

## Economic Provisions of Collective Bargaining Agreements in 2009 (Second of a three-part series)\*

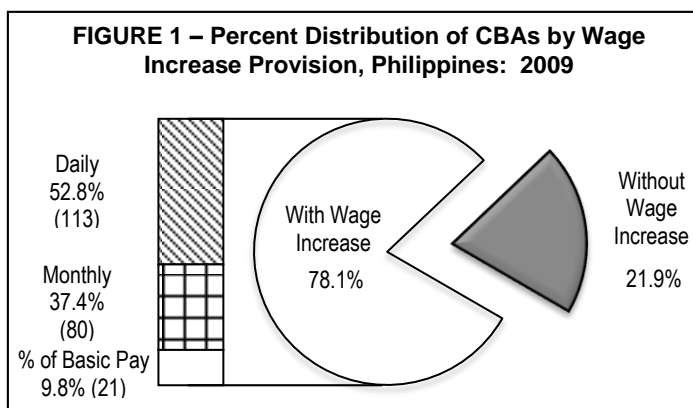
The right of all workers to collective bargaining and negotiations is enshrined in the Constitution. This is echoed in the Labor Code by declaring it as a policy to promote and emphasize the primacy of free collective bargaining and negotiations, including voluntary arbitration, mediation and conciliation, as modes of settling labor or industrial disputes.

A Collective Bargaining Agreement (CBA) constitutes the law between the parties. It contains economic and non-economic provisions and representation aspect. The economic provisions refer to those clauses on the terms and conditions of employment with monetary value while the non-economic provisions are stipulations without monetary value and may include union security clauses, grievance procedures, labor-management cooperation schemes, among others. The representation aspect refers to the identity and majority status of the union that negotiated the CBA as the exclusive bargaining representative. A CBA has a life of five years for the representation aspect and not more than three years for all other provisions (economic and non-economic).

The three series of LABSTAT Updates focus on the statistics on CBAs gathered from the registration documents filed at the Bureau of Labor Relations. Specifically, this issue provides a descriptive analysis of the economic provisions applicable for the duration of CBAs registered in 2009.

### WAGE INCREASE PROVISIONS

- Of the 274 CBAs registered in 2009, 214 or 78.1% stipulated wage increase for covered workers at varying amounts either as percentage of basic pay (21 CBAs) or peso increase in daily (113 CBAs) or monthly basis (80). (Figure 1)
- The remaining 60 CBAs (21.9%) had neither wage increase nor specific wage increase provision.
- By major industry group, all CBAs from the financial intermediation (9); health and social work (5); and real estate, renting and business activities (3) contained provisions for wage increases. (Table 1)
- It was likewise included in majority of the CBAs from the agriculture, hunting and forestry (88.9%); manufacturing (81.1%); and electricity, gas and water supply (78.6%) industries.
- The education industry posted the lowest (56.3%) as only 9 out of 16 CBAs had wage increase provisions.



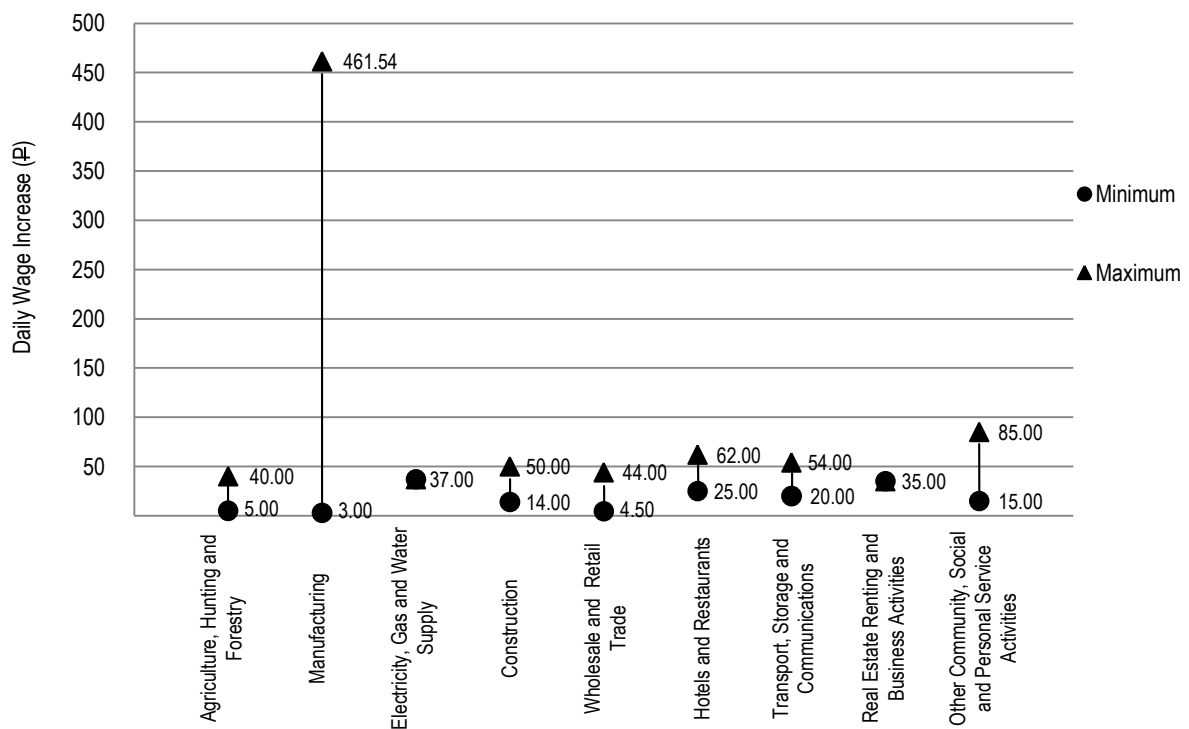
\*With contributions from Karen Mae Menaloto, B.S. Statistics, University of the Philippines Los Baños.

### Daily Wage Increase

- Over one-half (52.8% or 113) of the total 214 registered CBAs with wage increase provisions granted daily wage increase.
- In proportion to respective industry total, almost all CBAs (93.8%) in agriculture, hunting and forestry provided for a daily wage increase. In the wholesale and retail trade; repair of motor vehicles, motorcycles and personal, and household goods it was granted in 4 out of every 5 (80.0% or 12) CBAs.

- The amount of increases varied across CBAs and industries. Minimum daily wage increase granted for the whole duration of the CBA ranged from P3.00 (manufacturing) to P37.00 (electricity, gas and water supply) while the maximum daily wage increase fixed ranged from P35.00 (real estate, renting and business activities) to P461.54 (manufacturing).

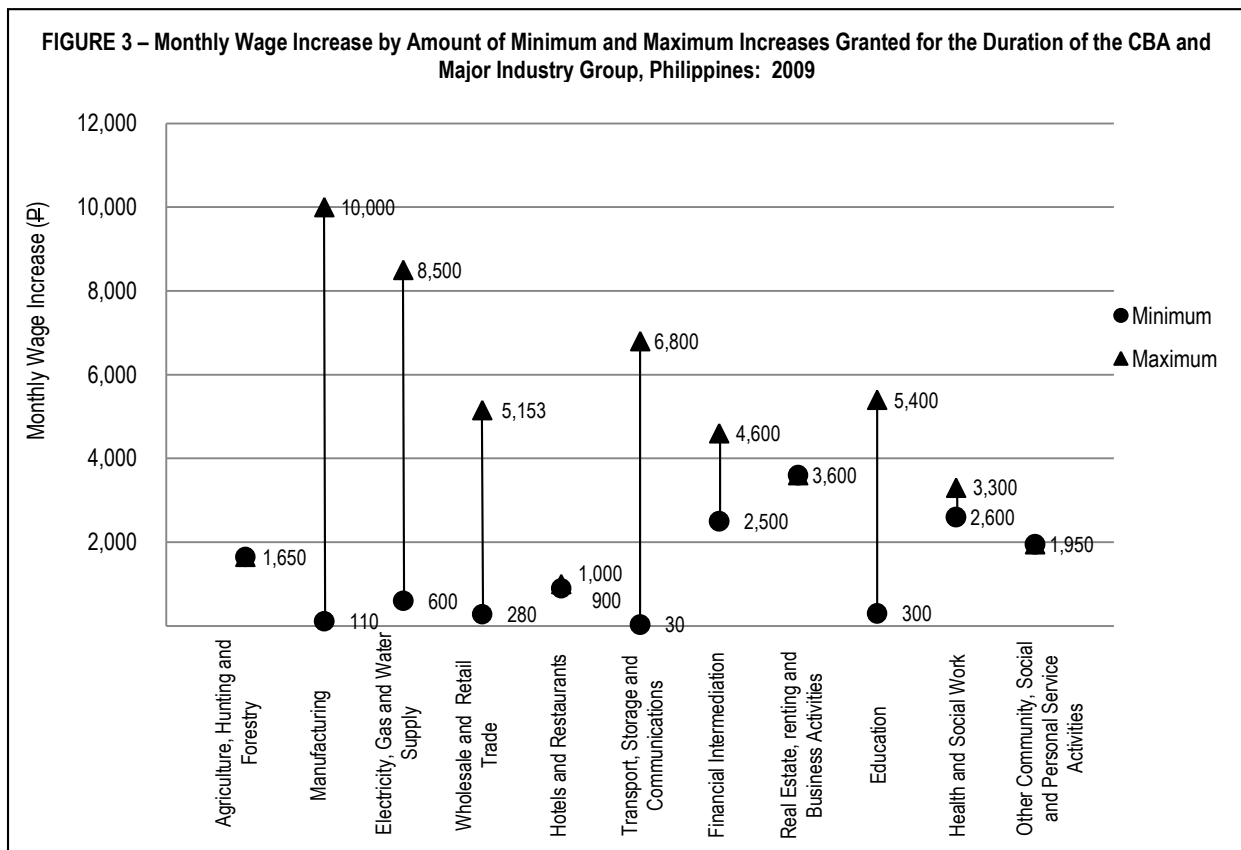
**FIGURE 2 – Daily Wage Increase by Amount of Minimum and Maximum Increases Granted for the Duration of the CBA and Major Industry Group, Philippines: 2009**



**Monthly Wage Increase**

- About 3 out of every 8 CBAs (37.4% or 80) with wage increase provisions granted increment in the monthly wage.
- Specifically, monthly wage increment was stipulated in more than three-fourths of the CBAs in electricity, gas and water supply (9 out of 11) and financial intermediation (7 out of 9).

- The amount granted varied across industries with the lowest minimum monthly wage increase at P30.00 (transport, storage and communications) while the highest minimum monthly wage increase provided was P3,600.00 (real estate, renting and business activities)
- Lowest maximum monthly wage increase granted was P1,000.00 (hotels and restaurants) while the highest maximum monthly wage increase fixed was P10,000.00 (manufacturing).



**Percent Increase of Basic Pay**

- Only a small proportion of registered CBAs with wage increase provision (9.8% or 21) opted for an increase in percentage of basic pay. (Table 2)
- CBAs from the electricity, gas and water supply gave the highest wage increase amounting to 100.0% of basic pay while CBAs from manufacturing granted the lowest increase of 4.0% in basic pay.

**WELFARE BENEFITS**

**Medical Services**

- Notably, about 3 out of every 4 CBAs (76.3% or 209) granted monetary benefits, in terms of assistance, allowance, reimbursement and reserve fund, for the medical services of covered workers.
- One half (50.7% or 106) provided hospitalization allowance in the amount of P400.00 to P400,000.00.

- Other medical services benefits granted were medicine allowance (18.7%) and medical reimbursement (13.9%). The amount of benefits ranged from P350.00 to P13,000.00 and from P400.00 to P40,000.00, respectively.

MEDICAL SERVICES BENEFITS	No. of CBAs	Amount Granted (₱)	
		Minimum	Maximum
<b>Total</b>	<b>209</b>	-	-
Hospitalization assistance	106	400	400,000
Medicine allowance	39	350	13,000
Medical reimbursement	29	400	40,000
Health fund	3	25	800

**Note: Details may not add up to totals due to multiple responses.**

### Death Benefits

- About 3 out of every 4 registered CBAs (76.6% or 210) had provisions for death benefits. In case of death of the covered worker, 68.6% granted benefits ranging from P800.00 to P300,000.00, to immediate family members.

DEATH/FUNERAL BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
<b>Total</b>	<b>210</b>	-	-
Death of employee	144	800	300,000
Death of immediate family member	92	500	75,000
Funeral/burial aid	85	-	-
Death of employee	74	500	80,000
Death of immediate family member	53	350	50,000

**Note: Details may not add up to totals due to multiple responses.**

- Some 74 CBAs (35.2%) provided funeral/burial aid in case of death of the covered worker, the amount of which ranged from P500.00 to P80,000.00.

- In case of death of the worker's immediate family member, death benefits (P500.00 to P75,000.00) and/or funeral/burial aid (P350.00 to P50,000.00) were also granted in 92 CBAs (43.8%) and 53 CBAs (25.2%), respectively.

### Maternity and Paternity Benefits

- Various maternity assistance to covered female workers were stipulated in about 1 out of every 10 (9.5% or 26) registered CBAs.

MATERNITY/PATERNITY BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
<b>Maternity Assistance</b>	26	500	30,000
Normal Delivery	25	500	25,000
Caesarian Delivery	19	2,000	30,000
Miscarriage	8	1,400	10,500
Home Delivery	3	1,000	7,500
<b>Paternity Assistance</b>	4	1,000	5,250

**Note: Details may not add up to totals due to multiple responses.**

- The provision for assistance covered child delivery cases, either through normal procedure (96.2% or 25) or Caesarian delivery (73.1% or 19). The amount granted ranged from P500.00 to P25,000.00 and from P2,000.00 to P30,000.00, respectively.
- Only a small number of CBAs provided maternity assistance to covered female workers in cases of miscarriage (8 CBAs) and home delivery (3 CBAs).
- Notably, 4 CBAs gave paternity assistance to male workers in the amount of P1,000.00 to P5,250.00.

**Lump Sum Benefit**

- Another economic benefit provided in 10 CBAs was a one-time lump sum benefit to covered workers. The amount granted differ from a low of P2,500.00 to a high of P83,000.00. All were recorded from CBAs in manufacturing.

**Loan Benefits**

- To ease the financial burden of workers, loan benefits were granted in 127 CBAs (46.4%).
- Emergency loan was the most common benefit which was provided in about 1 out of every 3 CBAs (35.4% or 45). The amount which can be availed by each worker ranged from P2,000.00 to P500,000.00.
- Educational loan was also provided in 39 CBAs (30.7%). The amount granted varied from a low of P1,000.00 to a high of P300,000.00.

- Other negotiated loan benefits contained in CBAs were the following: calamity loan (19.7%) from P5,000.00 to P500,000.00; cash advance (17.3%) from P500.00 to P20,000.00; and salary loan (7.9%) from P1,000.00 to P50,000.00.

LOAN BENEFITS	Number of CBAs	Amount Granted (P)	
		Minimum	Maximum
<b>Total</b>	<b>127</b>	-	-
Emergency Loan	45	2,000	500,000
Educational Loan	39	1,000	300,000
Calamity Loan	25	5,000	500,000
Cash Advance	22	500	20,000
Salary Loan	10	1,000	50,000
Medical Loan	7	1,500	20,000
Car Loan	7	25,000	510,000
Company Loan	6	2,000	1,500,000
Multi-Purpose Loan	4	3,000	150,000
Bereavement Loan	4	2,000	30,000
Housing Loan	4	10,000	1,200,000

**Note: Details may not add up to totals due to multiple responses.**

**FOR INQUIRIES**

Regarding this report contact Labor Relations Statistics Division at 527-30-00 local 319  
 Regarding other statistics and technical services contact BLES Data Bank at 527-9311 (Telefax)  
 Or write to BLES c/o Databank, 3/F DOLE Bldg. Gen. Luna St., Intramuros, Manila, 1002  
 FAX 527-55-06 E mail: bles\_lrsd@hotmail.com or visit our website at <http://www.bles.dole.gov.ph>

**TABLE 1 - CBAs With Provision for Wage Increase by Major Industry Group, Philippines: 2009**

MAJOR INDUSTRY GROUP	Number of CBAs	CBAs with Wage Increase Provisions	Percent Share
<b>TOTAL</b>	<b>274</b>	<b>214</b>	<b>78.1</b>
Agriculture, Hunting and Forestry	18	16	88.9
Manufacturing	143	116	81.1
Electricity, Gas and Water Supply	14	11	78.6
Construction	6	4	66.7
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal, and Household Goods	22	15	68.2
Hotels and Restaurants	8	5	62.5
Transport, Storage and Communications	25	18	72.0
Financial Intermediation	9	9	100.0
Real Estate, Renting and Business Activities	3	3	100.0
Education	16	9	56.3
Health and Social Work	5	5	100.0
Other Community, Social and Personal Service Activities	5	3	60.0

Sources of data: Bureau of Labor Relations.  
Bureau of Labor and Employment Statistics.

**TABLE 2 - CBAs With Provision for Percent Increase in Basic Pay by Minimum and Maximum Percent Increase Granted for the Duration of the CBA and Major Industry Group, Philippines: 2009**

MAJOR INDUSTRY GROUP	Number of CBAs	Percent Wage Increase Granted (%)	
		Minimum	Maximum
<b>TOTAL</b>	<b>21</b>	<b>4.0</b>	<b>100.0</b>
Manufacturing	7	4.0	27.5
Electricity, Gas and Water Supply	1	100.0	100.0
Construction	2	7.5	50.0
Transport, Storage and Communications	3	9.0	40.0
Financial Intermediation	2	6.0	8.2
Real Estate, Renting and Business Activities	1	15.0	15.0
Education	3	6.5	10.0
Health and Social Work	2	15.0	15.0

Sources of data: Bureau of Labor Relations.  
Bureau of Labor and Employment Statistics.