

BY THE PRESIDENT OF THE PHILIPPINES

ADMINISTRATIVE ORDER NO. 135

AUTHORIZING THE GRANT OF COLLECTIVE NEGOTIATION AGREEMENT (CNA) INCENTIVE TO EMPLOYEES IN GOVERNMENT AGENCIES

WHEREAS, the 1987 Constitution, in Article XIII, Section 3, guarantees the right of government employees to self-organization, collective bargaining and negotiations;

WHEREAS, the grant of Collective Negotiation Agreement (CNA) incentive pursuant to Public Sector Labor-Management Council (PSLMC) Resolution No. 4, series of 2002, for national government agencies (NGAs), local government units (LGUs) and state universities and colleges (SUCs), and PSLMC Resolution No. 2, series of 2003 for government-owned or controlled corporations (GOCCs) and government financial institutions (GFIs), is one of the negotiable matters enumerated in Section 2, Rule XII of the Amended Rules and Regulations Implementing the Right of Government Employees to Organize under Executive Order No. 180;

WHEREAS, the grant of the CNA incentive is in recognition of the efforts of labor and management to achieve all planned targets, programs and services approved in the agency's budget at lesser cost;

WHEREAS, Administrative Order No. 103 dated August 31, 2004 directs the continued adoption of austerity measures in the government and suspends the grant of new or additional benefits to government employees except the CNA Incentive, which may be given in strict compliance with the provisions of the above-stated PSLMC Resolutions and those expressly provided by Presidential issuance;

WHEREAS, Section 5 of Presidential Decree No. 1597 provides that allowances, honoraria and other fringe benefits which may be granted to government employees shall be subject to Presidential approval;

WHEREAS, Memorandum Order No. 20 dated June 25, 2001 requires the approval of the President for any increase in salary or compensation of GOCCs and GFIs that are not in accordance with Republic Act No. 6758 (the Salary Standardization Law);

WHEREAS, there is a need to confirm the grant of the CNA incentive.

NOW, THEREFORE, I, GLORIA MACAPAGAL- ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:



SECTION 1. Grant of Incentive. The grant of the Collective Negotiation Agreement (CNA) incentive to national government agencies (NGAs), local government units (LGUs), state universities and colleges (SUCs), government-owned or controlled corporations (GOCCs), and government financial institutions (GFIs), if provided in their respective CNAs and supplements thereto executed between the management and employees' organization accredited by the Civil Service Commission, is hereby authorized.

Furthermore, the grant of the CNA incentive pursuant to CNAs entered into on or after the effectivity of PSLMC Resolution No. 4, series of 2002, and PSLMC Resolution No. 2, series of 2003, and in strict compliance therewith, is confirmed.

SEC. 2. Limitation. — The CNA incentive shall be granted only to rank-and-file employees. The existing CNA incentive shall be rationalized to simplify its administration and to preclude duplication with incentives granted through the Program on Awards and Incentives for Service Excellence (PRAISE).

SEC. 3. Cost-Cutting Measures and Systems Improvement. — The management and the accredited employees' organization shall identify in the CNA the cost-cutting measures and systems improvement to be jointly undertaken by them so as to achieve effective service delivery and agency targets at lesser costs.

SEC. 4. Savings as Source. — The CNA Incentive shall be sourced only from the savings generated during the life of the CNA.


SEC. 5. Release of Incentive. — The CNA Incentive may be paid every year that savings are generated during the life of the CNA.

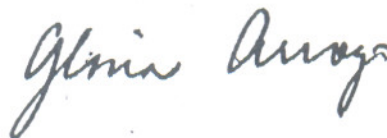
SEC. 6. Implementation. — The Department of Budget and Management shall issue the policy and procedural guidelines to implement this Administrative Order.

SEC. 7. Effectivity. — This Administrative Order shall take effect immediately.

DONE in the City of Manila, this 27th day of December in the year of Our Lord, Two Thousand Five.

By the President:


EDUARDO R. ERMITA
 Executive Secretary





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