



Republica de Filipinas
Ciudad de Zamboanga
OFICINA DEL ALCALDE



BUDGET CIRCULAR NO. KHYM-2025-08
December 5, 2025

TO : THE CITY VICE MAYOR, DEPARTMENT HEADS, ASSISTANT DEPARTMENT HEADS, COLLEGE PRESIDENT - COLEGIO DE LA CIUDAD DE ZAMBOANGA AND ALL OTHERS CONCERNED

SUBJECT : RULES AND REGULATIONS ON THE GRANT OF COLLECTIVE NEGOTIATION AGREEMENT (CNA) FOR FY 2025

1.0 BACKGROUND

- 1.1 Administrative Order (AO) No. 135 s. 2005 authorizes the grant of CNA Incentive to government employees and the Department of Budget and Management (DBM) is directed to issue the necessary policy and procedural guidelines for its implementation.
- 1.2 Item (4)(h)(ii) (aa) of the Congress Joint Resolution (JR) No. 4, s. 2009, institutionalizes the grant of the CNA Incentive as a form of reward to motivate employee efforts toward higher productivity, to wit:

"(aa) Collective Negotiation Agreement (CNA) Incentive – This may be granted to both management and rank-and-file employees of agencies with approved and successfully implemented CNAs in recognition of their efforts in accomplishing performance targets at lesser cost, in attaining more efficient and viable operations through cost-cutting measures and systems improvement xxx."

- 1.3 Section 82 of the General Provisions of the FY 2025 General Appropriation Act (GAA) provides the rules in the grant of the CNA Incentive, to wit:

Departments, bureaus, and offices of the National Government, including Constitutional Offices enjoying fiscal autonomy and SUCs **may grant Collective Negotiation Agreement (CNA) Incentive sourced from the allowable MOOE allotments identified by the DBM, subject to the following, to wit:**

- a. *There is a valid CNA executed between the agency and the recognized employee organization which includes a provision on cost-cutting measures to be undertaken collectively by the agency and its personnel;*
- b. *The one-time annual payment of CNA Incentive shall be made through a written resolution signed by the agency representatives from both labor and management, and approved by the agency head;*



Ta Dale Buen Servicio

CITY HALL, N.S. VALDERROSA STREET, ZAMBOANGA CITY, 7000, PHILIPPINES
Tel Nos.: (062) 992-0420/991-4667
Telefax Nos.: (062) 992-0420

Email ad: cmayorsoffice@gmail.com
Website: www.zamboangacity.gov.ph



Republica de Filipinas
Ciudad de Zamboanga
OFICINA DEL ALCALDE



- c. *The CNA Incentive that may be granted shall be limited to the amount determined by the DBM; and*
- d. *The use of MOOE for the payment of CNA Incentive shall be subject to approval by the agency head and made only during the validity of appropriations. Any excess amounts therefrom after payment of the CNA Incentive shall revert to the General Fund.*

GOCCs and LGUs may likewise grant CNA Incentive to their respective personnel, subject to the policies, rules and regulations issued by the DBM.

2.0 PURPOSE

This Circular is issued to provide, consolidate and update the policies and procedural guidelines on the grant of the CNA Incentive for FY-2025 and to harmonize the same with the provisions of DBM BC No. 2025-2, dated November 19, 2025.

3.0 COVERAGE

All personnel occupying regular, casual or contractual positions; rendering full time services and those whose employment is in the nature of a regular employee whose salary is chargeable to Personal Services.

- 3.1 Rank-and-file employees who are members of the Zamboanga City Government Employees Association (ZCGEA) as accredited by the Civil Service Commission (CSC) as the sole and exclusive negotiating agent in accordance with the rules and regulations issued by the Public Sector Labor-Management Council (PSLMC);
- 3.2 Rank-and-file employees who are non-members of the CSC-accredited sole and exclusive negotiating agent but want to enjoy or accept benefits under the CNA, subject to payment of agency fee to the negotiating agent in accordance with PSLMC Resolution No. 1 s. 1993.
- 3.3 Those who perform managerial functions
- 3.4 **Personnel who have been appointed from July 1 of the current year and are still in the service as of September 30 of the same year shall be entitled to a pro-rated CNA Incentive as follows:**

Month of Entry	Percentage
July	40%
August	35%
September	25%



Ta Dale Buen Servicio

CITY HALL, N.S. VALDERROSA STREET, ZAMBOANGA CITY, 7000, PHILIPPINES
 Tel Nos.: (062) 992-0420/991-4667 Email ad: cmayoroffice@gmail.com
 Telefax Nos.: (062) 992-0420 Website: www.zamboangacity.gov.ph



Republica de Filipinas
Ciudad de Zamboanga
OFICINA DEL ALCALDE

3.5 Personnel who have retired or separated from the service before September 30 of the current year shall be granted the following pro-rated share of the CNA Incentive as follows:

Month of Separation	Percentage
September	90%
August	80%
July	70%
June	60%
May	50%
April	40%
March	30%
February	20%
January	0%

4.0 POLICY GUIDELINES

4.1 Conditions for the Grant of the CNA Incentive

- 4.1.1 There is a valid and subsisting Collective Negotiation Agreement (CNA) executed between the City Government of Zamboanga (CGZ) and the Zamboanga City Government Employees Association (ZCGEA) accredited by the CSC as the sole and exclusive negotiating agent for the purpose of the collective negotiations with the management of the City Government of Zamboanga;
- 4.1.2 The grant of the CNA Incentive is provided for in the "Agreement" between the City Government of Zamboanga (CGZ) and Zamboanga City Government Employees Association (ZCGEA).
- 4.1.3 The City Government had accomplished 75% of its targets as of September 30, 2025, of all of its programs/activities/projects as approved in the City's current budget.

4.2 Rate of the CNA Incentive

- 4.2.1 The rate of the CNA Incentive is given equally in the amount of **P30,000.00** to all qualified employees who have been appointed earlier than July 1 of the current year and who are still in the service as of September 30 of the same year or at varying pro-rated rates under Sections 3.4 and 3.5 hereof, in consideration of his/her contribution to the office's accomplishment of performance targets, efficiency, productivity or profitability.



Ta Dale Buen Servicio

CITY HALL, N.S. VALDERROSA STREET, ZAMBOANGA CITY, 7000, PHILIPPINES
Tel Nos.: (062) 992-0420/991-4667
Telefax Nos.: (062) 992-0420
Email ad: cmayorsoffice@gmail.com
Website: www.zamboangacity.gov.ph



Republica de Filipinas
Ciudad de Zamboanga
OFICINA DEL ALCALDE

4.3 Funding Sources of the CNA Incentive

- 4.3.1 The Collective Negotiation Agreement (CNA) Incentive is sourced solely from the respective office savings in the MOOE items under their respective approved budgets for FY 2025.

4.4 Payment of the CNA Incentive

- 4.4.1 The Collective Negotiation Agreement (CNA) Incentive is a one-time benefit to be paid not earlier than **December 15, 2025**.


5.0 RESPONSIBILITY OF DEPARTMENT HEADS

- 5.1 The Heads of Department shall be held administratively, civilly, and/or criminally liable, as the case may be, for any payment which is not in accordance with the provisions of this Circular, without prejudice to the refund by the employees concerned of any unauthorized or excess payment thereof.
- 5.2 All payrolls prepared for the grant of Collective Negotiation Agreement (CNA) Incentive shall be duly certified by the City Human Resource Management Officer as to the numbers of employees qualified to collect such incentive.

6.0 SAVING CLAUSE

Cases not covered by the provisions of this Circular shall be referred to the management and the ZCGEA for resolution.

Compliance with the related accounting and auditing rules and regulations in the disbursement of funds is the responsibility of all those concerned.


CAPT. KHYMER ADAN T. OLASO, M.M.
City Mayor



Ta Dale Buen Servicio



CITY HALL, N.S. VALDERROSA STREET, ZAMBOANGA CITY, 7000, PHILIPPINES



Tel Nos.: (062) 992-0420/991-4667
Telefax Nos.: (062) 992-0420



Email ad: cmayorsoffice@gmail.com
Website: www.zamboangacity.gov.ph