

## Economic Provisions of Collective Bargaining Agreements in 2010 (Second of a three-part series)\*

A Collective Bargaining Agreement (CBA) is a contractual agreement between an employer and registered labor organization/s that governs wages, hours of work and working conditions for employees. Such an agreement is ordinarily reached following the process of collective bargaining. Specifically, it contains economic and non-economic provisions and the representation aspect.

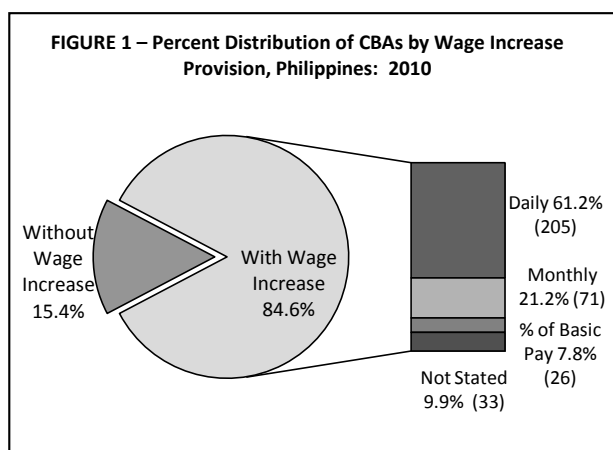
The economic provisions refer to those clauses on the terms and conditions of employment with monetary value while the non-economic provisions are stipulations without monetary value and may include union security clauses, grievance procedures, labor-management cooperation schemes, among others. The 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 5 years for the representation aspect and not more than 3 years for all other provisions (economic and non-economic).

Since 1997, the Bureau of Labor and Employment Statistics (BLES) has published studies on the profile of CBAs specifically on its economic and non-economic provisions. Data were culled from registration documents filed at the Bureau of Labor Relations (BLR).

This issue provides a descriptive analysis on the economic provisions of CBAs registered in 2010.

### WAGE INCREASE PROVISIONS

- Of the 396 CBAs registered in 2010, 335 or 84.6% stipulated wage increase for covered workers at varying amounts either as percentage of basic pay (26 CBAs) or peso increase in daily (205 CBAs) or monthly basis (71 CBAs). (Figure 1)



- The remaining 61 CBAs (15.4%) had neither wage increase nor specific wage increase provision.
- By major industry group, all CBAs from the financial and insurance activities (13); human health and social work activities (12); information and communication (6); other service activities (5); administrative and support service activities (3); mining and quarrying (3); and arts, entertainment and recreation (1) contained provisions for wage increases. (Table 1)
- It was likewise provided in majority of the CBAs from manufacturing (86.9%); wholesale and retail trade (81.2%); education (78.9%); agriculture, forestry and fishing (78.8%);

\*With contributions from Allen D. Carreon and John Enrick V. Soriano, B.A. Statistics, Polytechnic University of the Philippines.

accommodation and food service activities (76.5%), construction activities (75.0%); and transportation and storage (69.0%).

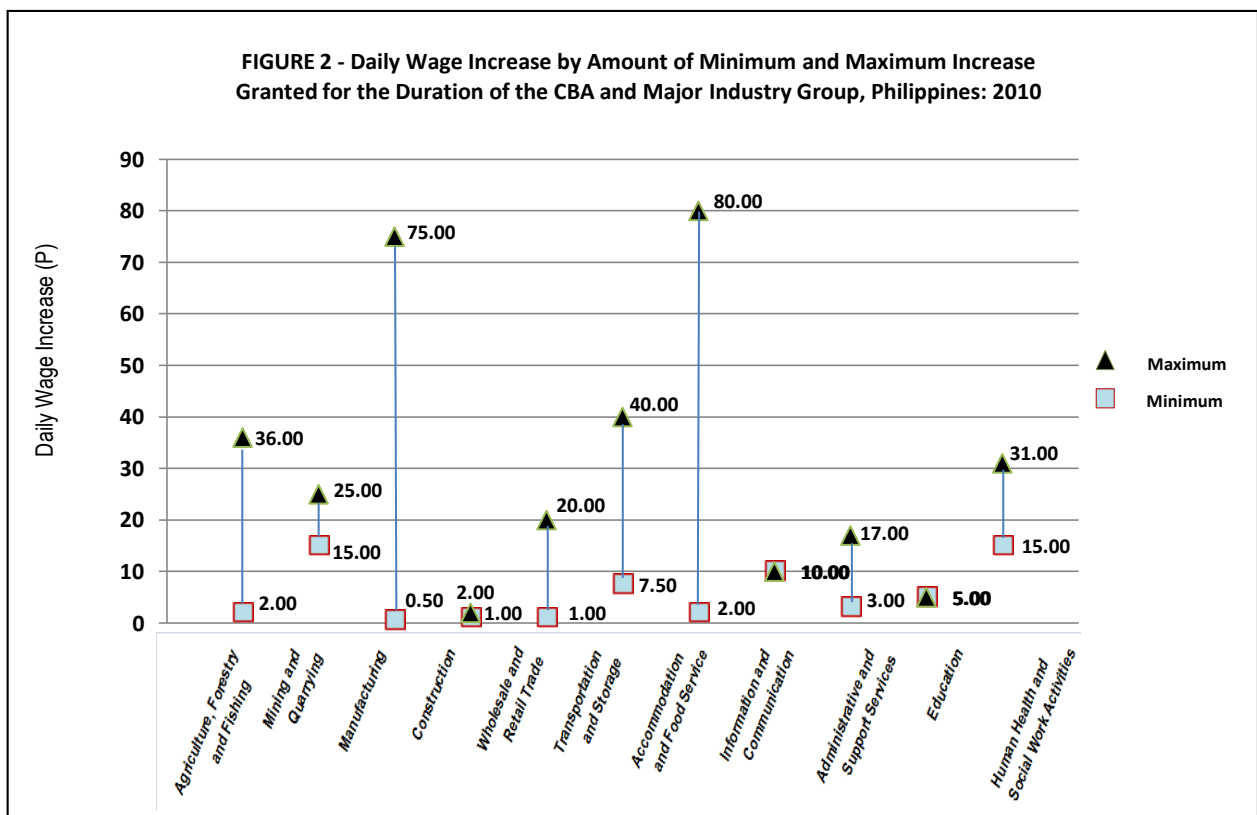
- Only two-thirds (66.7%) of the CBAs in electricity, gas, steam and air conditioning supply industry had wage increase provisions.

**Daily Wage Increase**

- More than three-fifths (61.2% or 205) of the total 335 registered CBAs with wage increase provisions granted increase in the daily wage.
- In proportion to respective industry total, all CBAs in mining and quarrying (3) and administrative and

support activities (3) provided for increase in the daily wage. In agriculture, forestry and fishing and manufacturing, it was granted in 2 out of every 3 CBAs.

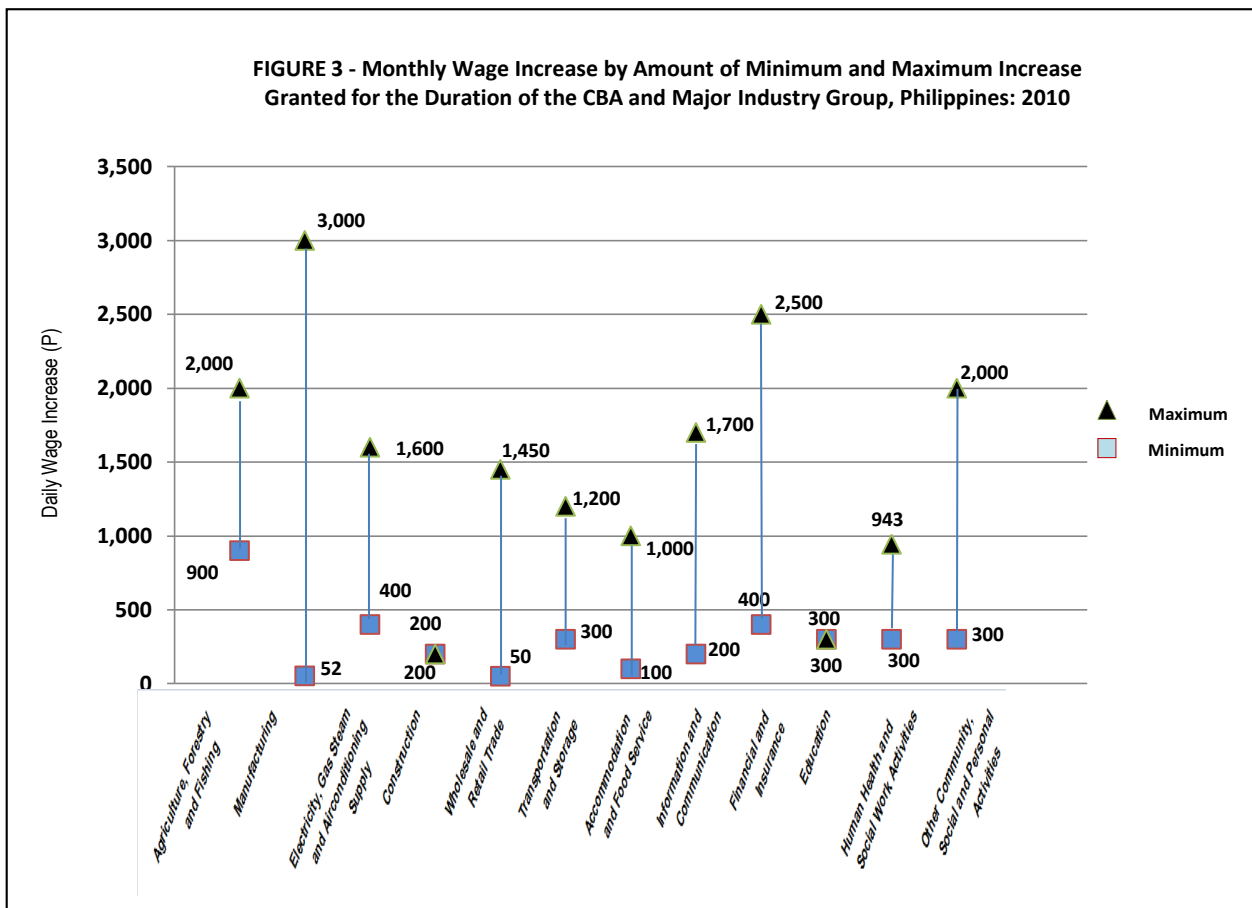
- The amount of increases varied across CBAs and industries. Minimum increase in the daily wage granted for the whole duration of the CBA ranged from P0.50 (manufacturing) to P15.00 (mining and quarrying; and human health and social work activities) while the maximum increase provided ranged from P2.00 (construction) to P80.00 (accommodation and food service activities). (Figure 2)



**Monthly Wage Increase**

- About 1 out of every 5 CBAs (21.2% or 71) with wage increase provisions granted increment in the monthly wage.
- Specifically, monthly wage increment was stipulated in all of the CBAs in other service activities and in 7 out of every 10 CBAs in financial and insurance activities.

- The amount granted also varied across industries with the lowest minimum increase at P50.00 (wholesale and retail trade) and the highest minimum monthly wage increase provided was P900.00 (agriculture, forestry and fishing). (Figure 3)
- Lowest maximum monthly wage increase granted was P943.00 (human health and social work activities) while the highest maximum monthly wage increase was P3,000.00 (manufacturing).



**Percent Increase of Basic Pay**

- Only 7.8% (26) of registered CBAs with wage increase provision granted increases in terms of percentage of the basic pay. (Table 2)
- CBAs from manufacturing provided the lowest (1.8% of basic pay) and the highest (50% of basic pay) wage increase.

**WELFARE BENEFITS**

**Medical Benefits**

- Notably, about 7 out of every 9 CBAs (78.8% or 312) granted various types of medical benefits. Of these, 4 out of every 5 (81.1%) provided medical treatment and services to workers while 1 out of every 3 CBAs (34.9%) had Health Maintenance Organization (HMO) cards.

- Other medical benefits granted in CBAs were medicine allowance (21.8%); medical reimbursement (14.1%); and fixed hospitalization assistance (12.5%). The amount granted varied by type of benefit and across CBAs as shown below.

MEDICAL SERVICES BENEFITS	No. of CBAs	Amount Granted (₱)	
		Minimum	Maximum
<b>Total</b>	<b>312</b>	-	-
Medical treatment and services	253	-	-
HMO card provision	109	-	-
Medicine allowance	68	50	20,000
Medical reimbursement	44	400	50,000
Hospitalization assistance	39	300	86,900
Health fund	14	36	12,000

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

## Death Benefits

- About half of registered CBAs (50.0% or 198) contained provisions on death benefits. In case of death of the covered worker, 180 CBAs provided benefits to immediate family members ranging from ₱500.00 to ₱100,000.00.

DEATH/FUNERAL BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
<b>Total</b>	<b>198</b>	-	-
Death of employee	180	500	100,000
Death of immediate family member	113	400	20,000
Funeral/burial aid	139	-	-
Death of employee	129	500	140,000
Death of immediate family member	76	500	40,000

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

- Nearly two-thirds (65.2%) or 129 CBAs provided funeral/burial aid in case of death of the covered worker. The amount ranged from ₱500.00 to ₱140,000.00.

- In case of death of the worker's immediate family member, death benefits ranging from ₱400.00 to ₱20,000.00 were granted in 113 CBAs (57.1%). Likewise, 76 CBAs (38.4%) provided funeral/burial aid in the amount of ₱500.00 to ₱40,000.00.

## Maternity and Paternity Benefits

- Various maternity assistance to covered female workers were stipulated in very few (6.6% or 26) registered CBAs.

MATERNITY/PATERNITY BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
<b>Total</b>	<b>26</b>	-	-
<b>Maternity Assistance</b>	<b>25</b>	<b>300</b>	<b>40,000</b>
Normal Delivery	25	300	25,000
Caesarian Delivery	22	300	40,000
Miscarriage	5	2,000	13,613
Home Delivery	1	1,500	1,500
<b>Paternity Assistance</b>	<b>3</b>	<b>1,000</b>	<b>5,000</b>

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

- The provision for assistance covered child delivery cases, either through normal procedure (96.2% or 25) or Caesarian delivery (84.6% or 22). The amount granted ranged from ₱300.00 to ₱25,000.00 for normal delivery and from ₱300.00 to ₱40,000.00 for caesarian delivery.
- Only a small number of CBAs provided maternity assistance to covered female workers in cases of miscarriage (5 CBAs) and home delivery (1 CBA).
- Notably, 3 CBAs gave paternity assistance to male workers in the amount of ₱1,000.00 to ₱5,000.00.

## Loan Benefits

- To ease the financial burden of workers, loan benefits were included in 166 CBAs (41.9%).

- Emergency loan was the most common benefit which was provided in about 3 out of every 7 CBAs (42.2% or 70). The loanable amount by each worker ranged from ₱1,000.00 to ₱80,000.00.
- Educational loan was also provided in 50 CBAs (30.1%). The amount granted varied from a low of ₱1,000.00 to a high of ₱35,000.00.
- Other negotiated loan benefits contained in CBAs and the amount granted were the following:

LOAN BENEFITS	Number of CBAs	Amount Granted (₱)	
		Minimum	Maximum
<b>Total</b>	<b>166</b>	-	-
Emergency Loan	70	1,000	80,000
Educational Loan	50	1,000	35,000
Calamity Loan	26	350	500,000
Cash Advance	36	400	10,000
Salary Loan	8	5,000	120,000
Medical Loan	4	1,000	1,000
Car Loan	9	550,000	600,000
Company Loan	13	1,000	200,000
Multi-Purpose Loan	12	10,000	200,000
Bereavement Loan	3	20,000	30,000
Housing Loan	22	550	1,500,000

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

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#### FOR INQUIRIES

Regarding this report contact **LABOR RELATIONS STATISTICS DIVISION** at 527-3000 local 319  
 Regarding other statistics and technical services contact **BLES DATABANK** at TELEFAX: 527-9311  
 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@dole.gov.ph Website at <http://www.bles.dole.gov.ph>

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**TABLE 1 - CBAs with Provision for Wage Increase by Major Industry Group, Philippines: 2010**

MAJOR INDUSTRY GROUP	Number of CBAs	CBAs with Wage Increase Provisions	Percent Share
<b>TOTAL</b>	<b>396</b>	<b>335</b>	<b>84.6</b>
Agriculture, Forestry and Fishing	33	26	78.8
Mining and Quarrying	3	3	100.0
Manufacturing	213	185	86.9
Electricity, Gas, Steam and Air-conditioning Supply	6	4	66.7
Construction	4	3	75.0
Wholesale and Retail Trade; Repair of Motor Vehicles, and Motorcycles	32	26	81.2
Transportation and Storage	29	20	69.0
Accommodation and Food Service Activities	17	13	76.5
Information and Communication	6	6	100.0
Financial and Insurance Activities	13	13	100.0
Administrative and Support Service Activities	3	3	100.0
Education	19	15	78.9
Human Health and Social Work Activities	12	12	100.0
Arts, Entertainment and Recreation	1	1	100.0
Other Service Activities	5	5	100.0

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: 2010**

MAJOR INDUSTRY GROUP	Number of CBAs	Percent Wage Increase Granted (%)	
		Minimum	Maximum
<b>TOTAL</b>	<b>26</b>	<b>1.8</b>	<b>50.0</b>
Agriculture, Forestry and Fishing	1	6.0	7.0
Manufacturing	10	1.8	50.0
Transportation and Storage	3	3.0	7.0
Accommodation and Food Service Activities	1	6.0	12.0
Information and Communication	1	3.0	10.0
Financial and Insurance Activities	3	3.0	14.0
Education	2	7.0	9.0
Human Health and Social Work Activities	4	4.0	12.0
Arts, Entertainment and Recreation	1	4.0	4.0

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