



Republic of the Philippines
Department of Environment and Natural Resources
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MEMORANDUM FROM THE SECRETARY

TO : THE UNDERSECRETARY FOR MANAGEMENT AND TECHNICAL SERVICES, THE OFFICE OF THE FINANCE AND MANAGEMENT SERVICES, HEADS OF STAFF BUREAUS AND REGIONAL EXECUTIVE DIRECTORS

SUBJECT: **GUIDELINES ON THE PAYMENT OF CNA INCENTIVES**

DATE : **FEB 16 2004**

In connection with the recent signing of the Collective Negotiation Agreement (“CNA”) with the DENR Employees Union, you are hereby directed to strictly comply with the following guidelines in the payment of CNA incentives:

1. CNA incentives shall be paid strictly in accordance with the terms of the CNA and all applicable laws, rules and regulations. Accordingly, no payment shall be made until and unless you have consulted/read the provisions of the CNA;
2. CNA incentives shall be sourced solely from savings generated after the signing of the CNA (Public Sector Labor-Management Council Resolution No. 04, Series of 2002). The CNA was signed only on 30 January 2004;
3. CNA incentive is different from CNA signing bonus. CNA incentives are sourced from savings generated as a result of the implementation of the cost saving mechanisms adopted in the CNA, while CNA signing bonus is paid upon the signing of the CNA. CNA incentive is legal and may therefore be paid, while CNA signing bonus is illegal and can not be paid;
4. CNA incentive is entirely dependent upon the available savings generated as a result of the implementation of the cost saving mechanisms adopted in the CNA, after completion of the work/activity for which the appropriation is authorized, and subject to the priorities established in the General Provisions of the General Appropriations Act. However, not all savings generated will be paid out as CNA incentives. Only fifty per cent (50%) of the savings may be paid as CNA incentives. Thirty per cent (30%) shall be spent for the improvement of working conditions and other programs and/or added as part of the CNA incentive as may be agreed upon in the CNA, while the remaining twenty per cent (20%) shall be reverted to the General Fund (Public Sector Labor-Management Council Resolution No. 04, Series of 2002);
5. CNA incentives shall be paid on a staggered basis out of the savings generated for the entire duration of the CNA (Article XXIII of the CNA, first and second paragraphs). The CNA shall be effective for three (3) years from date of signing (Article XXII of the CNA, first paragraph), or until 30 January 2007. Therefore, the P20,000 CNA incentive may only be paid, on staggered basis, from savings generated from 30 January 2004, up to 30 January 2007. However, the terms of the CNA may be re-negotiated after one (1) year from the effectivity of the CNA, or after 30 January 2005 (Article XXII of the CNA, second paragraph); and

Approved

6. CNA incentives may only be paid to all rank-and-file employees of the DENR Central Office and Regional Offices, Forest Management Bureau, Land Management Bureau, Ecosystems Research and Development Bureau and Protected Areas and Wildlife Bureau. All employees and officials of the Mines and Geo-Sciences Bureau, the Environmental Management Bureau, and all attached agencies including, but not limited, to the National Mapping and Resources Information Authority, Laguna Lake Development Authority, National Resources and Development Corporation, and National Water Resources Board, are excluded. The rank-and-file employees referred herein shall only refer to all employees of the first and second level positions, except:

- 6.1. CENROs and higher;
- 6.2. Those occupying CENRO positions and higher, whether in acting capacity or as officer-in-charge; and
- 6.3. Those whose functions are normally considered policy-determining, or managerial, or whose duties are highly confidential in nature, except those in the first and second level positions.

Managerial function refers to the exercise of powers such as:

- a) To effectively recommend such managerial functions;
 - b) To formulate or execute management policies and decisions, or
 - c) To hire, transfer, suspend, lay-off, recall, dismiss, assign, or discipline employees.
7. Notwithstanding all the foregoing, no CNA incentive shall be paid until and unless you receive a written notice from this Office that all issues with respect to the CNA pending with the CSC had been resolved with finality.

FOR YOUR STRICT COMPLIANCE.

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ELISEA G. GOZUN
Secretary