



05 January 2024

**INSTITUTIONAL & LEGAL ADVISORY NO. 01**

Series of 2024

**T O : ALL ELECTRIC COOPERATIVES**

**SUBJECT : CLARIFICATION ON CERTAIN PROVISIONS IN THE IMPLEMENTATION OF THE COLLECTIVE BARGAINING AGREEMENT OF THE ELECTRIC COOPERATIVES**

Pursuant to NEA Memorandum No. 2023-52 on the Policy Amending NEA Memorandum No. 2014-003, "Collective Bargaining Agreement (CBA) of Electric Cooperatives (2<sup>ND</sup> Revision), the electric cooperatives (EC) shall be guided by the following:

All existing CBA Benefits/Incentives shall be released, provided that the following are complied with:

1. The EC must have one (1) month working capital requirement;
2. It must be subject to availability of funds;
3. If funds are not available, the benefit/incentive shall be deemed or *ipso facto* abandoned/relinquished/renounced (under CBA) for that particular period of year;
4. No loan should be taken/availed of by the EC from any source to provide for the disbursement or payment of benefits/incentives. The NEA will not process/ approve any loans for the purpose of disbursement of funds under the CBA for the reason that there are no currently available funds by the EC to provide for such benefits;
5. Considering that there are no available funds for the current year, such incentives could not be carried over for the next year;
6. For Year-End Incentives - If there are similar incentive already stipulated or agreed upon in the CBA, NEA shall no longer process such incentives. However, the EC may choose whether to waive incentives found in the CBA and/or avail of incentives incorporated in the NEA guidelines;
7. The EC shall pass a Board Resolution approving the release of funds with certification of availability of funds duly certified by the Finance Manager, for the express approval of the NEA.

  
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