



MEMORANDUM CIRCULAR No. 111

Series of 2025

TO : THE SENIOR DEPUTY ADMINISTRATOR, DEPUTY ADMINISTRATORS, THE REGIONAL/DEPARTMENT/PROJECT MANAGERS, DIVISION MANAGERS, AND ALL OTHERS CONCERNED

SUBJECT : DEPARTMENT OF BUDGET AND MANAGEMENT BUDGET CIRCULAR NO. 2025-2, "GUIDELINES ON THE GRANT OF THE COLLECTIVE NEGOTIATION AGREEMENT (CNA) INCENTIVE FOR FY 2025"

1.0 RATIONALE

This Circular is issued to provide rules and regulations for the payment of Collective Negotiation Agreement (CNA) Incentive for FY 2025 pursuant to Department of Budget and Management (DBM), Budget Circular No. 2025-2 dated November 19, 2025, in the amount not exceeding Thirty Thousand Pesos & 00/100 (P30,000.00).

2.0 LEGAL BASIS

Payment of CNA Incentive shall be in consonance with the provisions of the Public Sector Labor Management Council (PSLMC) Resolution No. 2, series of 2003 and DBM Circular No. 2025-2 dated November 19, 2025 and all other applicable laws and regulations.

3.0 GUIDELINES

3.1 Coverage

3.1.1 The following are entitled to receive CNA Incentive:

- a. All NIA employees holding permanent, temporary, casual/daily, co-terminous or contractual position rendering service in full-time or part time basis and whose appointments were passed upon by the Civil Service Commission (CSC);
- b. Rank-and-file employees who are not members of the accredited sole and exclusive negotiating agent, but enjoy or accept benefits under the CNA subject to the assessment and collection of agency fee; and
- c. Those who perform managerial functions.

3.1.2 Exclusion



Those hired through consultancy, contract of service and job order where no employer-employee relationship exists are not covered by this Circular.

3.1.3 Reckoning period for entitlement of CNA Incentive is as of September 30, 2025.

3.2 Conditions for the Grant of the CNA Incentive

3.2.1 GOCCs covered by RA No. 10149 should have accomplished, by September 30, 2025, at least an average of 75% of all the targets under their respective Performance Scorecard, as agreed upon between the Governance Commission for GOCCs (GCG) and the GOCC pursuant to GCG Memorandum Circular No. ____ dated _____.

3.3 Rate of the CNA Incentive

3.3.1 The CNA Incentive shall be proportionate to the length of service rendered for CY 2025. CNA Incentive is equal to the number of months rendered divided by 12 months and multiplied by the amount of CNA Incentive.

Actual date of appointment shall be considered in determining actual number of days rendered in a month.

Illustrative Example:

An employee was hired in June 6, 2025

June 6 - 30, 2025 = 25 days/ 30 calendar days	X	P2,500.00/mo.	=	P 2,083.33
July to December = 6 mos.	X	P 2,500/mo.	=	<u>P15,000.00</u>
				<u>P17,083.33</u>

3.3.2 The CNA Incentive shall be Thirty Thousand Pesos & 00/100 (P30,000) per qualified NIA officials and employees.

3.4 Fund Sources of the CNA Incentive

The CNA Incentive shall be sourced solely from the total MOOE level under their respective DBM-approved COBs for FY 2025, provided that the following conditions are complied with:

- a. Actual operating income for the period January 1 to September 30, 2025 shall, at least, meet the targeted operating income in the approved COB for the same period. For GOCCs, which by the nature of their functions consistently incur losses, the current

year's operating loss should have been minimized or reduced compared to or at most equal to that of the prior year's level;

- b. Actual operating expenses as of September 30, 2025 are less than the DBM-approved level of operating expenses in the COB so as to generate sufficient source of funds for the payment of CNA Incentive; and
- c. For income generating GOCCs required to remit earnings, an amount equivalent to at least 50% of the annual earnings of the immediately preceding year should have been remitted to the National Treasury in accordance with Section 3 of RA No. 7656, s. 1993.

3.5 Payment of the CNA Incentive

3.5.1 The CNA Incentive for CY 2025 shall be a **one-time benefit** which shall be granted **not earlier than 15 December 2025** but **not later than December 31, 2025**.

3.5.2 The amount paid as CNA Incentive shall be recorded in the agency books under the account code "Collective Negotiation Agreement Incentive";

3.5.3 Agencies are advised that additional funds can no longer be provided during the remainder of the current year for those program, projects, and activities covered by the MOOE allotments which are to be modified to fund the CNA Incentive.

4.0 AGENCY FEE CHECK-OFF

Three Hundred Pesos (Php 300.00) plus seven percent (7%) of the CNA Incentive received by non-union member-employees shall be deducted/checked-off as agency fee in accordance with PSLMC Resolution No. 1 s. 1993 and NIA Memorandum Circular No. 94, s. 2005. Said agency fee shall be remitted with recognized Union Chapter, as the case may be.

5.0 WAIVER

All NIA officials and employees are required to accomplish and submit an Affidavit of Undertaking (Annex "A") to Administrative Department (AD) on or before December 27, 2025 as authority to deduct the CNA Incentive 2025 thru salaries/wages/allowances as refund in the event the CNA Incentive 2025 is disallowed in audit by the Commission on Audit (COA).

On the other hand, employees who already retired or separated from the service but entitled to receive CNA Incentive for CY 2025 shall accomplish and submit an Affidavit of Undertaking (Annex "A-1") to AD before the CNA 2025 be released to them.

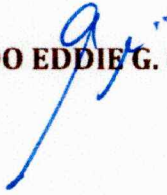
5.1 RESPONSIBILITY OF AGENCY

The Chief of Offices and accountable officers shall be responsible for the proper implementation of the provisions of this Circular in their respective offices. They shall be held administratively, civilly, and/or criminally liable, as the case may be, for any payment of the CNA Incentive not in accordance with the provisions of this Circular, without prejudice to refund by the employees concerned of any unauthorized or excess payment thereof.

All questions arising from the implementation of this Circular shall be referred to the Office of the Deputy Administrator for Administrative and Finance Sector.

Be guided accordingly.

ENGR. EDUARDO EDDIE G. GUILLEN
Administrator
12 DEC 2025



Republic of the Philippines)
CITY OF _____ }

AFFIDAVIT OF UNDERTAKING

I, _____, of legal age, Filipino citizen, married/single and a resident of _____ after having been duly sworn in accordance with law, hereby depose and say:

1. That I am presently employed at the National Irrigation Administration (NIA), holding the position of _____;
2. That I received the sum of (_____ (in words) _____ (P _____) which covers the Collective Negotiation Agreement (CNA) Incentive for CY 2025;
3. That in the event said CNA Incentive for CY 2025 is disallowed in audit by COA, I undertake to pay the NIA the said amount and hereby authorizes the NIA to deduct the same from my salary at Two Hundred Pesos (P200.00) per month;

IN WITNESS WHEREOF, I have hereunto set my hands this ____ day of ____, 20__ at _____, Philippines.

(Affiant)

WITNESS:

SUBSCRIBED AND SWORN to before me this ____ day of _____ in the city of _____ by affiant, with NIA employee ID No. _____, known to be the same person who personally signed before me the foregoing affidavit and acknowledged that he/she executed to me the same.

Notary Public

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Republic of the Philippines)
CITY OF _____}

AFFIDAVIT OF UNDERTAKING

I, _____, of legal age, Filipino citizen, married/single and a resident of _____ after having been duly sworn in accordance with law, hereby depose and say:

1. That I retired/separated from the National Irrigation Administration (NIA) on _____;
2. That I received the sum of (_____ (in words) _____ (P _____) which covers the Collective Negotiation Agreement (CNA) Incentive for CY 2025;
3. That in the event said CNA Incentive for CY 2025 is disallowed in audit by COA, I undertake to voluntary refund to NIA the said amount within thirty (30) days from Notice of Disallowance.

IN WITNESS WHEREOF, I have hereunto set my hands this ____ day of ____, 20__ at _____, Philippines.

(Affiant)

WITNESS:

SUBSCRIBED AND SWORN to before me this ____ day of _____ in the city of _____ by affiant, with NIA employee ID No. _____, known to be the same person who personally signed before me the foregoing affidavit and acknowledged that he/she executed to me the same.

Notary Public

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