



MC No. 05, s. 1996

MEMORANDUM CIRCULAR

TO : ALL HEADS OF DEPARTMENTS, BUREAUS AND AGENCIES OF THE NATIONAL, LOCAL GOVERNMENTS, INCLUDING GOVERNMENT-OWNED AND CONTROLLED CORPORATIONS

SUBJECT : *Collective Negotiations Agreement (CNA) signing bonus*

The Civil Service Commission has consistently encouraged government employees to exercise their right to form, join or assist employees organizations and thus, negotiate certain terms and conditions of employment for the protection and furtherance of their interests. Under Section 3, Chapter I, Title I, Book V of the Revised Administrative Code of 1987, the terms and conditions of employment which are not fixed by law may be the subject of such negotiations between recognized employees organizations and the management. Furthermore, the Implementing Rules of Executive Order No. 180 expressly provide the terms and conditions of employment that are negotiable and non-negotiable.

For uniform interpretation of the rules and guidance of employees organizations and management, this Commission in Resolution No. 96-1506 dated **March 1, 1996**, ruled that Collective Negotiations Agreement (CNA) signing bonus is an emolument or an allowance. As such, it is not a subject of negotiation between employees organizations and management, and therefore, cannot be granted, except when the grant is specifically authorized by law or when the agency is authorized by its charter to grant said bonus.

This Memorandum Circular shall take effect immediately.


CORAZON ALMA G. DE LEON
Chairman

March 4, 1996



CNA Signing Bonus
X ----- X

RESOLUTION NO. 961506

WHEREAS, the Civil Service Commission has been receiving numerous queries and requests from agencies to allow the grant of a Collective Negotiations Agreement (CNA) signing bonus;

WHEREAS, the Revised Administrative Code of 1987, particularly Section 3, Chapter I, Title I, Book V, provides that "the terms and conditions of employment of all government employees, including those in government-owned or controlled corporations with original charters, shall be fixed by law". Further, those "which are not fixed by law may be the subject of negotiations between recognized employees' organizations and appropriate government authorities";

WHEREAS, Executive Order No. 180 recognizes the right of government employees to form, join or assist employee organizations and thus, negotiate the terms and conditions of employment for the protection and furtherance of their interests;

WHEREAS, Section 2, Rule VII of the Rules and Regulations to Govern the Exercise of the Right of Government Employees to Self-Organization implementing EO 180 identifies the terms and conditions that may be the subject of negotiations, thus:

"Section 2. The following concerns, among others, may be subject of negotiations between the employer and the accredited employees organization:

- a. Schedule of vacation and other leaves;
- b. Work assignment of pregnant women;
- c. Personnel growth and development;
- d. Communication system - lateral and vertical;
- e. Provision for protection and safety;
- f. Provision for facilities for handicapped personnel;
- g. Provision for first aid medical services and supplies;
- h. Physical fitness program;
- i. Provision for family planning services for married women;
- j. Annual medical/physical examination;
- k. Recreational, social, athletic and cultural activities and facilities";

WHEREAS, Section 3(a), Rule VIII of the same Rule also identifies those that are not negotiable:

"Section 3. Those that require appropriation of funds, such as the following, are not negotiable:

a. Increase in salary emoluments and other allowances not presently provided for by law;

x x x."

WHEREAS, Section 14(d) of the General Provisions of the General Appropriations Act of 1996 (RA 8174) specifically disallows the disbursements of funds other than those intended for;

"Section 14. Restrictions on the Use of Government Funds. No Government funds shall be utilized for the following purposes:

x x x

d. To pay honoraria, allowances or other forms of compensation to any government official or employee, except those specifically authorized by law;

x x x

The provisions of this section shall apply to local government units, political subdivisions and government-owned and/or controlled corporations."

WHEREAS, CNA signing bonus can be considered as an emolument or an allowance and, therefore, cannot be negotiated under the aforecited provisions of the Revised Administrative Code of 1987, Executive Order No. 180 and its Implementing Rules, and the General Appropriations Act of 1996;

NOW, THEREFORE, the Commission resolves, as it is hereby resolved that Collective Negotiations Agreement (CNA) signing bonus is not a subject of negotiation between employees organizations and management, and therefore, cannot be granted, except when the grant is specifically authorized by law or when the agency is authorized by its charter to grant said bonus.

Quezon City, MAR 01 1996

Corazon Alma G. De Leon
CORAZON ALMA G. DE LEON
Chairman

Ramon P. Ereneta, Jr.
RAMON P. ERENETA, JR.
Commissioner

Thelma P. Gaminde
THELMA P. GAMINDE
Commissioner

Attested by:

Carmencita Giselle B. Dayson
CARMENCITA GISELLE B. DAYSON
Board Secretary VI