

ADMINISTRATIVE ORDERNO. 15

Series of 2017

**SUBJECT: GUIDELINES ON THE GRANT OF THE
COLLECTIVE NEGOTIATION AGREEMENT (C.N.A.)
CASH INCENTIVE FOR CY 2017**

I. RATIONALE

On 26 August 2016, the Department of Social Welfare and Development (DSWD) and the Social Welfare Employees Association of the Philippines (SWEAP) entered into a Collective Negotiation Agreement (C.N.A.) for 2016 to 2019, which was subsequently ratified by SWEAP members. The fifth of its kind, the 2016 – 2019 C.N.A. advances the rights of DSWD employees as well as espouses the improvement of their working conditions that are not fixed by law.

Section 1, Article XI of the 2016-2019 C.N.A. states that the Department and the SWEAP shall jointly institute cost-cutting measures to generate savings for the grant of the C.N.A. Cash Incentive. Pursuant thereto, savings have been generated out of the improvements/streamlining of procedures and cost-cutting measures, thereby resulting to the achievement of the Department's planned targets at a lower cost. Likewise, Article XIII of the C.N.A. created the Association-Management Consultative Committee (AMCC) for the efficient and effective implementation of the Agreement, and to serve as a venue for promoting and enhancing continuous dialogue and consultation on matters that affect both parties. Section 2 thereof enumerated the functions of the AMCC, one of which is the establishment of agency-specific guidelines and criteria for granting the C.N.A. Incentive. Thus on 04 December 2017, the AMCC issued Resolution 2017-002 which resolved to grant the C.N.A. Cash Incentive and recommended the criteria of those who are entitled thereto.

Further, in compliance with the requirements provided in Article 4.1.2 of DBM Budget Circular 2017-3, as of 16 November 2017, the DSWD has already accomplished at least an average of 70% of all targets under the FY 2017 Major Final Outputs (MFOs) as specified in Annex 2 (Form A) of Memorandum Circular (MC) No. 2017-1¹ dated 9 March 2017, that was issued by the AO No. 25 Inter-Agency Task Force.

In reference to the abovementioned provisions of the 2016-2019 C.N.A., the Department of Budget and Management (DBM) Circular 2017-3 dated 16 November 2017, and to AMCC Resolution 2017-002, authority is hereby granted to pay the C.N.A. Cash Incentive, which amount shall be specified hereunder. Moreover, this issuance is hereby set forth for the establishment of policy guidelines on the grant of the C.N.A. Cash Incentive.

¹ Guidelines for the Grant of the Performance-Based Bonus for Fiscal Year 2017 under Executive Order (EO) No. 80 and EO No. 201.

II. LEGAL BASES

The grant of the Collective Negotiation Agreement (C.N.A) Cash Incentive is supported by the following laws and statutes, and administrative issuances and circulars:

1. Public Sector Labor-management Council (PSLMC) Resolution No. 4, s.2002 entitled *“Grant of Collective Negotiation Agreement Incentive for National Government Agencies, State Universities and Colleges, and Local Government Units”*
2. Administrative Order No. 135, s.2005 entitled *“Authorizing the Grant of Collective Negotiation Agreement (C.N.A.) Incentive to Employees in Government Agencies”*
3. Congressional Joint Resolution No. 4, s.2009² entitled *“Authorizing the President of the Philippines to modify the Compensation and Position Classification System of Civilian Personnel and the Base Pay Schedule of Military and Uniformed Personnel in the Government, and for Other Purposes”*
4. Administrative Order No. 25, s.2011³ entitled *“Creating an Inter-Agency Task Force on the Harmonization of National Government Performance Monitoring, Information and Reporting Systems”*
5. Sec. 71 of the General Provisions of Republic Act No. 10924 (the 2017 General Appropriations Act) entitled *“Rules in the Grant of the Collective Negotiation Agreement Incentive”*
6. Department of Budget and Management (DBM) Circular No. 2017-3 entitled *“Guidelines on the Grant of Collective Negotiation Agreement (C.N.A.) Incentive for FY 2017”*

III. OBJECTIVE

To provide policy guidelines on the grant of the C.N.A. Cash Incentive for qualified officials and employees of the Department of Social Welfare and Development

IV. DEFINITION OF TERMS

1. **Department** – shall refer to the Department of Social Welfare and Development.

² Item (4)(h)(ii)(aa) thereof, institutionalizes the grant of the CNA Incentive as a form of reward to motivate employee efforts toward higher productivity.

³ Section 3 thereof mandates that the harmonized Results-Based Performance Monitoring System (RBPMS) shall be used as a basis for determining entitlement to performance-based allowances, incentives, or compensation of government personnel, which includes the CNA Incentive.

2. **Officials** – those performing managerial functions⁴
3. **Employees** – refer to all rank-and-file employees belonging to the service from Salary Grade 1 to Salary Grade 24.⁵
4. **Aggregate** – the total months of services rendered by the employee for CY 2016, whether continuous or staggered, including leaves of absences with pay.
5. **Months** – refers to calendar months, *i.e.*, a month designated in the calendar without regard to the number of days it may contain.⁶

V. POLICY GUIDELINES

1. **Rate of the C.N.A. Incentive** – the C.N.A. Cash Incentive for the year 2017 shall be up to the amount of Twenty-Five Thousand Pesos (₱ 25,000.00)⁷ pursuant to DBM Budget Circular No. 2017-3 which prescribes that the rate of such shall not exceed ₱ 25,000 per qualified employee.

Provided, that an official or employee who has rendered an aggregate of less than four (4) months but at least one (1) month of service may still be entitled to CNA Cash Incentive on a pro-rated basis in the following amounts:

at least one (1) month of service	₱ 6,250.00
at least two (2) months of service	₱ 12,500.00
at least three (3) months of service	₱ 18,750.00

2. **Health Plan Coverage** – pursuant to the agreement of the AMCC, an amount not exceeding Six Thousand Pesos Only (₱ 6,000.00) per employee shall be deducted/ withheld from the total amount of the C.N.A. Cash Incentive, which amount shall be used for the purchase of a health plan for employees as a group for a lower premium, subject to submission of individual Authority to Deduct by official and employees concerned.
3. **Funding Source of the C.N.A. Incentive** – The C.N.A. Cash Incentive shall be sourced solely from savings from released allotments for MOOE for FY 2017. Such savings are limited only to the following MOOE items:
 - 3.1. Travelling Expenses
 - 3.2. Communication Expenses
 - 3.3. Repairs and Maintenance
 - 3.4. Transportation and Delivery Expenses
 - 3.5. Supplies and Materials
 - 3.6. Utility Expenses

⁴ Article 3.3 of DBM Budget Circular No. 2017-3.

⁵ Cf. PSLMC Resolution No. 1, s.1991.

⁶ Commissioner of Internal Revenue v. Primetown Property Group, G.R. No. 162155 18 August 2008, citing Gutierrez c. Carpio, G. R. No. L-31025, 15 August 1929.

⁷ Subject to applicable tax

4. **Coverage** – Officials and employees who meet the following criteria shall be entitled to receive the C.N.A. Cash Incentive for CY 2017:

4.1. The official or employee must be occupying regular, coterminous, casual, and contractual positions, and rendering service as of 16 November 2017, the date of effectivity of DBM Budget Circular No. 2017-3;

4.2. The official or employee must have rendered an aggregate of at least four (4) months of service in DSWD for C.Y. 2017, including the months served as Contract of Service (COS) / Memorandum of Agreement (MOA) worker, as of the date of the effectivity of this issuance; *Provided*, that an official or employee who has rendered an aggregate of less than four (4) months but at least one (1) month of service may still be entitled to CNA Cash Incentive in a pro-rated amount as indicated above.

4.3. The employee must be either:

4.3.1. A member of the SWEAP, or

4.3.2. Not a member of the SWEAP but has submitted to the Personnel Administration Division (PAD) either –

4.3.2.1. Proof of payment to SWEAP in the amount equal to the total membership and monthly dues collection of a SWEAP member for three (3) years, or

4.3.2.2. An Authority to Deduct (Agency Fee) such amount from the C.N.A. Cash Incentive.

4.4. The official or employee must have submitted to the PAD before the deadline indicated in a Memorandum to be issued for such purpose, either:

4.4.1 An Authority to Deduct (premium for Health Plan) from the C.N.A. Cash Incentive, an amount not exceeding ₱ 6,000.00, which shall be applied to purchase a health plan; or

4.4.2 Proof of Coverage by an existing health plan.

Provided, that the **payment of C.N.A. Incentive** of an official or employee shall be withheld if he/she fails to submit the following requirements on/or before the set deadline:

[a] either Proof of Payment or Authority to Deduct Agency Fee (for rank and file employees only), and

[b] either Authority to Deduct Premium for Health Plan or Proof of Existing Health Plan Coverage.

VI. REPEALING CLAUSE

All Provisions of existing circulars or issuances on the grant of the C.N.A. Cash Incentive, which are inconsistent herewith, are repealed or modified accordingly.

VII. EFFECTIVITY CLAUSE

This Administrative Order shall take effect immediately.

20th December 2017, Quezon City, Philippines.



EMMANUEL A. LEYCO
Officer-in-Charge

Certified True Copy:



MYRNA H. REYES

Records & Archives Mgt. Section