

COLLECTIVE NEGOTIATION AGREEMENT

LET ALL TO WHOM THESE PRESENTS MAY COME TO KNOW:

This **COLLECTIVE NEGOTIATION AGREEMENT** is hereby entered into by and between:

The **DEPARTMENT OF EDUCATION**, the education policy and program development agency of the government duly organized and established by virtue of Public School System Act No. 74, dated January 21, 1901, as further amended by E.O. No. 117, dated January 30, 1987, with principal office address at DepEd Complex, Meralco Avenue, Pasig City, duly represented in this Agreement by its Secretary, the **HON. ARMIN A. LUISTRO FSC**, herein referred to as the “**DEPARTMENT**”

-and-

The **DEPARTMENT OF EDUCATION NATIONAL EMPLOYEES’ UNION**, a duly-organized and existing public sector union, with Certificate of Registration No. 1737 issued on August 14, 2009 by the Department of Labor and Employment (DOLE) - Civil Service Commission (CSC) and Certificate of Accreditation No. 862 issued by the Civil Service Commission (CSC) on August 28, 2012, and duly-accredited as the sole and exclusive collective negotiating agent for all non-academic rank-and-file employees of the DEPARTMENT nationwide with principal office address at Room 306 Dormitory E, DepEd Complex, Meralco Avenue, Pasig City, duly-represented in this Agreement by its National President, **ATTY. DOMINGO ALIDON**, herein referred to as the “**UNION**”;

WITNESSETH:

WHEREAS, the 1987 Constitution of the Republic of the Philippines grants to government workers the right to form unions and to collective negotiations in the following provisions:

1. Art. IX, Sec. 2(5). “The right to self-organization shall not be denied to government employees;”

2. Art. III, Sec. 8. “The right of the people, including those in the public and private sectors, to form unions, associations, or societies for purposes not contrary to law shall not be abridged;”

3. Art. XIII, Sec. 3. “The state shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all;”

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law. They shall be entitled to security of tenure, humane conditions of work and a living wage. They shall also participate in policy- and decision-making processes affecting their rights and benefits as may be provided by law.

WHEREAS, Executive Order No. 180, issued on June 1, 1987 and CSC MC No. 55, s. 1990, provide that the terms and conditions of employment in the public sector, or the improvement thereof, except those that are fixed by law, may be subject of negotiations between legitimate unions and appropriate government authorities;

WHEREAS, the DEPARTMENT recognizes the right of employees to self-organization on the terms and conditions of work;

WHEREAS, the UNION is duly-accredited as the sole and exclusive collective negotiating agent of all non-academic rank-and-file employees of the DEPARTMENT as herein defined under Article II;

WHEREAS, the DEPARTMENT and the UNION have mutually agreed to promote a working environment that is conducive to a harmonious relationship between them, an atmosphere that enhances employees' welfare and productivity, and a relationship that contributes to effective and efficient public service;

NOW, THEREFORE, for and in consideration of the foregoing and the stipulations hereunder set forth, the parties agree and bind themselves as follows:

ARTICLE I DECLARATION OF PRINCIPLES

Section 1.

The DEPARTMENT and the UNION recognize the basic rights of workers to a living wage, security of tenure, career development and humane working conditions.

Section 2.

The DEPARTMENT and the UNION agree to observe national policies, as well as the policies of international organizations that the Philippines has ratified, regarding the rights of workers to self-organization, collective bargaining and negotiation and to concerted actions, including the right to strike, in accordance with law.

Section 3.

The DEPARTMENT shall not interfere with the establishment, organization, operation, peaceful concerted activities and administration of the UNION, nor perform or cause the performance of such acts designed to place the UNION under its control.

Section 4.

The UNION recognizes and respects the authority of the DEPARTMENT in the implementation of existing laws governing the terms and conditions of employment in the government; establishment of office policies, guidelines, procedures, rules and regulations on such personnel actions as hiring, promotion, reassignment, termination as a result of disciplinary action; and the provision and maintenance of employee welfare and benefits provided under the law. The DEPARTMENT shall exercise at all times sound discretion and prerogative in accordance with law.

Section 5.

The UNION shall participate in the formulation of policies, plans and programs affecting the rights, career development, welfare and benefits of the employee and improvement of service to the public.

Section 6.

The activities of the UNION shall be in consonance with its Constitution and By-laws and shall be consistent with the duty of government to provide effective and dependable public service, where it is paramount and shall not be prejudiced in any way.

Section 7.

The DEPARTMENT and the UNION shall promote a progressive and harmonious relationship and uphold to the letter and spirit of this Agreement.

Section 8.

The DEPARTMENT shall include in its Annual Budget a Provision for CNA Benefits of non-academic rank-and-file employees nationwide, sufficient to cover such cash and non-cash benefits to be enumerated in this Agreement;

ARTICLE II SCOPE OF COVERAGE

Section 1.

The DEPARTMENT and the UNION hereby agree that this Collective Negotiation Agreement (CNA) covers all the non-academic rank-and-file employees of the Department of Education, except those specifically excluded by PSLMC Resolutions No. 2, s. 1993, or those whose functions are normally considered as policy-determining, managerial, or highly confidential in nature.

It is understood in this Agreement that the DEPARTMENT refers to all organic units of the Department of Education, including the Office of the Secretary Proper, all offices in the Central Office, staff bureaus, attached agencies, all the Service Centers, Regional, Division and District Offices, and all public elementary and secondary schools nationwide.

ARTICLE III DEFINITION OF TERMS

Section 1. MEMBERSHIP FEE

The Membership Fee refers to the one-time payment for inclusion of members to the UNION, in accordance with its Constitution and By-laws.

Section 2. UNION DUES

Union Dues refer to the regular monthly contributions of members to the UNION in accordance with its Constitution and By-laws.

Section 3. AGENCY FEES

Agency Fees refer to the amounts assessed and collected from the non-academic rank-and-file employees of the DEPARTMENT who are not members of the UNION but who enjoy the benefits under this collective negotiation agreement.

Section 4. MUTUAL AID FEE

Mutual Aid Fee refers to the regular monthly payment assessed and collected from the members of the UNION, for medical or bereavement assistance to UNION members and his/her immediate family member.

ARTICLE IV UNION RECOGNITION

Section 1.

The DEPARTMENT recognizes the UNION as the sole and exclusive collective negotiating agent of all non-academic rank-and-file employees of the Department of Education as defined under Article II.

Section 2.

The DEPARTMENT shall deal only through, and directly with, the UNION on all matters and issues affecting the rights, benefits and interests of all covered non-academic rank-and-file employees.

Section 3.

The DEPARTMENT shall not discriminate against any employee due to, nor because of, his/her membership with the UNION, acts performed in accordance with law, or actions done consistent with its Agreement.

Section 4.

The DEPARTMENT shall allow UNION officers, one hundred four (104) days of official time off per year, which shall be non-cumulative/non-commutative for purposes of attending Board meetings, labor education, general assemblies and other activities and meetings, subject to the exigencies of the service and the usual notification requirement.

Section 5.

The DEPARTMENT shall provide the UNION with respectable office spaces for its principal offices in the central office, and in all its Regional, Division and School Chapters, furniture, two (2) telephone facilities including basic monthly charges for utilities , two (2) desktop computers, two (2) laptop computers, two (2) colored printers, one (1) Xerox machine, bulletin board, all the supplies and materials necessary to facilitate the operations of the UNION. The UNION shall be responsible to take charge of said offices and for providing appropriate order and decorum within the premises.

Section 6.

The DEPARTMENT recognizes the right of the UNION to check-off or payroll deduct from the salaries of its member's union dues and membership fees, the check-off shall commence without need of any written individual authorization for the purpose from UNION members. The UNION shall regularly provide the DEPARTMENT with its Updated Roster of Members.

The DEPARTMENT shall remit all collections to the UNION Treasurer within fifteen (15) working days after payroll period, where the deductions had been made; Provided, that the net take home pay of an employee shall not be less than an amount as provided by law.

Section 7.

The DEPARTMENT recognizes the right of the UNION to collect an Agency Fee, whose amount is equivalent to 25 percent of the monetary value received by non-UNION-members for the first Year-End CNA Incentive Bonus, but for any other bonuses or incentives, in no case shall it exceed ONE THOUSAND TWO HUNDRED PESOS (P1,200.00) per year, without need of any written individual authorization from non-UNION-members covered by the CNA who benefit from the implementation of this Agreement.

The DEPARTMENT shall remit the collection to the UNION Treasurer within fifteen (15) working days after the payroll period, where the deductions had been made. Provided, that the net take home pay of an employee shall not be less than an amount as provided by law.

Section 8.

The DEPARTMENT recognizes the right of the UNION to collect Mutual Aid Fees, in the amount assessed and to be collected without need of any written individual authorization for the purpose from UNION members.

The Cash Division/Unit of the DEPARTMENT shall remit the collection to the UNION Treasurer within fifteen (15) working days after the payroll period, where the deductions had been made. Provided, that the net take home pay of an employee shall not be less than an amount as provided by law.

Section 9.

The DEPARTMENT shall allow the UNION to hold activities for its fund raising campaign, the proceeds shall be used for the welfare and benefits of the Union members.

Section 10.

The UNION shall furnish the DEPARTMENT with its annual financial report not earlier or later than the end of January of the succeeding year.

Section 11.

The DEPARTMENT shall allow the UNION officers and members to attend on official time workers' education programs, seminars, meetings, conventions, conferences, symposia and other capability-building programs, including leadership training in trade unionism, workers' congresses and similar activities conducted by government agencies and non-government organizations for public sector unions, subject to the exigencies of the service and in line with CSC MC No. 43, s. 1993, and CSC MC No. 16, s. 1998.

Section 12.

The DEPARTMENT recognizes the right of the UNION to be represented in the national, regional and division levels in all of the following DepEd existing committees or

bodies concerning employees' rights and welfare, including those that may be subsequently formed or established by the DEPARTMENT by regulation, prescribed or specified by CSC policies, rules and regulations:

- 12.1 Personnel Selection Board
- 12.2 Personnel Development Committee;
- 12.3 Employee Suggestion and Incentive Awards Committee;
- 12.4 Grievance Committee;
- 12.5 Welfare Fund;
- 12.6. Provident Fund;
- 12.6 Performance Evaluation Review Committee;
- 12.7 Uniform/Clothing Committee;
- 12.8 Management Committee;
- 12.9 Public Bidding and Awards Committee; and
- 12.10 Special Committees such as Reorganization/ Staffing/ Placement, Sports, Cultural, Recreational, Anniversary and Christmas Celebration, among others.

Section 13.

The DEPARTMENT shall be informed in writing by the UNION of the names of its officers duly elected to the Board of Trustees and any substitute or changes of such UNION officers within fifteen (15) days from their official election/ designation, as well as their functions and duties as defined in accordance with the UNON's Constitution and By-laws.

Section 14.

The DEPARTMENT shall assign and provide a service vehicle for the use of the UNION in the Central office as well as in all Regional and Division chapters to enable the UNION officers to attend official meetings called by any government agency, or other duly accredited organizations on matters concerning the welfare of the employees, subject to the availability and existing policies on the use of service vehicle.

Section 15.

The DEPARTMENT shall provide the UNION every semester with its Updated Roster of Personnel to include the following information: Name, Position, Item No., Salary Grade, Rate per Month and Place of Designation.

Section 16

The DEPARTMENT shall furnish the UNION every semester with a copy of its Approved Plantilla of Positions.

Section 17.

The DEPARTMENT shall furnish the UNION, three (3) days prior to the Personnel Selection and Promotions Board meetings in the National, Regional or Division levels, with a copy of the list of: (a) employees/ applicants to be selected and promoted; and (b) qualified next-in-rank employees/ applicants with their corresponding credentials for the first- and second-level employees.

Section 18.

The DEPARTMENT shall furnish the UNION with copies of Financial Reports, e.g., Welfare Fund and Provident Fund, annual approved performance budget, statement of expenditures, COA audit reports and other pertinent information in its possession, and such other Financial Reports covering matters of employees' concern.

The DEPARTMENT shall institutionalize the proper dissemination of correspondence and communications directly affecting the general welfare of the employees by including the UNION in the mailing list of the Communications and Records Unit of all Offices of the DEPARTMENT at the national, regional and division levels.

Section 19.

The DEPARTMENT shall furnish the UNION with a list of new non-academic rank-and-file employees in the central office, attached agencies, staff bureaus, and service centers, all regional, division, district offices, all public elementary and secondary schools nationwide, who have been issued appointments and shall allow the UNION the opportunity to meet with, and orient, newly-appointed or hired employees on the UNION's Constitution and By-laws, programs, activities and benefits.

Section 20.

The DEPARTMENT shall be responsible for the printing and distribution of copies of this Agreement and its Annexes to all non-academic rank-and-file employees nationwide. Copies of this Agreement and its Annexes shall be distributed not later than one (1) week from the date of signing hereof.

ARTICLE V GRIEVANCE MACHINERY/SETTLEMENT

Section 1.

The DEPARTMENT and the UNION hereby agree to operationalize the Grievance Machinery pursuant to CSC MC No. 02, s. 2001 and in accordance with the Omnibus Rules Implementing Book V of EO 292, for the purpose of strengthening employee-management relations and resolving conflicts at the lowest possible level of the DEPARTMENT.

Section 2.

The DEPARTMENT shall take disciplinary action against employees only for just and proven cause and upon the observance of the principles of due process.
(DECS Order No. 33, s.1999)

ARTICLE VI RECRUITEMENT, PROMOTION & TERMINATION

Section 1.

The DEPARTMENT shall ensure adherence to the recruitment, promotion and termination policies under existing laws and as approved by the CSC rules and regulations in consultation with the UNION.

Section 2.

The DEPARTMENT shall ensure that selection and promotion of non-academic rank-and-file employees shall be in accordance with merit and fitness as provided in the Constitution, pertinent laws, rules and regulations. In this regard, a representative of the UNION shall be a member of the Personnel Selection and Promotions Board for the first- and second-level employees respectively, in the national, regional and division levels.

Section 3.

The DEPARTMENT shall ensure that the next-in-rank system shall be considered and adopted in the promotion process; thus, all qualified next-in-rank employees shall become automatic contenders for promotion. (Rule VI, Section 4, Book V of E. (292)

Section 4.

The DEPARTMENT shall ensure that in case of vacancy of any regular position qualified casual, temporary and contractual employees in the DEPARTMENT shall be given equal opportunity or preference to be hired.

Section 5.

The DEPARTMENT shall ensure that after evaluation of all qualified applicants for an entry-level position and after considering that all things are equal, the DEPARTMENT shall give preference to the employment of qualified next-of-kin within the first degree of consanguinity or affinity of the retired, total permanently disabled or deceased employees.

Section 6.

Except for voluntary resignation, retirement, or termination of contract or appointment, all employees shall be terminated only for just and proven cause after observance of due process.

ARTICLE VII ECONOMIC BENEFITS

Section 1. CNA YEAR-END INCENTIVE BONUS

The DEPARTMENT shall release a CNA Year-End Incentive Bonus to all non-academic rank-and-file employees nationwide in the sum of P35,000 per employee, regardless of length of service or nature of employment, subject to the provisions of Par. 1 Section 7 Article IV above. This Incentive shall be released on or before December 28, 2012 and every year thereafter.

Section 2. PROVIDENT FUND

Pursuant to Administrative Order No. 29 series of 1992, the DEPARTMENT, with the participation of the UNION, shall develop, establish and implement a socialized incentive scheme for the benefit of all officials and employees of the DEPARTMENT.

Section 3. SPECIAL PRIVILEGES

Upon proper application and approval, subject to existing rules and regulations under CSC MC No. 6, s. 1996, the DEPARTMENT shall grant its officials and employees the following non-cumulative leave privileges:

- A) Five (5) days Burial or Mourning Leave in case of death of the legitimate spouse or any legitimate children, parents, brothers or sisters;
- B) One (1) day Birthday Leave;
- C) Two (2) days Enrolment Leave;
- D) Two (2) days Graduation Leave;
- E) Two (2) days Hospitalization Leave for Immediate members of the family;
- F) Three (3) days Wedding and Honeymoon Leave;
- G) One (1) day Wedding Anniversary Leave;
- H) Two (2) days Relocation Leave;
- I) Two (2) days Emergency Leave in cases of actual emergencies such as typhoons, floods and other natural and/or manmade disaster or calamities;

Section 3. CULTURAL AND ATHLETIC ALLOWANCE

The DEPARTMENT shall provide the necessary funds to be utilized for athletic and cultural activities in accordance with the provisions of the General Appropriations Act.

Section 4. SHUTTLE BUS/ VEHICLE SERVICE

The DEPARTMENT shall provide shuttle buses or appropriate vehicles to fetch and ferry employees in the central, regional and division offices to enable them to report for work on time in the morning and to safely return home in the afternoon after working hours.

Section 5. SERVICE AND INCENTIVE PAY

The DEPARTMENT shall grant the payment of the service and incentive pay to all officials and employees, pursuant to Section 50 and subject to Section 40 of P.D. No. 1177.

Section 6. LEGAL EXPENSES

The DEPARTMENT shall allow the reimbursement of all legal expenses incurred by employees, as provided for under Section 416 Legal Expenses, Rules (a); (b); Chapter 26, Title 6, Volume I of Government Accounting and Auditing Manual.

ARTICLE VIII FRINGE BENEFITS

Section 1.

The DEPARTMENT shall grant to all its employees other fringe benefits, subject to availability of funds; provided that the DEPARTMENT and the UNION shall establish a system for prioritizing the utilization of allotted annual budgets and savings and available funds for purposes of granting such fringe benefits, subject to existing laws and regulations.

The DEPARTMENT and the UNION shall agree on a list of other fringe benefits not provided in this Agreement.

Section 2.

The DEPARTMENT shall assist and/or facilitate the release of retirement pay benefits to all retiring employees, the benefits shall be released on the last day of service of the concerned employees. (DECS Order No. 2, s.2001)

ARTICLE IX OTHER PRIVILEGES

Section 1.

The DEPARTMENT shall allow all employees who are about to retire from their Official duties and functions to be considered on official time at least one (1) month prior to their last day of service, to enable the employee to transact/ facilitate the release of their clearances from other government agencies

Section 2.

The DEPARTMENT shall allow all employees, who have transactions with other government offices such as GSIS, PAG-IBIG, NSO, NBI, PNP, PRC and DFA for clearances related or incidental to employment, to be considered on official time, subject to the exigencies of the service.

Section 3.

The DEPARTMENT shall provide legal service and representation, to an employee who is:

- a. Sued for acts committed arising from his/her employment and within the scope of his/ her official duties and responsibilities; and
- b. Required to appear in court on matters arising from or in the course of his/ her employment and within the scope of his/her official duties and responsibilities.

However, nothing in this provision shall be construed to mean that the DEPARTMENT shall provide legal assistance and representation where the employee is sued in his/ her personal capacity, for acts beyond the scope of his/her official duties and responsibilities, or in criminal cases or civil suits for damages arising from felony.

ARTICLE X WELFARE AND DEVELOPMENT PROGRAMS

Section 1. HEALTH PLAN

The DEPARTMENT, with the participation of the UNION, shall identify and engage the services of a comprehensive HMO/ health care service provider for all its officers and employees and their families, with 50 percent of the annual premiums of each non-academic rank-and-file employee or his/ her family member to be paid by the DEPARTMENT and the balance of 50 percent to be shouldered and automatically deducted monthly from the salaries of each non-academic rank-and-file employee. (CSC MC. No. 33, s.1997) For purposes of this Agreement, Maxicare shall be designated as the sole HMO/ health care service provider of the UNION nationwide.

Section 2. MEDICAL CLINICS AND FIRST AID FACILITIES

The DEPARTMENT shall provide adequate space within its existing facilities and buildings in the central, regional and division offices, and schools, nationwide, for the establishment of medical clinics.

In areas where medical clinics could not immediately be established, the DEPARTMENT shall provide the necessary first aid kits in all its offices, strategically locating such kits in immediately accessible areas. For this purpose, teams of employees shall be formed and trained in first aid. (CSC MC No. 33, s. 1997)

Section 3. SAFETY AND SANITATION

The DEPARTMENT shall conform to and comply with applicable rules and regulations to provide safe working conditions to all employees, potable drinking water shall likewise be provided in all workplaces. (CSC MC No. 33, s.1997)

Section 4. WELLNESS, PHYSICAL AND SOCIAL PROGRAMS

The DEPARTMENT, with the participation of the UNION, shall develop, and allocate funds for, wellness, physical, social and cultural programs designed to promote employees' wellness and uplift their morale.

The UNION shall regularly submit, and coordinate the implementation of, a yearly program for wellness, sports and social activities; Provided, that the necessary funds to be utilized for these activities shall be held by accountable officer/s of the DEPARTMENT.

Section 5. MULTI-PURPOSE HALL

The DEPARTMENT shall provide, maintain and equip a multi-purpose hall, which shall serve as physical fitness area or a place for recreation and games for the employees in the central, regional and division offices nationwide.

Section 6. FAMILY WELFARE ACTIVITIES

The DEPARTMENT, with the participation of the UNION, shall develop family welfare-oriented activities, especially during summer and school breaks for the benefit of the employees' children and their families.

Section 7. EDUCATION AND SCHOLARSHIP

The DEPARTMENT, with the participation of the UNION, shall develop an education and scholarship program for all rank-and-file employees. The scholarships program shall cover undergraduate and post-graduate studies as well as technical or skills training, seminars, workshops, fellowships, study grants and similar undertakings.

Section 8. DAY CARE SERVICES

The DEPARTMENT shall provide and implement day care services for their employees' children under five (5) years of age to improve working parents' performance and attain minimal absenteeism of employees due to problems related to childcare.

Section 9. CONDONATION OF PROVIDENT FUND LOANS

The DEPARTMENT shall automatically condone all loans granted by the Provident Fund or Welfare Fund upon the death of a non-academic rank-and-file employee.

Section 10. EMPLOYEE HOUSING PROGRAM

The DEPARTMENT shall allocate suitable lands within its present and future school sites for the construction of decent and affordable economic housing units for its employees. In the absence of such suitable lands within its present school sites, the DEPARTMENT shall identify and help procure suitable lands outside, but near, its present school sites for the construction of decent but affordable economic housing units. The employees may utilize the existing housing loan facilities of the Pag-IBIG Fund for employee housing development purposes. For this purpose, Amaia/ Ayala Land and R-2 Builders Inc. shall serve as the UNION's partners for the development and implementation of this employee housing program nationwide.

Section 11. EMPLOYEES' QUARTERS

The DEPARTMENT shall develop decent and safe facilities in the central, regional or division offices for the quartering of employees, such as but not limited to security guards, service drivers, transient employees and visiting employees from other operating units nationwide. Such employees' quarters, if unused, may be used for the emergency quartering of stranded employees during severe typhoons, earthquakes, fires and other natural or man-made calamities.

Section 12. EMPLOYEES' CAFETERIA

The DEPARTMENT shall provide adequate facilities for the establishment of employees' cafeterias or canteens in the central, regional and division offices nationwide. The UNION shall identify and select qualified and capable cafeteria or canteen operators who shall ensure the availability of affordable and tasty food for employees at all times.

Section 13. SHOWER AND DRESSING ROOMS WITH INDIVIDUAL LOCKERS

The DEPARTMENT shall provide adequate facilities for shower and dressing rooms of employees in the central, regional and division offices nationwide. These rooms shall be constructed as expansion areas of existing or planned comfort rooms, and shall be equipped with individual lockers for employees.

Section 14. PRAYER ROOM OR MASS HALL

The DEPARTMENT shall allocate, assign or construct in the central, regional and division offices nationwide a prayer room or mass hall separately for both Christians and Muslims alike. For this purpose, the DEPARTMENT shall allow employees sufficient time, and regular periods, for worship and prayer activities.

Section 15. OTHER BENEFITS

The DEPARTMENT hereby agrees to grant and release to all non-academic rank-and-file employees the other economic and non-economic benefits which are enumerated in the attached Menu of CNA benefits (Annex "A").

**ARTICLE XI
IMPLEMENTATION AND MONITORING SCHEME**

Section 1. INTERPRETATION

If there is any conflict between the provisions of this Agreement and any rules and regulations promulgated by the DEPARTMENT, the former shall prevail. However, enforceability of this Agreement may be modified by the passage of amendatory laws or by issuances of duly constituted higher authorities.

Section 2. UNION-MANAGEMENT COORDINATING COMMITTEE

For the smooth implementation of this CNA, a Union-Management Coordinating Committee shall be created to be composed of three (3) representatives from each party. The following shall be the functions and responsibilities of the committee:

- a) Monitor the implementation of this Collective Negotiation Agreement, and report conflicts or problems in its implementation at the central, regional, division and school offices nationwide.
- b) Recommend solutions to controversies or conflicts arising from the interpretation and/or enforcement of this agreement.

**ARTICLE XII
SOURCE OF FUNDING FOR CNA BENEFITS**

The DEPARTMENT shall allocate the sum of P5 billion in its Annual Budgetary Plan for Personnel Services, as submitted to the House of Representatives through the Department of Budget and Management (DBM), to cover both the economic and non-economic benefits and incentives provided for in this Agreement, without prejudice to the allocation of additional funds from the annual savings that are generated during the life of the CNA. The savings allotted for the CNA Incentive is fifty percent (50%), where savings refer to such balances of the agency's released allotment for the year, free from any obligation or encumbrance and which are no longer intended for specific purpose/s. (PSLMC Res. No. 2, s.2002)

**ARTICLE XIII
ENTIRETY AND MODIFICATION CLAUSE**

The DEPARTMENT and the UNION agree that the terms and provisions herein contained constitute the entire agreement between the parties and supersede all previous communications, representations or agreements, either verbal or written, between the parties with respect to the subject matter herein. Both parties agree that all items have been discussed during the negotiations leading to this Agreement and, therefore agree that negotiations will not be reopened on any item during the life of this Agreement except by mutual consent in writing or as otherwise provided herein.

**ARTICLE XIV
SEPARABILITY CLAUSE**

If any provision on this Agreement is held contrary to law or declared invalid by any court of competent jurisdiction, or subsequently modified or amended by mutual consent of the parties, the remaining provisions thereof shall continue to be valid and effective.

**ARTICLE XV
EFFECTIVITY AND CONTINUITY CLAUSE**

Section 1. EFFECTIVITY

This Agreement shall become effective immediately after its signing and ratification by the majority of the employees in the Collective Negotiation Unit and shall remain in full force and effect for a period of three (3) years.

Section 2. RENEGOTIATION

Both parties agree to meet not later than sixty (60) calendar days prior to the expiration of this Agreement for the purpose of negotiating a new agreement to govern the parties. Subject to the observance of the other party's rights during the freedom period, the provisions of this Agreement, including modifications or amendments thereof, shall remain in force and effect until a new collective negotiation agreement shall have been concluded and executed by the parties.

IN WITNESS WHEREOF, the parties, by their authorized representatives, have hereunto signed this Agreement this ___ th day of _____ 2012 in Pasig City, Philippines.

**FOR THE
DEPARTMENT OF EDUCATION :**

**FOR THE DepEd-
NATIONAL EMPLOYEES' UNION:**

BR. ARMIN A. LUISTRO FSC
Secretary of Education

ATTY. DOMINGO B. ALIDON
National President

SIGNED IN THE PRESENCE OF US:

ATTY. ALBERTO T. MUYOT
Undersecretary for Legal
and Legislative Affairs

JOHNNY G. BALAWAG
Chairman of the Board of Trustees

FRANCISCO M. VARELA
Undersecretary for Finance
and Administration

FRANCIS ALLEN B. DELA CRUZ
Secretary-General

RIZALINO D. RIVERA
Undersecretary for Regional Operations

EFREN LL. ALCERA
Chapter President, Region V

DR. YOLANDA S. QUIJANO
Undersecretary for Programs and Projects

FIDEL SALOSAGCOL
Chapter President, Central Office

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S.

BEFORE ME, a Notary Public, for and in the City of Pasig, Metro Manila, this ___th day of _____, 2012, personally appeared:

- | <u>Name</u> | <u>Valid Government ID</u> | <u>Date & Place of Issue</u> |
|-----------------------------|----------------------------|----------------------------------|
| 1) BR. ARMIN A. LUISTRO FSC | | |
| 2) ATTY. DOMINGO B. ALIDON | | |

All known to me and to me known to be the same persons who executed the foregoing COLLECTIVE NEGOTIATION AGREEMENT and they acknowledged to me that the same is their free act and voluntary deed and of the organizations they duly represent.

In witness whereof, I have hereunto set my hand and affixed my Notarial Seal on the date and at the place first above written.

NOTARY PUBLIC

Doc. No. _____;

Page No. _____;

Book No. _____;

Series of 2012xxx

TERMS OF REFERENCE

1. Under Section 2, Article VIII, the amount of retirement benefits shall be P20,000.00 for optional retirees, provided, they have been employed for 15 years and P30,000.00 for compulsory retirees.
2. Under Section 1, Article VIII, the following benefits shall be included:
 - 2.1 Fringe Benefits in the amount of not less than Twelve Thousand Pesos (P12,000.00) each year or One Thousand Pesos (P1,000.00) per month;
 - 2.2 Birthday Cash Gift in the amount of One Thousand pesos (P1,000.00) effective January 1, 2013, provided that the recipient has rendered at least one (1) year of service to the DEPARTMENT.
 - 2.3 Christmas Grocery worth One Thousand Five Hundred Pesos (P 1, 500) to be given not later than December 15 of each calendar year;
 - 2.4 Rice Subsidy Allowance - The DEPARTMENT shall grant one (1) sack of rice or its equivalent in the amount of One Thousand Five Hundred Pesos (P1, 500) for each employee, to be given on a quarterly basis not later than the month-end of every quarter;
 - 2.5 Loyalty Award in the amount of One Thousand pesos (P1,000.00) for every year of service starting on the 10th year;
 - 2.6 Per Diem allowance of Five Hundred pesos (P500.00), starting on January 1, 2013;