	<b>NATCCO MBAI COMPENSATION POLICY</b>	<b>NMBAI HRM 04-20222</b>	
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## 1. INTRODUCTION

The National Confederation of Cooperatives Mutual Benefit Association, Inc. (NATCCO MBAI) shall adopt a compensation program that is competitive in relation to other industries in the country and the minimum wage level.

It is the responsibility of the Human Resources Unit or its equivalent functional unit to ensure that compensation policy is complied with.

NATCCO MBAI aims to:

- To establish a policy on just compensation.
- To install standard operating procedures on compensable time, releasing of salary, and proper and applicable deductions.

## 2. POLICY STATEMENT

It is the declared policy of NATCCO MBAI to provide a just compensation program to all employees, taking into consideration the related laws and competitiveness of the Association.

## 3. APPLICABILITY

This policy applies to permanent, contractual, or casual employees of NATCCO MBAI.



## 4. PROCEDURES


### 4.1. BASIC PAY SCALE

The salary rate, which is subject to pertinent income tax and other government-mandated deductions, is composed of basic pay, applicable allowance (if any), and other earnings.

Salary rate is computed as follows:

Monthly Basic Rate (MBR)	= $\frac{\text{Daily Rate} \times 313 \text{ days}}{12 \text{ months}}$	Where 313 days = 297 working days + 1 municipal holiday + 12 regular holidays + 3 national holidays
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#### 4.2. COMPENSABLE TIME

4.2.1 All work hours between the first eight hours rendered by the employee on regular work days including privileged day-off are considered compensable time except on the following scenarios:

- 4.2.1.1 One (1) hour lunch break
- 4.2.1.2 Tardiness from 6<sup>th</sup> minute onwards after the start of shift schedule
- 4.2.1.3 Unofficial under time
- 4.2.1.4 Unauthorized overtime after the 8-hour shift
- 4.2.1.5 Unapproved leave / leave without pay

4.2.2 In case of Work from Home (WFH), the Policy on Flexible Work Arrangement (FWA) shall apply.

#### 4.3 ATTENDANCE CUT-OFF AND PAY RELEASE

4.3.1 There are two payroll cut-off dates that should be observed:

- 4.3.1.1 First cut-off – 21<sup>st</sup> of the previous month up to 5<sup>th</sup> of the current month
- 4.3.1.2 Second cut-off – 6<sup>th</sup> up the 20<sup>th</sup> of the current month

4.3.2 Pay releases are scheduled as follows:



- 4.3.2.1 Tenth (10<sup>th</sup>) of the month – includes attendance on the first cut-off
- 4.3.2.2 Twenty-fifth (25<sup>th</sup>) of the month – includes attendance on the second cut-off


4.3.3 Salary is credited and released through the employees payroll account in a bank designated by NATCCO MBAI.

#### 4.4 APPLICABLE ATTENDANCE-BASED DEDUCTIONS

4.4.1 Employees who report for work beyond the agreed schedule and after the grace period shall be deducted in each minute of tardiness, except in cases where there is a declaration of tardiness amnesty from HR.

4.4.2 Employees who leave the work area or work assignment before the official work day/hour with or without justifiable reason or permission from the Immediate Superior or Unit Head

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shall be deducted applicable under time, except in cases where there is a declaration of Official Early Off from HR.

- 4.4.3 Unapproved Vacation Leaves applications by the employee, regardless of available leave credits.
- 4.4.4 Unapproved official business incurred by the employee.
- 4.4.5 In the case of Work from Home (WFH), the Policy on Flexible Work Arrangement (FWA) shall apply.

#### 4.5 HOLIDAY PAY

Generally, all employees are discouraged to work on a holiday. However, if work exigencies require that staff should be at the office, on instruction from the Unit Head or Immediate Superior, such staff shall be entitled to the following:

- 4.5.1 Work on **SPECIAL HOLIDAY** – additional 30% of hourly basic salary per hour rendered

Example: Staff A with daily rate of P1,000 works on Dec. 31 for 4 hours

Computation: P37.50 (30% of P125.00 hourly rate) X 4 hours  
= additional P150.00 as special holiday pay

- 4.5.2 Work on **REGULAR HOLIDAY** – additional 100% of hourly basic salary per hour rendered

Example: Staff B with daily rate of P1,000 works on January 1 for 4 hours



Computation: P125.00 (100% of P125.00 hourly rate) X 4 hours  
= additional P500.00 as regular holiday pay


- 4.5.3 List of Official Philippine Holidays shall be obtained by the HR Unit every year from the official website of Malacañang.

#### 4.6 OVERTIME

- 4.6.1 Work performed beyond the eight (8) hour daily work requirement is considered overtime work. However, law dictates that a minimum of one (1) hour rendered after the end of shift shall be considered compensable overtime provided it is approved by the Immediate Superior or Unit Head.

- 4.6.2 Overtime pay guide to follow:

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Work Performed During:	Premium Pay	Overtime Factor
Regular Work Day	100%	25%
Employee's Day Off	130%	30%
Special Holiday	130%	30%
Legal Holiday	200%	30%
Day Off & Special Holiday	150%	30%
Day Off & Legal Holiday	260%	25%

4.6.3 For overtime services rendered beyond 10:00 pm but not exceeding 6:00 am the next day, an additional 10% of the hourly rate shall apply, as night differential.

## 5.7. SALARY ADJUSTMENT

5.7.1 Salary adjustments shall be defined here as any employee salary increases. There shall be three types of increases:



5.7.1.1 Performance increase – increase based on the approved Salary Matrix.


5.7.1.2 Mandatory increase – increase of employee's basic salary as mandated by labor law.

5.7.1.3 Inflationary increase – increase due to economic inflation subject to Board approval

Aforementioned policies are subject to change should NATCCO MBAI deems it necessary.

5.7.2 All pays shall be based on the approved Salary Rates, Compensation and other

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Benefits Matrix

**6 SEPARABILITY CLAUSE**



If any provision or part of this policy is declared invalid, the remaining parts or provisions not affected must remain in full force and effect.

**7 AMENDMENTS**

This Policy may be amended or modified only by a written instrument, executed by the President and approved by the Board of Trustees.

**8 DATE OF EFFECTIVITY**

This policy must take effect on the date of the approval of the Board of Trustees.

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