

Collective Bargaining Agreements in 2007

Economic and Non-economic Benefits

(Second of a two-part series)

One of the major programs in the maintenance of industrial peace and stable employment relations is the promotion of collective bargaining. Through collective bargaining workers can negotiate with their employers on the wages, hours of work and other terms and conditions of employment to come up with a Collective Bargaining Agreement (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, and 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 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 (BLR).

This issue of LABSTAT Updates focuses on the welfare benefits provisions of 361 CBAs filed in 2007.

The 361 CBAs registered at the Bureau of Labor Relation in 2007 granted a package of benefits for the welfare of covered workers. The benefits provided to workers either in monetary or non-monetary form include provisions on wage increases, supplementary benefits, health care benefits, employee assistance, well-being/health promotion programs, terminal benefits, leave benefits, job security, union security, and other fringe benefits.

Provisions for Wage Increases

The provisions for wage increases in the CBAs are expressed



either in terms of specific amount in monthly or daily wage or as percent increase in basic pay of workers.

Wage increases are spread over a period of 3 to 5 years depending on the terms of the agreements reached by the concerned parties.

- About 47.9% (173) and 18.3% (66) of the 361 CBAs registered in 2007, stipulated a specified amount of increases in the workers' daily and monthly wages, respectively. Only 5.0% (18) had provisions for increases in terms of percent.

(Table 1)

- Increases in daily wage in 173 registered CBAs ranged from P1.00 to P115.00. These increases were enjoyed by 25,742 workers and more

specifically by 14,101 workers in the manufacturing industry. (Tables 1 & 2)

- Workers engaged in health and social work activities (599) were granted increases of P20.00 to P60.00 during the term of their CBAs. Those workers engaged in wholesale and retail trade (1,971), mining and quarrying (554) and financial intermediation (87) negotiated for a maximum increase of P50.00 in their daily wage rate.
- The lowest increase of P5.00 to P10.00 was noted among CBAs in the real estate, renting and business activities.
- On CBAs with monthly wage increase provisions (66), the amount specified ranged from P100.00 to P6,000.00 for the duration of their CBAs.
- In the manufacturing industry, the CBAs stipulated an increase of P150.00 to P6,000.00.
- Large increases were also provided to workers in the following industries: health and social work (P200.00-P2,750.00); other community, social and personal service activities (P1,100.00-P2,400.00); electricity, gas and water supply (P400.00-P2,300.00); and real estate, renting and business activities (P400.00-P2,000.00).
- Conversely, CBAs in the construction industry had the lowest monthly increase at P150.00 to P200.00 only.
- Of the CBAs with provisions for wage increases in terms of percent in the worker's basic pay (18), the increases ranged from 4.0% (manufacturing) to 10.5% (education). A maximum increase of 10% was granted to workers in mining and quarrying;

manufacturing; real estate, renting and business activities; and health and social work.

Supplementary Benefits

- The top five supplementary benefits provided in 361 CBAs were 13th month pay (53.7%), signing bonus (29.1%), Christmas Bonus (21.3%), longevity/loyalty pay (17.7%) and merit increase (8.9%). *Table 3*



- Other supplementary benefits mentioned were perfect attendance incentive (5.3%), COLA and performance bonus (3.3% each) and incentive pay (2.8%).

Health Care Benefits

Provisions on health care benefits were also stipulated in the CBAs. Medical expenses is paid initially by the employee and refunded later by the employer. However, in cases where expenses exceeded the limit of the basic coverage, the excess amount is shouldered by the employer but paid by the worker through salary deduction.



- Medical services which cover x-ray/ laboratory, check-up, consultations and other clinical services remained the most popular health care benefit. This was stipulated in 4 out of every 5 CBAs filed during the year. (*Table 3*)

- One-half of the CBAs (50.7%) also provided hospitalization assistance/ medical reimbursement (50.7%) and dental services (49.9%) which include cleaning, annual check-up and tooth extraction. Some CBAs also included provisions for medicines (16.3%) and optical allowances (8.9%).



Employee Assistance

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

- Three out of every 4 CBAs provided assistance to employees in times of bereavement. This is in the form of death benefit provided to employee's immediate family i.e., spouse, son/daughter, parent or sibling of the worker. (Table 3)
- Workers in 3 out of every 10 CBAs were also provided rice allowance/subsidy. Other relevant benefits include educational loan and assistance, as well as calamity loan.

Well-being/ Health Promotion Programs

- The most common program for the well-being and health of workers were family planning (57.9%), health and safety (41.8%), recreational activities (39.3%) and life/accident insurance (30.2%).

Table 3

- Workers education and health fund were mentioned in 28.5% and 4.2% of the CBAs, respectively.



Terminal Benefits

- Nearly two-thirds (62.6%) provided retirement benefits to employees while 38.0% gave separation/severance/termination pay. Benefits due to resignation were mentioned in 45 CBAs (12.5%). Table 3

Leave Benefits

Paid leave benefits granted by employers were either in observance of existing laws, or as an incentive or assistance to workers.

- Most common 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 mentioned paternity leave (53.5%), union leave (51.5%), maternity leave (38.2%), emergency leave (35.5%), burial leave (28.5%) and birthday leave (13.6%).

Job Security

Provisions on job security specified in the CBAs include the following:

Provision	Number of CBAs	% Share
Just dismissal/ layoff	200	55.4
Promotion	115	31.9
Policy on lay-off	97	26.9
Hiring next of kin of retired employees	93	25.8
Rehire/recall of laid off or dismissed employees	45	12.5
Assignment/transfer of employee to another workplace	45	12.5
Provide skills training	35	9.7

- About 5 out of every 9 CBAs stipulated that no worker will be dismissed or laid off from employment except for a just cause.
- Some CBAs specifically contained provisions on the lay-off (26.9%) and promotion (31.9%) of employees.
- Preference in the hiring of employee's qualified dependents was specified in 93 CBAs (25.8%).
- On the other hand, some CBAs had stipulations on the rehire/recall of laid off or dismissed employees and assignment/transfer of employees to another workplace (12.5% each).

Union Security

- Majority of the CBAs (4 out of every 7) 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 CBAs	% Share
Check off	206	57.1
Union Rights/ Responsibilities	161	44.6

Other Benefits

- Uniform allowance/clothing was provided in more than half (53.7%) of the CBAs. (Table 3)
- Provision of bulletin board and office space for the union use were also specified in 29.9% and 23.8% of the CBAs, respectively.
- Other relevant provisions noted in the CBAs were printing of CBA booklets (25.8%) giving christmas package (22.7%) and assistance during the labor day celebration in the form of mobilization fund or t-shirt (16.9%) and transport service for employees (13.9%).

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: 2007

Major Industry	Total No. of CBAs	Daily Wage Increase		Monthly Wage Increase		Percent Increase in Basic Pay	
		Number of CBAs	Workers Covered	Number of CBAs	Workers Covered	Number of CBAs	Workers Covered
TOTAL	361	173	25,742	66	10,856	18	1,737
Agriculture, Hunting and Forestry	35	30	6,097	-	-	1	52
Fishing	-	-	-	-	-	-	-
Mining and Quarrying	6	3	554	1	23	1	34
Manufacturing	158	105	14,101	20	2,358	10	1,091
Electricity, Gas and Water Supply	12	1	123	9	982	-	-
Construction	3	-	-	1	86	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal, and Household Goods	18	8	1,971	4	1,311	1	29
Hotels and Restaurants	26	11	1,146	5	864	-	-
Transport, Storage and Communications	17	6	919	5	391	2	267
Financial Intermediation	9	2	87	4	1,058	-	-
Real Estate, Renting and Business Activities	45	2	NA	4	151	1	35
Education	21	-	-	9	1,818	1	229
Health and Social Work	6	2	599	3	1,253	1	NA
Other Community, Social and Personal Service Activities	5	3	145	1	561	-	-

NA Not available.

Sources of data: Bureau of Labor Relations, CBA documents
Bureau of Labor and Employment Statistics.**TABLE 2 - Minimum and Maximum Wage Increases in CBAs by Major Industry Group, Philippines: 2007**

Major Industry	Daily Wage Increase (₱)		Monthly Wage Increase (₱)		Increase in Basic Pay (%)	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
ALL INDUSTRIES	1.00	115.00	100.00	6,000.00	4.0	10.5
Agriculture, Hunting and Forestry	2.00	36.00	-	-	5.0	5.0
Fishing	-	-	-	-	-	-
Mining and Quarrying	3.00	50.00	785.00	1,358.30	7.5	10.0
Manufacturing	1.00	115.00	150.00	6,000.00	4.0	10.0
Electricity, Gas and Water Supply	40.00	40.00	400.00	2,300.00	-	-
Construction	-	-	150.00	200.00	-	-
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles, and Personal and Household Goods	3.50	50.00	150.00	1,250.00	5.0	6.0
Hotels and Restaurants	3.00	22.00	200.00	1,100.00	-	-
Transport, Storage and Communications	2.00	16.50	100.00	1,500.00	6.0	8.0
Financial Intermediation	5.00	50.00	400.00	1,160.00	-	-
Real Estate, Renting and Business Activities	5.00	10.00	400.00	2,000.00	10.0	10.0
Education	-	-	100.00	1,800.00	9.5	10.5
Health and Social Work	20.00	60.00	200.00	2,750.00	10.0	10.0
Other Community, Social and Personal Service Activities	2.00	26.00	1,100.00	2,400.00	-	-

Sources of data: Bureau of Labor Relations, CBA documents.
Bureau of Labor and Employment Statistics.

TABLE 3 - Number and Percent Share of CBAs With Welfare Benefit Provisions by Type of Benefit, Philippines: 2007

Welfare Benefit	Number	Percent Share
TOTAL	361	100.0
Supplementary Benefits		
13th Month Pay	194	53.7
Signing Bonus	105	29.1
Christmas Bonus	77	21.3
Longevity/ Loyalty Pay	64	17.7
Merit Increase	32	8.9
Perfect Attendance	19	5.3
COLA	12	3.3
Performance Bonus	12	3.3
Incentive Pay	10	2.8
Health Care Benefits		
Medical Services	288	79.8
Hospitalization Assistance/Medical Reimbursement	183	50.7
Dental Services	180	49.9
Medicine Allowance	59	16.3
Optical Assistance	32	8.9
Employee Assistance		
Death Benefit	273	75.6
Rice Allowance/Subsidy	100	27.7
Educational Loan	50	13.9
Calamity Loan	25	6.9
Educational Assistance	21	5.8
Well-Being/ Health Promotion Programs		
Family Planning	209	57.9
Health and Safety	151	41.8
Recreational Activities	142	39.3
Life/ Accident Insurance	109	30.2
Workers Education	103	28.5
Health Fund	15	4.2
Terminal Benefits		
Retirement Benefits	226	62.6
Separation/ Severance/Termination	137	38.0
Resignation	45	12.5
Leave Benefits		
Vacation Leave	316	87.5
Sick Leave	278	77.0
Paternity Leave	193	53.5
Union Leave	186	51.5
Maternity	138	38.2
Emergency Leave	128	35.5
Burial Leave	103	28.5
Birthday Leave	49	13.6
School/ Study Leave	23	6.4
Wedding Leave	5	1.4
Other Benefits		
Uniform Allowance/ Clothing	194	53.7
Use of Bulletin Board	108	29.9
Printing of CBA	93	25.8
Provision of Office Space	86	23.8
Christmas Package	82	22.7
Labor Day Assistance	61	16.9
Transport Service	50	13.9

Sources of data: Bureau of Labor Relations, CBA documents.
Bureau of Labor and Employment Statistics.