Percent Share
Check off	301	69.0
Union Rights/ Responsibilities	268	61.5

Other Benefits

- Uniform allowance/clothing were provided in about 1 out of every 2 companies. (Table 3)
- Printing of CBAs were also cited in 30.3% of the collective bargaining agreements in 2006.
- Also stipulated in the CBAs were the provision of bulletin board/s (28.43%) and office space (25.2%) for union's use.

FOR INQUIRIES:

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TABLE 1 - Number of Collective Bargaining Agreements With Provisions for Wage Increases, and Workers Covered by Major Industry Group, Philippines: 2006

Major Industry	Total No. of CBA	Daily Increase		Monthly Increase		Percent Increase	
		Number of CBAs	Workers Covered	Number of CBAs	Workers Covered	Number of CBAs	Workers Covered
TOTAL	436	232	24,528	93	19,653	32	7,356
Agriculture, Hunting and Forestry	23	14	2,931	1	36	3	1,437
Fishing	-	-	-	-	-	-	-
Mining and Quarrying	2	1	170	1	174	-	-
Manufacturing	252	171	16,243	34	3,725	14	1,748
Electricity, Gas and Water Supply	9	1	39	6	610	1	61
Construction	4	-	-	2	259	2	272
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal, and Household Goods	37	22	1,155	6	354	-	-
Hotels and Restaurants	26	7	455	11	880	-	-
Transport, Storage and Communications	31	13	3,338	7	4,261	3	320
Financial Intermediation	10	-	-	6	6,124	5	768
Real Estate, Renting and Business Activities	9	2	55	5	252	-	-
Education	13	-	-	4	646	-	-
Health and Social Work	15	-	-	8	2,169	2	2,122
Other Community, Social and Personal Service Activities	5	1	142	2	163	2	628

Source of data: Bureau of Labor Relations, CBA documents.

TABLE 2 - Minimum and Maximum Wage Increases in Daily and Monthly Rate by Major Industry Group, Philippines: 2006 (In Pesos)

Major Industry	Daily		Monthly	
	Minimum	Maximum	Minimum	Maximum
ALL INDUSTRIES	0.50	100.00	50.00	6,111.00
Agriculture, Hunting and Forestry	1.00	22.00	750.00	800.00
Fishing	-	-	-	-
Mining and Quarrying	4.00	4.00	1,300.00	1,500.00
Manufacturing	0.50	100.00	225.00	2,725.00
Electricity, Gas and Water Supply	50.00	50.00	450.00	2,500.00
Construction	-	-	500.00	800.00
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles, and Personal and Household Goods	1.00	60.00	300.00	1,570.00
Hotels and Restaurants	4.00	24.00	100.00	1,250.00
Transport, Storage and Communications	1.00	40.00	50.00	3,000.00
Financial Intermediation	-	-	110.00	1,400.00
Real Estate, Renting and Business Activities	2.00	2.00	200.00	1,400.00
Education	-	-	100.00	6,111.00
Health and Social Work	-	-	200.00	1,600.00
Other Community, Social and Personal Service Activities	3.00	7.00	100.00	330.00

Source of data: Bureau of Labor Relations, CBA documents.

TABLE 3 - Number and Percent Share of Newly-Registered CBAs With Welfare Benefits Provision by Type of Benefit, Philippines: 2006

Welfare Benefit	Number	Percent Share
TOTAL	436	100.0
Supplementary Benefits		
13th Month Pay	240	55.0
Signing Bonus	130	29.8
Longevity/ Loyalty Pay	80	18.3
Christmas Bonus	78	17.9
Merit Increase	44	10.1
Perfect Attendance	27	6.2
COLA	26	6.0
Incentive Pay	15	3.4
Performance Bonus	11	2.5
Health Care Benefits		
Medical Services	359	82.3
Hospitalization Assistance/Medical Reimbursement	279	64.0
Dental Services	209	47.9
Medicine Allowance	94	21.6
Optical Assistance	53	12.2
Employee Assistance		
Death Benefit	343	78.7
Rice Allowance/Subsidy	114	26.1
Educational Loan	46	10.6
Educational Assistance	34	7.8
Calamity Loan	11	2.5
Well-Being/ Health Promotion Programs		
Family Planning	293	67.2
Recreational Activities	193	44.3
Workers Education	162	37.2
Health and Safety	151	34.6
Life/ Accident Insurance	152	34.9
Health Fund	37	8.5
Terminal Benefits		
Retirement Benefits	334	76.6
Gratuity	166	38.1
Separation/ Severance/Termination	124	28.4
Resignation	71	16.3
Leave Benefits		
Vacation Leave	352	80.7
Sick Leave	333	76.4
Union Leave	232	53.2
Paternity Leave	228	52.3
Maternity	165	37.8
Emergency Leave	142	32.6
Burial Leave	140	32.1
Birthday Leave	46	10.6
School/ Study Leave	8	1.8
Wedding Leave	8	1.8
Other Benefits		
Uniform Allowance/ Clothing	204	46.8
Printing of CBA	132	30.3
Use of Bulletin Board	124	28.4
Provision of Office Space	110	25.2
Christmas Package	105	24.1
Labor Day Assistance/ Mobilization Fund	85	19.5
Transport Service	35	8.0