

ANNEX 2 : EMPLOYEES BENEFITS

Excerpts from the chapters 9 and 10 of the HR Manual of Paglaum Mutual Benefit Association, Inc., to wit;

POLICIES AND PROCEDURES PAGLAUM MUTUAL BENEFIT ASSOCIATION, INC.	DOCUMENT NO.	Page
CHAPTER 9 LEAVE BENEFITS	Revision No.	Effectivity Date

POLICY

The objectives of providing leave benefits by PAGLAUM MBA are to release its employees from the pressure of work and to provide them time-off under circumstances such as sickness, marriage and pregnancy. The leave benefits set out in this Section is applicable to full-time permanent employees. Application for leave is subject to the approval of PAGLAUM MBA and must be supported by relevant documents proving the eligibility of the employee.

Details of the leave policy are set out in the following paragraphs. The policy shall be subject to change from time to time at the discretion of PAGLAUM MBA.

1.0 SERVICE INCENTIVE LEAVE

Right to Service Incentive Leave.¹

(a) Every employee who has rendered at least one year of service shall be entitled to a yearly service incentive leave of five days with pay.

(b) This provision shall not apply to those who are already enjoying the benefit herein provided, those enjoying vacation leave with pay of at least five days and those employed in establishments regularly employing less than ten employees or in establishments exempted from granting this benefit by the Secretary of Labor and Employment after considering the viability or financial condition of such establishment.

(c) The grant of benefit in excess of that provided herein shall not be made a subject of arbitration or any court or administrative action.

When a worker turns one (1) year with the company, the employee is entitled to five (5) days service incentive leave with pay or 5 days vacation leave. However, as the employee continued to be employed with the PAGLAUM MBA, he shall be given the benefits based on schedule:

¹ Labor Code of the Philippines. Book 3. Chapter 3. Article 95-Right to service incentive leave.

LENGTH OF SERVICE	VACATION/SICK
1 – 5 YEARS	5 / 5 DAYS
6 – 10 YEARS	10 / 10 DAYS
11 – 15 YEARS	15 / 15 DAYS

1.1 Schedule of Vacation Leave – An employee may take his/her vacation anytime of the year provided he has obtained the approval of his/her supervisor, in order not to hamper the working schedule of the company. Vacation leave shall be scheduled at the start of every year.

Days taken during vacation leave in excess of days earned and approved are considered leaves without pay and are deducted from the concerned employee's salary.

1.2 Application for Vacation Leave – Vacation leave must be applied at least one (1) week before the intended date. Application leave shall be evaluated by the supervisor and furnish a copy to the HRD office.

1.3 Conversion of Vacation Leave – Vacation leaves that are not consumed within a year shall be converted to cash at the end of the year.

2.0 MATERNITY LEAVE

2.1 Coverage and Contributions – Female employees who are members of the SSS shall be entitled to maternity benefits under the provisions of the SSS Law.

2.2 Procedure

- When a female employee gets pregnant, she should fill out a Maternity Notification Form (Forms can be taken from the HRD Office or SSS Office).
- The HR Officer shall take care in processing the accomplished form to the SSS.
- PAGLAUM MBA shall advance the maternity pay to the employee upon receipt of the maternity leave application supported by a certificate duly signed by a physician showing the probable date of childbirth / or actual date of miscarriage.

3.0 PATERNITY LEAVE

Every married male employee in the PAGLAUM MBA is entitled to a Paternity Leave for the first four (4) deliveries of his/her legitimate spouse as provided for by law:

Application for paternity leave must be supported by documents proving the eligibility of the employee to the satisfaction of PAGLAUM MBA. The supporting documents include a medical certificate issued by a registered medical practitioner specifying the expected date of birth of the child, a medical certificate issued by a registered medical practitioner specifying the date of birth of the child if so required by PAGLAUM MBA and a copy of the birth certificate of the child showing that the employee is the father of the child.

Procedure

1. When the declared pregnant wife is already on the delivery stage, the husband employee may apply for seven (7) days Paternity Leave at least One (1) month before the expected delivery date. He must inform his/her immediate superior of his/her absence.
2. The husband employee can avail the Paternity Leave only up to his/her 4th child.

4.0 SICK LEAVE

Employees will be granted paid sick leave for reasons of physical or dental illness as certified by registered medical/dental practitioners. The maximum sick leave that can be taken by employees is governed by the provisions as stipulated in this Policy.

Employees are required to notify their superiors by telephone in the first instance of any illness precluding them from work.

Sick leave applications for more than three (3) days must be supported by medical certificates issued by registered medical/ Chinese medicine/dental practitioners. Otherwise, the leave taken will be counted as no pay leave.

Employees taking sick leave exceeding their statutory entitlement and supported by medical certificates issued by registered medical/dental practitioners will have their salaries deducted.

5.0 EDUCATION LEAVE

5.1 Eligibility

Education leave will be granted to employees subject to the job relevance of the program and examination, career development, and/or other conditions. For the avoidance of doubt, an employee who has submitted notice of resignation is not eligible to apply for education leave. If an employee's application for education leave has been approved prior to his/her submission of notice of resignation and the approved leave falls within his/her notice period, the approved leave will be subject to cancellation.

5.2 Education Leave

For training programs that are initiated and/or fully sponsored by PAGLAUM MBA, employees are not required to apply for leave. They will be granted time-off to attend the programs.

For training programs that are partially/not sponsored by PAGLAUM MBA, employees are required to apply for leave. Time-off will only be granted subject to the job relevance of the program at the discretion of their superior and the Human Resources Department.

For academic programs with regular scheduled sessions or residential sessions held within office hours, employees are required to apply for vacation leave to cover their time-off.

Applications for Education Leave must be accompanied by supporting documents including program confirmation notice/timetable and/or the approved sponsorship notice issued by the Human Resources Department.

6.0 BEREAVEMENT LEAVE

The PAGLAUM MBA will grant all full time employees bereavement leave of three (3) days off with pay in case of death of immediate family member. Such leave must be authorized by the employee's Department / Division head only.

Immediate Family

SINGLE	MARRIED
Parents	Spouse
Brother / Sister	Parents
Grandparents	Children
	Brother / Sister
	In-laws

POLICIES AND PROCEDURES PAGLAUM MUTUAL BENEFIT ASSOCIATION, INC.	DOCUMENT NO.	Page
CHAPTER 10 COMPENSATION AND BENEFITS	Revision No.	Effectivity Date

POLICY STATEMENT

PAGLAUM MUTUAL BENEFIT ASSOCIATION INCORPORATED (PAGLAUM MBA) is anchored on the principle of equal work, equal pay as basis for giving remunerations to its employees. It aims to provide fair and equitable remuneration in relation to their respective responsibility and efficiency of performance.

DESCRIPTION/DEFINITION

1.0 BASIC PAY

This refers to the pay received without taking into account any additional benefits following within the industry standards.

2.0 LONGEVITY PAY

Computation Reference on Longevity: On the 6th year anniversary from the date of Employment, 2% increase on basic salary for every year of service.

3.0 13th MONTH PAY

This is given to all regular employees not later than December 24 of every year.

4.0 RICE ALLOWANCE

After being appointed as regular employee, a rice allowance equivalent to P1, 500.00 per month of good rice shall be given every month and probationary staff shall likewise receive P1, 000 worth of rice allowance.

5.0 CLOTHING ALLOWANCE

A yearly clothing allowance shall be given to each employee whose amount shall be determined by the Management.

6.0 COST OF LIVING ALLOWANCE

A monthly COLA shall be given to all employees.

7.0 REPRESENTATION & TRAVEL ALLOWANCE (RATA)

This is accorded to key managers and division heads.

8.0 HOUSING SUBSIDY

A monthly housing subsidy shall be given to staff who are assigned more than 50 kms from present residence or if it is impossible for the staff to come home and report office daily.

9.0 HOME VISITATION BENEFIT (HVB)

An HVB is given to staff assigned not from his/her place of origin. Benefit is to allow the staff come home once a month with full refund exclusively on to & from transportation expenses. Meals not included.

10.0 INSURANCE COVERAGE

All OJT, regular & probationary employees are enrolled in the CoopAksi Plan coverage for free.

11.0 COMMUNICATION ALLOWANCE

A communication allowance of P600/month accorded to all BM's & H.O Key Mgt. Staff and Php 350.00 for Marketing Officer

12.0 PROMOTIONAL ALLOWANCE

The promotional increase is extended as a base pay adjustment consequent to promotion.

13.0 EMPLOYEE'S ACCIDENTAL BENEFIT

This serves as financial assistance to all regular staff suffering from injuries due accident.

14.0 SEASONAL GIFTS

This may be given every December whose amount shall be determined by the Mgt. through BOT confirmation.

15.0 CASH BOND

This is for security purposes of employment to all staff and also a safety measure to avoid fraud in the organization.

- Support employee (includes utility, messenger, driver, clerks) - **P 5,000.00**
- Line employee (includes teller, account/technical officer, subordinate staff) - **P 8,000.00**
- Supervisory (includes dept. heads, division heads, supervisor, bookkeeper & cashier) - **P 10,000.00**
- BM/Head Office Specialist - **P 15,000.00**
- General Manager - **P 30,000.00**

Time Frame

50% of the amount will be provided immediately after signing the contract of employment. Remaining 50% will be provided gradually (bi-monthly payment).

16.0 ANNUAL MEDICAL ALLOWANCE

PAGLAUM MBA shall provide assistance to all regular staff for their health care needs in occurrence of sickness, whether for out-patient or for hospitalization. Paglaum MBA has partnered with insurance provider who is offering **HMO**

17.0 SEASONAL GIFTS

This may be given every December whose amount shall be determined by the Management through BOT confirmation

- Cash Bonus
- Gift Certificate
- Rice Gift
- Other Rewards/Recognition

All company benefits may change from time to time should there be new negotiations and agreements between the employees and the organizations.

21.0 EMPLOYEE'S MEDICAL INSURANCE BENEFIT

BASIC (Insular Life Hospitalization Benefits)

The plan provides coverage for specific medical services such as hospital, surgical, physician, and diagnostic x-ray and laboratory treats. Limits on these expenses are expressed in amount, number of hospital days and a surgical schedule, but no deductible or coinsurance applies to the covered expenses.

The plan also provides separate maximum benefits for every unrelated sickness or injury; benefits under certain conditions, even to group members who are separated from your services due to disability; and surgical benefit even if there is no hospital confinement.

The insurance provider shall reimburse the actual, necessary, reasonable and customary hospital and medical expenses incurred by the insured if hospitalized as a registered bed-patient for a covered disability; in a duly registered hospital or clinic; and for at least six (6) hours.

Period of disability begins on the date of confinement to the hospital and terminate to the date of discharge. This will include all subsequent confinements occurring within 90 days (for employees) and 180 days (for dependents) from the date of discharge from the latest confinements from the same or closely interrelated causes.

If two successive confinements are separated by a 90-day interval, the later will be considered as a new and independent period of disability. Maximum Benefit Limit (MBL) is the limit of the amount payable under the hospitalization plan.

DEFINATION OF BENEFITS:

Room and Board

Reimbursement of room accommodation and subsistence actually incurred but not to exceed the daily limit stated in the Plan.

Charges, such as extra bed, extra tray, transfer room fee, and similar extra charges are not reimbursable.

Special Hospital Services

Reimbursement of actual costs charge by the hospital for operating room, including anesthetics and oxygen and their administration; X-ray examinations and electrocardiography; laboratory examinations; drugs, medicines and dressing administered, blood transfusion and other similar medical services and supplies up to the limit stated in the Plan.

Charges for copies of hospital record, registration fee, newspaper, telephone calls, rent of radio or television, and other similar charges are not covered.

Surgical fee

Pays for the professional fee charged by the surgeon for performing an operation but not to exceed the amount corresponding to the particular surgery performed as determined by the Schedule of Operations and maximum limits stated in the Plan.

If two or more operative procedures are performed through a single incision, payments shall be made only for that one operation for which the largest amount of benefit is payable.

Doctor Calls

Pays for the daily charges of the attending physician for in-hospital visits or treatment calls during confinement, not involving surgery, up to a daily limit stated in the Plan.

**INSURING PROVISIONS AND OTHER CONSIDERATIONS ON
THE HOSPITALIZATION PLAN:**

1. ELIGIBILITY

All regular, full-time, permanent and probationary employees, who are at least 18 years old but not more than 64 years old, shall be eligible for insurance; Coverage shall automatically terminate at age 65 or normal retirement age/resignation, whichever comes first.

2. **PARTICIPATION REQUIREMENT.** If the plan is written on a non-contributory basis with the employer paying the entire cost, employees: 100% participation is required to establish and maintain the plan. In no case, however, should the number be less than 320 lives as of policy yearend.
3. **EFFECTIVE DATE OF INSURANCE.** Coverage of present employees will commence on the effective date of the Policy. Coverage of future employees, however, will take effect on the date he becomes eligible as member of the plan.

In both cases the employees concerned must be actively at work on the date his coverage should take effect on the first day of the month coinciding with or immediately following his return to active full time work.

Employees must be reported for coverage within thirty-one (31) days from eligibility date. Otherwise, coverage shall take effect only upon approval, subject to the following conditions:

1. No hospitalization benefits shall be payable for confinement due to existing illness or disability occurring within three (3) months from the date the insurance takes effect;
And

Plan shall be made effective on the date you indicate the Master Application provided all your eligible employees will participate and the corresponding total initial premium is paid.

4. **TERM OF COVERAGE.** This coverage is on a one-year term basis only, subject to renewal on the anniversary date of the policy.
5. **PREMIUM.** The premium shall be uniform for all your eligible plan holders regardless of age. Every policy anniversary, a new premium rate shall be determined. Depending on our claims experience with your Group, the premium rate may be maintained, reduced or slightly increased.
6. **GRACE PERIOD.** You shall be entitled to a 31 day grace period from every premium due date after your payment of your first premium. Non-payment of premium on due date or within the grace period will cause the group policy to lapse or without force and effect.

22.0 RETIREMENT BENEFIT

An employee who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

Further, the term one half (1/2) month salary's shall mean fifteen (15) days plus one twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves