



**PAGLAUM MUTUAL BENEFIT ASSOCIATION, INC.**  
**1/F PMPC BLDG., EASTERN LOOC, PLARIDEL, MIS. OCC.**  
**SEC REG. NO. CN201116383 | TIN: 008-126-426**

## **CODE OF DISCIPLINE**

### **SECTION 1:**

#### **SYSTEMS OF OFFENSE OR INFRACTIONS AND SANCTIONS**

To pursue and maintain productive and efficient quality of work and services is both the responsibility of the employees and the management, to meet the association's mission, vision and objectives. Efficiency is necessary to meet productivity and there is NO EFFICIENCY without DISCIPLINE.

With these internalized, Paglaum Mutual Benefit Association, Inc. shall uphold and maintains the following norms:

1. Respect and recognition of the management's authority in the implementation of the established working standards and conduct, and acceptable behavior shall establish discipline among the association's members, to help the institution achieve its business and social goals. Thus, control mechanisms are designed to inform, instruct and develop every employee to adapt and practice the set norms and code of conduct.
2. One of the most significant policies of the association is STRICT maintenance of discipline.
3. Harmonious relationship within the association is both the responsibility of the management and the employees.
4. The association expects its employees to have the proper attitude, observe correct conduct and behavior in performing their duties & responsibilities, and be conscious in maintaining the good image of the association.
5. The association expects the staff's behavior to be aligned and appropriate with their respective position in the association. Therefore, the association expects that the employees would give their best in the performance of their duties.
6. All employees are expected to give mutual respect, work with integrity and courteous at all times in their interaction with their co-employees and the members at large.

7. The association understands the significance of quality service in serving their members. Thus, any acts or omissions of employees that is ill-disposed to the association may result to implementation of equivalent penalties, including termination from work.
8. All association employees are responsible in considering the best interest of the association above their own interest.
9. The association shall serve as a venue for the employee's development of individual responsibility, including sense of discipline as a means of achieving the association's goal and operational success.
10. The coverage of corrective actions shall be implemented with fairness and justice. Administrative process shall always be embodied by a DUE PROCESS for a fair and prompt hearing to all employees.
11. It is expected that the immediate superior shall implement the disciplinary procedures to the employees. He/she shall initiate the corrective actions on subordinates who have violated the association's policy. **"Immediate superior" shall not bar the next higher superior or of higher rank to act or discipline an erring employee upon the basis of this code]**
12. The employees are expected to observe the proper conduct in the performance of their personal and official affairs.
13. Employees are expected that they would safeguard the proper use of all equipment entrusted to them, as well as the confidentiality of records, technology and information.
14. Should employees have grievances or complaints, he/she has the right to raise it by following the established grievance procedures or guidelines.
15. The complaints and grievances are to be treated with justice and equivalent attention and/or action by the management.
16. The purpose of this Code of Discipline or corrective action is not to penalize employees but to correct or guide employees to imbibe acceptable behavior within the association.
17. The Corrective Action contained herein shall not limit the association to prosecute a violator in the proper court of justice if the same is a violation of law, and also, the association is not limited in requiring restitution of damages suffered by the association through cash payment or payroll deduction or offsetting of the benefits with the consent of concerned employees.

## SECTION 2:

### DEFINITION OF TERMS

- Discipline** Is the unquestionable respect, obedience and acknowledgement of given authority, as long as such is lawful and in accordance with the policies of the association.
- Corrective Action** is the measure taken against an employee who violated the association's policies and procedures, to guide him in the proper conduct and change of acceptable behavior aligned to the association's rules and procedures.
- Counseling** The first step in correcting the behavior of an erring employee, through meetings between the his/her immediate supervisor and the concerned employees, as mediated by the HR representative in order to have understanding of the goals of the association and the required standard of conduct.
- A minute of this meeting should be prepared and shall be filed to the employee's 201 file. However, this activity and minutes shall not be counted against the employee and shall not be part of the performance evaluation.
- Reprimand** Is a corrective action on an erring employee who violated a serious offense or infraction considered above counseling or after 1st step has been done and a repeat of the same offense was incurred.
- Suspension** The temporary separation from service without pay for a determined period of time, depending on the gravity of the offense or infraction or infraction committed, and with a warning to the employee that a repetition of the same offense or infraction shall be dealt with increasing severity, including possible termination from service.
- Termination** The permanent severance of the employee from the association.
- Complaint or Grievance** The discontent or dissatisfaction arising from anything connected with the association where the employee thinks, feels or believes is unfair or inequitable.
- Employees** Covers all individuals that are employed or works for the association.

**Offense or Infraction** An omission or act that are against the associations code of conducts or standards, and or established policies and guidelines.

**Written Explanation** The document required from an employee that needs to be submitted **within 72-120 hours upon(3-5 days)**receipt of the notice.

A full written explanation by the employee of the circumstances surrounding the offense or infraction or infraction committed by her/ him.

### **SECTION 3:**

#### **STEPS IN THE CONDUCT OF DUE PROCESS**

1. As soon as an offense or infraction is committed (whether light or heavy), the immediate supervisor is mandated to require the employee within twenty four hours after the offense or infraction is committed or discovered to write a WRITTEN EXPLANATION to be submitted within a minimum waiting time of SEVENTY TWO(72) hours but not to exceed ONE HUNDRED TWENTY (120) hours upon receipt of the written notice.

**1.1 In the event of inaction of immediate superior or his/her failure to require explanation from the erring employee when there exists prima facie or probable case against the erring employee, the next immediate superior or of higher rank shall then act on the same by requiring the submission of written explanation within the period allowed direct to the erring employee and likewise to require the immediate superior who failed to act on the same to submit explanation for his/her inaction or failure which may warrant as neglect of duty on the part of the concerned immediate superior.**

2. Light or Heavy offense or infraction is defined on the Table of Offense and Sanctions. Furthermore, the offense or infraction is classified in accordance with the Process of Offenses and Sanctions by the erring employee's immediate superior.

2.1. Light Offenses (offenses that merit either a Counseling or Reprimand only).

Upon receipt of the employee's Written Explanation, the immediate superior shall conduct her/ his own investigation, ascertaining the truth of erring employee's report and taking into consideration any mitigating or aggravating circumstances involved. The immediate superior shall then make a written report of the outcome of her/ his investigation and recommends the Corrective Action (whether Counseling or Reprimand). The same together with the employee's written explanation and other pertinent papers shall be filed in the employee's 201 file. Copy thereof shall be furnished to the Manager who has the authority to veto the recommended action. In the latter instance, the

Manager may impose a lighter or heavier Corrective Action. Implementation of the Corrective Action shall be the responsibility of the immediate supervisor.

2.2. Heavy Offenses (offenses that merit either a Suspension or Termination).

Upon receipt of the employee's Written Explanation, the employee's immediate superior shall refer the matter to the Investigating Committee that will conduct an investigation on the matter, taking into consideration the presence of mitigating or aggravating circumstances. All meetings must be properly recorded and documented. In cases where the involvement of external investigation agencies is needed, this requires clearance from the CEO/ GM.

3. The **Written Explanation** form must be the complete and exhaustive narration of the incidents/ circumstances revolving around the said offense or infraction.
  4. Upon submission of the written explanation by the employee to the immediate superior, the immediate superior then performs appropriate corrective action.
  5. If the offense or infraction is light, the employee is then given COUNSELING or WRITTEN REPRIMAND.
  6. Remember that even counseling should be recorded. However, this doesn't have any weight during performance evaluation of the concerned employee.
  7. If the offense or infraction is heavy, the immediate superior must consult with HR or seek authorization from the CEO whether to bestow on the employee PREVENTIVE SUSPENSION. If bestowed then notation is required.
  8. Preventive Suspension (PS) is imposed to an employee if and only if the employee's continued presence within the company's premises constitutes a serious and imminent threat to:
    - 8.1 the life of her/ his superiors or co-employees;
    - 8.2 the property of the association or co-employees;
    - 8.3 the sanctity of the evidence against her/ him
- PS shall be without pay but shall not exceed 30 calendar days. PS in excess of 30 days shall entitle the employee to mere reinstatement in the payroll.
9. Should the employee be absolved of the offense imputed to her/ him, she/he shall immediately be accepted back to the workplace and entitled to all the salaries and other benefits due her/ him during the period of PS when her/ his salaries and benefits were withheld.

10. Should the employee be found guilty of the offense imputed to her/him, the salaries and benefits she/he should have received during the period of PS shall be forfeited, without however any effect to those received by her/ him during PS in excess of 30 days.
11. Before anyone is summoned for an investigation, the employee must receive a HEARING NOTICE not less than twenty-four (24) hours before the actual schedule.
12. Selection Criteria for the Investigation Committee:
  - 12.1 A regular employee
  - 12.2 Member's of the management team (HR, Legal, Audit, Div. Manager of the personnel involved or their authorized representatives)
  - 12.3 A member of the Board or Grievance Committee for category C to F cases
  - 12.4 No Corrective Actions within a period of six (6) months before the selection date
  - 12.5 Unanimously recommended by the management team
13. Roles of the members of the Investigation Committee are the following:
  - 13.1 deliberate on the case;
  - 13.2 analyze the situation;
  - 13.3 vote on the recommended verdict or the final verdict
14. On Termination cases, the Investigation Committee must submit their reports (Minutes of the Hearing, Case Brief, Results of the Hearing) to the CEO/GM.

## **SECTION 4:**

### **PROCESS OF OFFENSE OR INFRACTIONS AND SANCTIONS**

The following degrees are established to equitably categorize the offense or infraction and or infraction committed, taking into consideration the following factors:

1. wider and more flexible norm of conduct applicable to all employees;
2. nature of offense or infraction;
3. gravity of the offense or infraction;
4. frequency and or repetition of the offense or infraction;
5. presence and or absence of aggravating and or mitigating circumstances;

*In the application and imposition of the appropriate sanction, only infractions committed or discovered, within a 12-month prescription period (1 year) shall be taken into consideration. Hence, the 12-month prescription period shall be the cleansing duration to be observed in the procedures of offense or infractions and sanctions. **However, such 12-month prescription period may not apply to major offenses.***

## TABLE OF PENALTIES:

The following penalties will apply depending on the type of offense committed by an employee:

| Type of Offense | A<br>MINOR                                    | B<br>MODERATE                                 | C<br>SERIOUS          | D<br>CRITICAL      | E<br>MAJOR | F    |
|-----------------|---|---|-----------------------|--------------------|------------|------|
| Frequency       |   |   |                       |                    |            |      |
| <b>First</b>    | Verbal Warning                                | Written reprimand with warning for suspension | 3 - 7 days suspension | 30 days suspension | Dismissal  | Exit |
| <b>Second</b>   | Written reprimand with warning for suspension | 1-3 days suspension                           | 15 days suspension    | Dismissal          |            |      |
| <b>Third</b>    | 3 days suspension                             | 7 days suspension                             | 30 days suspension    |                    |            |      |
| <b>Fourth</b>   | 7 days suspension                             | 15 days suspension                            | Dismissal             |                    |            |      |
| <b>Fifth</b>    | 15 days suspension                            | 30 days                                       |                       |                    |            |      |
| <b>Sixth</b>    | 30 days suspension                            | Dismissal                                     |                       |                    |            |      |
| <b>Seventh</b>  | Dismissal                                     |   |                       |                    |            |      |