



PRAXIS FIDES MBAI

EMPLOYEES' MANUAL

• 1987 •

PREFACE

ARTICLE I

- **VISION: " Pinagsamang Yamang Tao, Buhay na Ganap ang Tungo "**
- **MISSION: " Magtipon Tayo't Mag-impok, Makatugon at Maglingkod "**
- **Historical Background**

Praxis Fides Mutual Benefit Association, Inc. was registered with the Securities and Exchange Commission on February 17, 1987. The license to operate as an MBAI (mutual benefit association inc) was first granted by the Insurance Commission on January 11, 1995.

The idea of putting up Praxis Fides (PFMBAI) was a response to the call for moral and economic recovery in post-EDSA Philippines. In particular, it originated in the context of voluntary Church workers, especially catechists, to encourage thrift and savings.

Money is generated by a member's subscription in specific pension plans – value of money grows in time over and above contributions. Members are covered by a life-insurance, usually 300 times monthly contribution, but never to exceed P200,000.00. Members are encouraged to borrow in order to put up economic/livelihood projects.

Across the years PF has financed school constructions, numerous private businesses and myriad provident purposes.

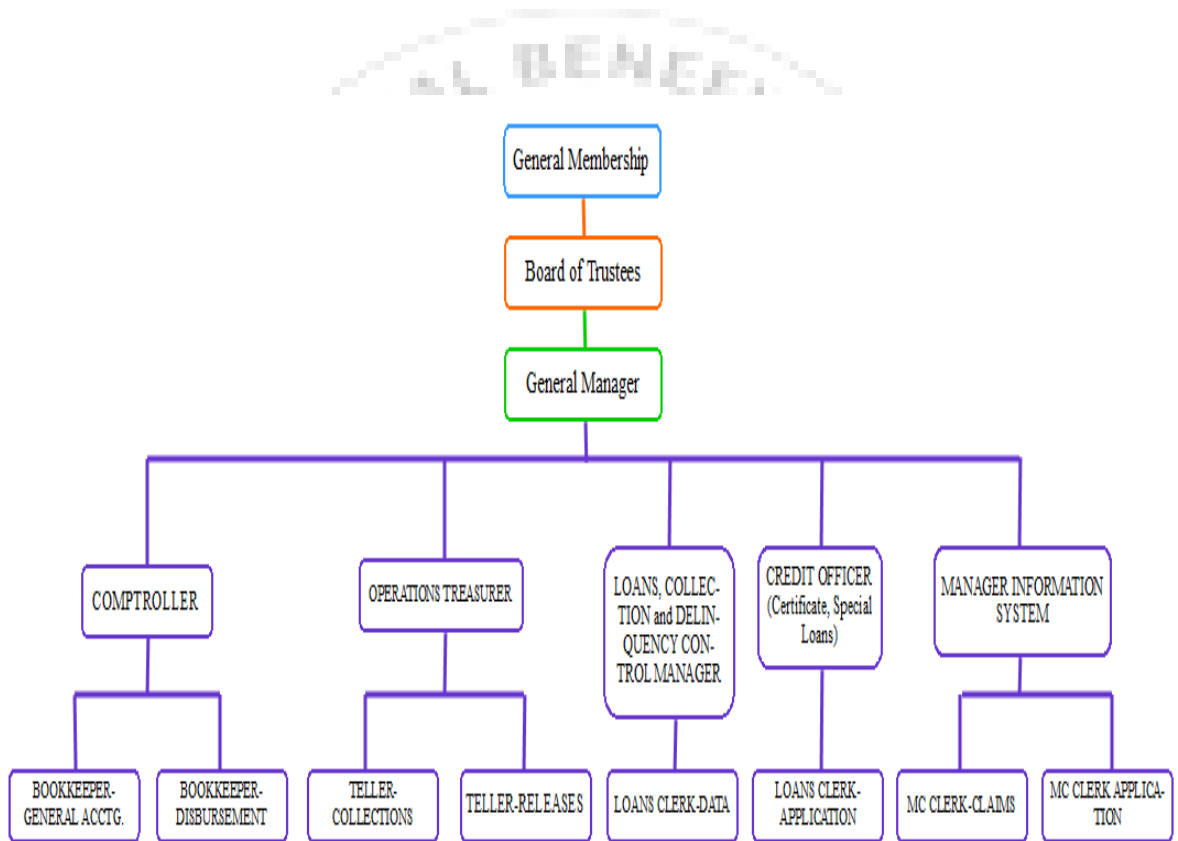
Although membership was first intended for Church workers, their small number prompted the Association to open its doors to a wider public, to also include what we like to call potential Church workers. In the main, membership is open to any resident of the province who shares in the Association's objectives. Most of the field workers (agents/ area reps) come from the ranks of church workers.

On February 17, 2012, Praxis Fides PFMBAI celebrated its 25th year of corporate existence, with over 62,000 members and a little over P400 million in assets.



ARTICLE II

Section 1: PFMBAI Organizational Structure



ARTICLE III

Section 1: **PRAXIS FIDES BOARD OF TRUSTEES (2014-2015)**

Chairman of the Board : Rev. Msgr. Luciano C. Balagtas

Vice-Chairman : Engr. Rodelio P. Cristobal

Corporate Secretary : Mr. Antonio F. Juliano

Treasurer : Rev. Fr. Angelito S. Santiago

Auditor : Ms. Luciana M. Gonzales

Independent Trustee : Atty. Warlito D. Gogolin

Independent Trustee : Ms. Leonora D. San Juan

• **Section 1.1 Powers and Duties of BOT Officers -**

1. The Chairman of the Board shall have the following powers and duties:
 - a. To call and preside over all meetings of the Board of Trustees;
 - b. To call and preside over all meetings of the Association;
 - c. To execute all laws, rules and regulations, provisions of the by-laws and orders of the Chairman, Securities and Exchange Commission and the Insurance Commissioner, as well as the cks, policies and decisions of the Board of Trustees;

d. To sign all contracts entered into for and in behalf of the Association;

e. To sign all papers, receipts, drafts, checks, payrolls, and vouchers of the Association;

f. To sign all minutes of the Association in general and special meetings and to furnish the Chairman, Securities and Exchange Commission copies thereof;

g. To submit an annual report of his administration at the general meeting of the Association;

h. Any of the above powers and duties may be delegated to any officer or official subject to the approval of the Board.

2. The Vice-Chairman if qualified shall assume office and function of the Chairman in case of incapacity, illness, absence or demise and in the latter case until a successor is elected. He shall also perform such duties such as the Chairman and/or the Board of Trustees may prescribe.

3. The Secretary shall have the following powers and duties:

a. To keep all records of the Association, minutes and such other papers belonging to the Association;

b. To see to it that all notices of meetings are duly sent and received by the Board of Trustees and members of the Association;

c. To certify and attest to all minutes, records and proceedings of the meetings of the Association, and

d. To keep records of the names of all membership, deeds and inventories of property.

4. The powers and duties of the Treasurer are as follows:

- a. To issue receipts for all money and property received by him;
- b. To sign with the Chairman all checks, drafts, vouchers and such other instruments covering the disbursement and withdrawal of funds of the Association;
- c. To collect all fees, dues and issue receipt for the same from all members;
- d. To deposit in a banking institution designated by the Board of Trustees all funds belonging to the Association;
- e. To keep books for the funds and property of the Association;
- f. To make an inventory of the funds and property of the Association and render a report based thereon within the first week of January of every year; and
- g. To put up bond as may be required by the Board of Trustees.

5. The Auditor shall have the following powers and duties:

- a. To audit the books and transactions of the Association; and
- b. To examine the operation of the Association with the end in view of increasing efficiency, reducing operational costs, minimizing idle capital and maximizing profits.

Section 2: **THE GENERAL MANAGER/DUTIES AND RESPONSIBILITIES**

The main job is to oversee and manage all operations of the Association and implement policies and Board Resolutions through administrative actions. Reporting shall be directly to the Board of Trustees.

I. Operations

1. Prepares and justifies a comprehensive operational plan for the Association for approval of the Board.
2. Monitors and compares monthly performance of the Association against the approved operational plan.
3. Explains and justifies negative performance of the Association every Board meeting.
4. Implements all decisions of the Board needing administrative action and policy recommendation.
5. Manages the daily operations of the Association and oversees all sections in the Association.
6. Approves transactions within his/her approving authority limit.
7. Decides on placements and termination of funds not covered by decision of the Board.
8. Manages short-term and long-term commitment of resources.

II. Service

1. Handles complaints by AR's/AC's/members referred by staff.
2. Answers queries by AR's/AC's/members about the Association and its business.

III. Control

1. Reviews and manages expenses of the Association.

IV. Administrative

1. Handles the Area Coordinators (AC's) and Area Representatives (AR's.).
2. Conducts regular meeting with the employees and AC's/AR's.
3. Supervises and conducts performance appraisal of the Operations Treasurer, Comptroller, Loans Collection and Delinquency Control (LCDC) Manager, Credit Officer and Management Information Systems (MIS) Manager .
4. Determines and reviews job responsibilities of all employees.
5. Set standard of performance of staff, AC's and AR's.
6. Identifies training needs of employees and causes the conduct of the training .
7. Makes timely and pertinent reports to the Board of Trustees.
8. Represents the Association with the Insurance Commission and Chamber of Mutual Benefit Associations.

V. Others

1. Performs other functions that may be assigned from time to time.

Section 3: **OFFICERS/DUTIES AND RESPONSIBILITIES**

- Section 3.1 **Operations Treasurer** -

The main job is to handle cash operations and manage the funds of the Association. Reporting shall be directly to the General Manager.

I. Operations

1. Acts as custodian of various funds such Petty Cash, Marketing, Medical, Board of Trustees, General, Praxis Fides Collection Income Fund (PFCIF) and Support Fund.
2. Processes and releases all petty cash requisitions as well as replenishment.
3. Scouts for possible high yielding investment outlets and makes appropriate recommendation to the General Manager.
4. Monitors all placements of funds as well as their maturity dates and makes renewal or termination of placements as instructed by Board of Trustees.
5. Assists in processing and encoding of collections/acts as alternate of teller.
6. Approves checks representing proceeds of express loans.
7. Acts as alternate of the General Manager as check signatory.
8. Monitors amount and frequency of shortages/overages incurred by teller .

II. Service

1. Handles complaints by AR's/members referred by staff.

2. Answers queries by AR's/members about the Association and its business.

III. Control

1. Performs end-of-day count of cash of Teller-Collections.
2. Balances cash transactions of Teller-Collections against the Daily Collections Report.
3. Ensures reporting of shortage/overage of Teller-Collections on the day of its occurrence.
4. Custodian of working supply of OR booklets, unissued corporate checks or collection booklets surrendered by Bookkeeper-Encoder/Teller at the end of the day.
5. Primary custodian of the main vault combination.
6. Safeguards system access code and terminal used for collections.
7. Co-custodian of loan collateral documents.

IV. Administrative

1. Prepares monthly reports on the funds being handled.
2. Prints end-of-day report/s generated by the system such as Daily Cash Collections Report.
3. Prepares timely and other pertinent reports as may be required from time to time.
4. Reviews and validates report of Teller on shortages incurred.
5. Supervises and conducts performance appraisal of Tellers.
6. Implements sanctions to Tellers on incurrence of shortages.
7. Conducts investigation and prepares report in cases of infractions resulting in just cause for termination of Tellers.
8. Alternate holder of all keys to the Head Office.

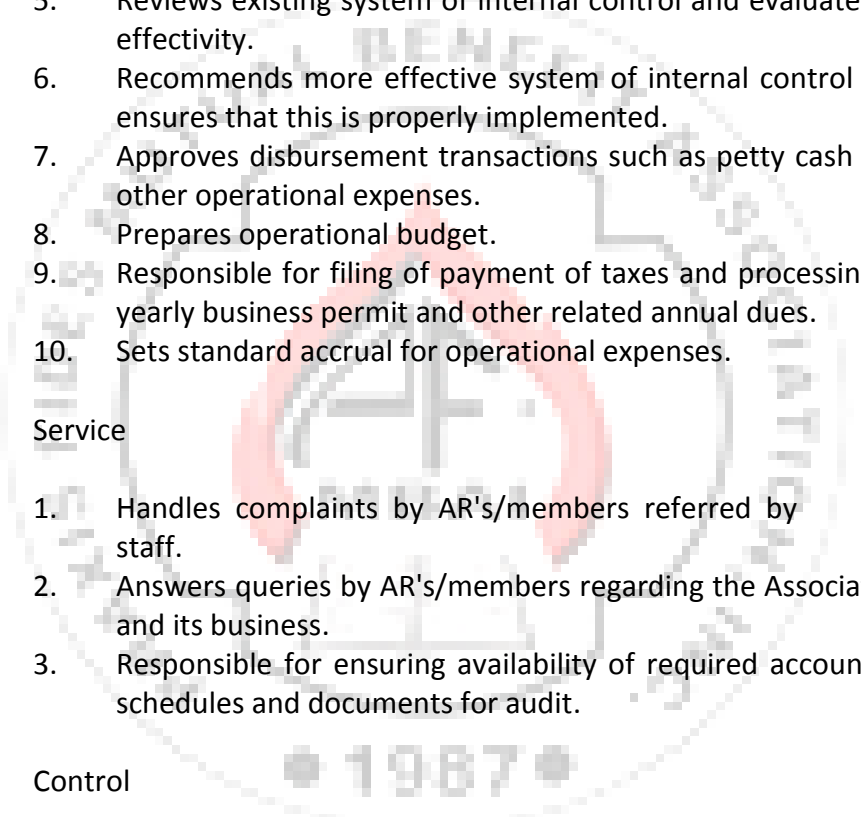
V. Others

1. Performs other functions that may be assigned from time to time.
 - Section 3.2 **Comptroller** -

The main job is to head and manage the Accounting Section and implement controls in the operation of the Association. Reporting shall be directly to the General Manager.

I. Operations

1. Ensures that financial transactions recorded in the books are valid and accurate by installing a comprehensive control system.
2. Analyzes and interprets financial data which serve as tools

- 
- for projections on cash flow and operational budget.
 3. Accomplishes annual financial reports as required by the government or its regulatory agencies.
 4. Discusses with internal, external and government auditors and regularizes audit findings.
 5. Reviews existing system of internal control and evaluates its effectivity.
 6. Recommends more effective system of internal control and ensures that this is properly implemented.
 7. Approves disbursement transactions such as petty cash and other operational expenses.
 8. Prepares operational budget.
 9. Responsible for filing of payment of taxes and processing of yearly business permit and other related annual dues.
 10. Sets standard accrual for operational expenses.
- II. Service
1. Handles complaints by AR's/members referred by staff.
 2. Answers queries by AR's/members regarding the Association and its business.
 3. Responsible for ensuring availability of required accounting schedules and documents for audit.
- III. Control
1. Conducts surprise count of cash and inventory of Official Receipts and corporate checks every month.
 2. Alternate custodian of the main vault combination.
 3. Safeguards accounting system access code and terminal used

for general accounting.

4. Conducts monthly audit of all funds handled/managed by the Operations Treasurer.
5. Prepares report on results of inventory and cash count as well as audit of all funds.
6. Custodian of non-working supply of Official Receipt booklets and corporate checks and responsible for updating corresponding logbooks.
7. Performs monthly inventory of accountable forms.

IV. Administrative

1. Supervises and conducts performance appraisal of all accounting staff.
2. Conducts investigation and prepares report in cases of infractions resulting in just cause for termination.
3. Prepares other reports as may be required from time to time.
4. Implement sanctions on violations against policies and procedures.
5. Holder of all keys to the Head Office.
6. Responsible for the security and upkeep of the premise.

V. Others

1. Performs other functions that may be assigned from time to time.

- Section 3.3 **MIS Manager** -

The main job is to develop, install and maintain the Association's computer system including security control measures. Reporting shall be directly to the General Manager.

I. Operations

1. Develops and installs applicable programs to be used by the company in processing and recording transactions.
2. Installs and implements security control measures in the access of computer programs and data.
3. Designs the reports needed to be generated by the system.
4. Prepares User's Manual on existing programs.
5. Approves amendments/reinstatement application for membership.

11. Service

1. Handles complaints by AR's/members referred by staff.
2. Answers queries by AR's/members regarding the Association and its business.

III. Control

1. Conducts system audit at least once every quarter.
2. Safeguards system access code and terminal used for MIS.

IV. Administrative

1. Prepares a written report on system error as it occurs and a quarterly report on result of systems audit.
2. Supervises and conducts performance appraisal of the MC Clerks.
3. Prepares other reports as may be required from time to time.

V. Others

1. Performs other functions that may be assigned from time to time.

- Section 3.4 **Credit Officer** -

The main job is to oversee and manage all operations of the Loans Section, increase loan portfolio and implement policies on loans. Reporting shall be directly to the General Manager.

I. Operations

1. Prepares and justifies a comprehensive plan for loan operations inclusive of loan acquisition targets, operational requirements and promotional initiatives for approval of the Board.
2. Ensures that all loan applications are properly processed and accurately recorded.
3. Conducts interview of borrowers availing of collateral loans.
4. Reviews all loan documents prior to approval or endorsement for approval of General Manager (GM), Credit Committee

(CRECOM), and Board of Trustees (BOT).

5. Analyzes collateral loan applications and prepares loan proposals as necessary.
6. Monitors and compares monthly performance against the approved operational plan.
7. Explains and justifies negative performance of Loan releases to the General Manager .
8. Approves transactions within his/her approving authority limit.

II. Service

1. Handles complaints by AR's/AC's/members referred by
2. staff regarding Loans Applications.
Answers queries by AR's/AC's/members about the Association and its business.

III. Control

1. Safeguards system access code and terminal used for loans.
2. Acts as alternate holder of key to loans cabinet.
3. Conducts monthly inventory of items held as collateral.

IV. Administrative

1. Supervises and conducts performance appraisal of the Loans Processors.
2. Reviews and analyzes all reports on loans.
3. Makes timely and pertinent reports as required from time

to time.

V. Others

1. Performs other functions that may be assigned from time to time.

Section 3.5 Loan Collection and Delinquency Control Manager -

The main job is to oversee collateral loan releases and manage all operations of the Loan Collection Section, set targets and implement policies on loan collections. Reporting shall be directly to the General Manager.

I. Operation

1. Ensures all loan releases meet the loan criteria of a good loan to eliminate future delinquencies.
2. Discusses with the borrowers amortization schedule and other obligations (Real property tax payment, insurance, etc) prior to the release of loan proceeds.
3. Monitors collection activity and ensures that all collection procedures are implemented up to the point of litigation.
4. Prepares and send collection and demand letters to borrowers.
5. Prepares monthly ageing of accounts receivable and report problematic accounts.

6. Conducts area visits to delinquent loan borrowers.
7. Finds necessary solutions to collect delinquent accounts such as but not limited to serve as intermediary to LGU's for take-out of the loans, finds buyer of the collateral and other possible solutions.
8. Report delinquent accounts of BOT, AC's/AR's and staff's privilege loans.
9. Recommends qualified loan accounts for write-off to the General Manager for approval of Board of Trustees (BOT).

II. Service

1. Handles complaints by AR's/AC's/members referred by staff regarding Loans Collections.
2. Answers queries by AR's/AC's/members about the Association and its business.

III. Control

1. Safeguards system access code and terminal used for loan Collection.
2. Acts as holder of keys to collections cabinet.
3. Suggests control measures to improve collection efficiency to General Manager.

IV. Administrative

1. Represents the Association during litigation.
2. Supervises and conducts performance appraisal of the Loans Collection Data Processors.
3. Reviews and analyzes all reports on loan collections.
4. Makes timely and pertinent reports as required from time to time.

V. Others

1. Performs other functions that may be assigned from time to time.

ARTICLE IV

- Recruitment and Hiring (c/o HR Committee)

ARTICLE V

CODE OF CONDUCT

The following words and phrases, as used in this Code, shall have the meaning indicated unless a different one is plainly expressed in the text.

- a.) PFMBAI shall mean the Praxis Fides Mutual Benefit Association, Inc.
- b.) EMPLOYEE refers to PFMBAI employees who have been extended permanent appointments or who are probationary and/or trainee status in positions requiring permanent

appointments. Temporary or casual hires shall be covered by this code as provided in their individual contracts.

- c.) EMERGENCY CASES include unforeseen circumstances such as fire, typhoon, flood, earthquake, sickness, giving birth, death or any accident involving either the employee or immediate members of his family which shall include the spouse, children, parents, or parents- in-law.
- d.) COMPANY PREMISES include all buildings, warehouse, storage areas and all other properties and working areas .
- e.) COMPANY VEHICLES, which may be owned, rented, operated or used by the company.

Section 1. GENERAL RULES

Office Hours

The regular office hours of the PFMBAI from Monday through Fridays shall be from 9:00 in the morning to 5:00 in the afternoon, unless otherwise modified by the Management based on the requirements of the job.

Section 2. PUNCTUALITY AND ATTENDANCE

A. Guidelines in Timekeeping

Every employee is required to strictly observe the following rules and regulations on punctuality and attendance.

Every employee shall log in and out through the BIOMETRICS SYSTEM. In case the employee fails to register in or out, the employee shall accomplish a manual attendance report to be approved by his immediate Supervisor.

Employees who go out on field or are on assigned missions shall accomplish Office Business (OB) Form duly signed and approved by their respective immediate supervisors, except for those employees whose job requires them to regularly go out on field.

B. Tardiness/ Undertime

An employee who arrives at his/her work location ten (10) minutes after the start of official work hours or shifts, shall be considered tardy for that day.

Excessive Tardiness is defined as tardiness for more than five (5) times or an accumulated tardiness of more than fifty (50) minutes whichever comes first, within any calendar month.

Excessive tardiness as defined above shall be considered as a single and separate violation subject to disciplinary action.

Failure to observe the rules and requirements for availment of undertime, sick and vacation leaves shall likewise constitute an offense under this Section and shall be penalized accordingly.

C. Absences

Refers to authorized or unauthorized leaves other than authorized vacation leaves.

- a.) AUTHORIZED ABSENCE refers to absence from work requiring prior permission because of compelling reasons.
- b.) UNAUTHORIZED ABSENCE refers to absence from work without seeking prior permission from his/her immediate supervisor or not informing the supervisor of such absence on the intended date of absence.
- c.) EXCESSIVE ABSENCE refers to unauthorized absences extending for more than three (3) days but not more than five (5) consecutive working days.
- d.) ABANDONMENT- Unauthorized and unexcused absences which exceeds five (5) consecutive working days shall constitute abandonment of work.

An employee shall be considered Absent Without Official Leave (AWOL) in the following cases and shall be subject to disciplinary action:

1. When he/ she is absent for any reason and fails to notify the office within twenty four (24) hours, or within a reasonable time in emergency cases;
2. When he/she fails to return to work after the expiration of an approved leave such as vacation leave, maternity leave, etc.

Notification Procedure:

- i) For non- emergency cases- He/ she should accomplish a Leave Form and secure prior approval from his/her immediate supervisor before taking the absence. The approval shall be secured not later than the close of business hours of the working day immediately preceding the intended date of absence.
- ii) For emergency cases- He/she should notify his/her supervisor of such absence and of the reason or reason thereof at the earliest possible time, using the fastest means of communication available to the employee.

Section 3. OFFICE ATTIRE

All employees shall wear the prescribed office uniform unless otherwise allowed by the Management. In such cases, ladies shall wear the proper business attire (dress/ blouse and skirt) and buttoned- down shirt or long sleeved executive shirt and tie (shirt always tucked-in) or barong, dark socks and leather shoes for men. Fridays shall be considered

wash days and civilian clothes may be worn in the office. Only collared shirts are acceptable and may be worn during wash days.

Section 4. CONFLICT OF INTEREST

An employee is expected to maintain undivided fidelity to the COMPANY's interest and is expected to inform the Company of any possible conflicts of interest, which may arise in the course of the performance of their duties and responsibilities.

A conflict of interest may arise whenever an employee actually or potentially benefits directly or indirectly from his or her position or employment with the company, or as result of the discharge of his functions, duties and responsibilities with the Company; or where the Company is placed in a position where it may adversely be affected by an employee's activities outside the scope of the employee's duties with the Company.

A conflict of interest may also arise in a situation where the interest of an officer or employee conflicts with the interest of the Company or its members/customers, and the officer or employee allowed his interest to prevail.

Specific Instances of Conflict of Interest

Officers and employees shall not engage in the following activities and situations:

1. Accepting gifts or entertainment from clients and suppliers;

The general rule is that officers and employees shall not accept gifts of substantial value, entertainment of a personal nature and of substantial value, or any favor from a client or supplier, except in the following instances:

1.1 The gifts or entertainment is not accepted directly in exchange for the granting of a loan, renewal thereof, deposit or any other PFMBAl ing service rendered;

1.2 The gift is not accepted in return for a gift given to the client or supplier the cost of which was borne by the Company;

1.3 The refusal to accept the entertainment or return of the gift is impractical or might have an adverse effect on the relationship between the Company and the client /member;

1.4 Gifts of nominal value given during Christmas or other special occasions. Nominal value shall mean gifts and/or tokens of not more than P1,000.00

An employee who believes that he or she is in an actual or potential conflict of interest situation shall notify Human Resource (HR) Committee immediately in writing. The notification shall fully describe the facts giving rise to the actual or potential conflict.

The above notification may or may not exempt an employee, at the discretion of the employer, from liability for a violation already committed.

The failure of the employee to notify and seek the advice of his or her supervisor shall not affect the employer's authority to investigate and penalize employees for conflict of interest violations at any time these violations are reported or found.

OUTSIDE EMPLOYMENT

Officers and employees shall not engage in any other gainful employment in other business entities without consent of Human Resource (HR) Committee. They shall not also engage in work or business whenever any of the following circumstances exist:

1. The nature of the work or business competes with that of the PFMBAI;
2. The work or business interferes with the duties or is done during the work hours of the officer or employee;
3. The work or business may be misconstrued as having official sanction from the PFMBAI;
4. The work or business involves use of information about PFMBAI, its employees or its clients;
5. The work or business is prohibited by law or is against public policy.

OUTSIDE DIRECTORSHIP

An officer or employee shall only serve as a Director/ Officer of another company or business upon endorsement of HR Committee:

1. Officers or employees shall withdraw from directorship in another organization at such time that the PFMBAI deems it appropriate;
2. Time devoted by an officer or employee to other activities outside the PFMBAI should not interfere with his normal duties in the PFMBAI;
3. The officer or employee involved shall abstain from approving extensions of credit to the company in which he has personal/ business interest.

Section 5. INTEGRITY AND CONFIDENTIALITY OF COMPANY RECORDS AND DOCUMENTS

Company records and documents refer to all records and documents (including data stored in computer hard drives, computer diskettes, microfiche, microfilm, magnetic tape, etc. as well as the storage medium used) generated in the course of employment.

These records and documents are PFMBAI properties. All employees are required to keep and maintain the integrity of all records and documents at all times. PFMBAI considers prejudicial to its interest any violation of the confidentiality and security of Company information.

Whenever confidential information about other corporations is received, he/she should report the receipt of such information immediately to his or her officer- in-charge who is responsible for taking appropriate action, as legally permissible, to protect the respective interests of the PFMBAI, its customers, and the corporation to which the information relates.

ARTICLE VI: WAGES/BENEFITS

Section 1: Salary – Praxis Fides PFMBAI shall uphold the wage rates set by the government agency concerned in accordance with the updated wage order.

Any increase intended shall be subject to the determining factors which will be established by the Board of Trustees, hence, such increase shall be upon the approval of the Board of Trustees.

MINIMUM WAGE RATES

(Labor Code of the Philippines)

Art. 99. Regional minimum wages. The minimum wage rates for agricultural and non-agricultural employees and workers in each and every region of the country shall be those prescribed by the Regional Tripartite Wages and Productivity Boards. (As amended by Section 3, Republic Act No. 6727, June 9, 1989).

- Benefits and Privileges Granted to Employees

Section 1: Regular Holidays / Overtime Pay

Pursuant to the provisions of the Labor Code, as amended in relation to the observance of declared holidays and in response to the queries received every time a Presidential Proclamation or a law is enacted by Congress which declares certain days either as a regular holiday, a special day or a special working holiday, the following guidelines shall be observed by all employers in the private sector:

1. For **regular holidays** as provided for under EO 203 (incorporated in EO 292) as amended by RA 9177:

New Year's Day	-	January 1
Maundy Thursday	-	Movable Date
Good Friday	-	Movable Date
Araw ng Kagitingan	-	April 9
Labor Day	-	May 1
Independence Day	-	June 12
National Heroes Day	-	August 26
Bonifacio Day	-	November 30
Eidul Fitr	-	Movable Date
Christmas Day	-	December 25
Rizal Day	-	December 30

Additional holiday:

*Eidul Ad'ha**Movable Date*

the following rules shall apply:

- a. If it is an employee's regular workday
- If unworked - 100%
 - If worked
 - 1st 8 hours - 200%
 - excess of 8 hours - plus 30% of hourly rate on said day
- b. If it is an employee's rest day
- If unworked - 100%
 - If worked
 - 1st 8 hours - plus 30% of 200%
 - excess of 8 hours - plus 30% of hourly rate on said day

For declared **special days** such as Special Non-Working Day, Special Public Holiday, Special National Holiday, in addition to the two (2) nationwide special days (November 1, All Saints Day and December 31, Last Day of the Year) listed under EO 203, as amended, the following rules shall apply:

- . If unworked
 - No pay, unless there is a favorable company policy, practice or collective bargaining agreement (CBA) granting payment of wages on

special days even if unworked.

a. If worked

1st 8 hours - plus 30% of the daily rate of 100%

excess of 8 hours - plus 30% of hourly rate on said day

b. Falling on the employee's rest day and if worked

1st 8 hours - plus 50% of the daily rate of 100%

excess of 8 hours - plus 30% of hourly rate on said day

For those declared as **special working holidays**, the following rules shall apply:

For work performed, an employee is entitled only to his basic rate. No premium pay is required since work performed on said days is considered work on ordinary working days.

Section 2: **Leave Benefits**

- **Vacation Leave** - Every regular employee who has rendered at least one (1) year of service is allowed up to fifteen (15) days vacation leave with pay or one (1) day per month accumulated monthly up to the last month of the year provided notice is submitted and the same is approved at least two days before the employee goes on leave.

Vacation leave is non-convertible to cash. This shall be availed mandatorily every year. It is the company's stand that the employee needs to take time off to "recharge his batteries" every year to keep himself physically fit and to improve his work performance. Each employee should have at least a vacation leave of 5 days a year.

- **Sick Leave**-Every regular employee who has rendered at least one (1) year of service is allowed up to fifteen (15) days annual sick leave with pay. Filing of sick leave for more than two days shall be covered by a doctor's medical certificate otherwise the leave shall be charged against the available vacation leave credits. In case of major operation requiring leave beyond the available credits of the employee as of date of operation, the sick leave credits for the next year which is 15 days may be advanced by the employee. However in case of the employee's resignation or termination on or prior to the end of the following year, the monetary value of the sick leave credits not yet earned by the employees shall be deducted from his/her last pay.

In case of major operation requiring leave beyond the available credits of the employee as of date of operation, the sick leave credits for the next year

which is 15 days may be advanced by the employee. However in case of the employee's resignation or termination on or prior to the end of the following year, the monetary value of the sick leave credits not yet earned by the employees shall be deducted from his/her last pay.

- **Paternity Leave** - Republic Act No. 8187, otherwise known as the "Paternity Leave Act of 1996" permits a married male employee in the private and public sectors to take a leave for seven (7) days, with full pay, for the first 4 deliveries of his legitimate spouse with whom he is cohabiting provided:
 1. The employee is lawfully married;
 2. He is cohabiting with his legitimate wife;
 3. His wife is pregnant or has delivered a child or suffered a miscarriage or abortion;
 4. Must be of the first four deliveries;
 5. The employer is notified within reasonable time of the pregnancy and of date of expected delivery (not required in case of abortion or miscarriage);
 6. The benefit is availed of not later than 60 days after delivery.

The benefit may be availed of only for the first four deliveries. Paternity leave is not commutable to cash if not availed of.

- **Maternity Leave** - Every employer shall grant to any pregnant woman employee who has rendered an aggregate service of at least six (6) months for the last twelve (12) months, maternity leave of at least two (2) weeks prior to the expected date of delivery and another four (4) weeks after normal delivery or abortion with full pay based on her regular or average weekly wages. The employer may require from any woman employee applying for maternity leave the production of a medical certificate stating that delivery will probably take place within two weeks. The maternity leave shall be extended without pay on account of illness medically certified to arise out of the pregnancy, delivery, abortion or miscarriage, which renders the woman unfit for work, unless she has earned unused leave credits from which such extended leave may be charged. The maternity leave shall be paid by the employer only for the first four (4) deliveries by a woman employee.

Section 3: Retirement Benefits

- 3.1 Social Security System (compulsory)
- 3.2 Retirement Benefits

All regular employees who have rendered at least five (5) years of continued service shall be entitled to either a retirement or separation pay. Schedule of payment follows:

Years of Service	Equivalent salary for every year of service
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5 years up to less than 10 years	Fifty percent (50%)
10 years up to less than 15 years	One hundred percent (100%)
15 years up to less than 20 years	One hundred fifty percent (150%)
20 years up to less than 25 years	Two hundred percent (200%)
25 years up	Two hundred fifty percent (250%)

Retirement pay shall be made available only after the employee reaches retirement age of 60. On the other hand, separation pay shall be made available after resignation of an employee or upon the cessation of business, whichever comes first.

An employee separated from the company due to termination arising from just causes such as serious misconduct, gross and habitual neglect, fraud and willful breach and commission of a crime or offense shall not be entitled to any retirement or separation pay.

However if termination arises from authorized causes, the employees shall still be entitled to a separation pay. Authorized causes include introduction of labor-saving device, redundancy, retrenchment and illness. For illness to be a ground for termination, there shall be a certification issued by a competent public health authority that the disease cannot be cured within a period of six (6) months even with proper medical treatment.,

For authorized causes, the association shall pay the separated employee the following:

1. One month's salary per year of service in redundancy cases.
2. One-half month salary per year of service in retrenchment cases.
3. One-half month salary per year of service in medical termination cases.

3.3 Provident Fund (subject to review/approval)

Regular employees shall contribute to the Provident Fund amounting to minimum of 2% up to maximum of 5% of their basic salary to be matched by the employer share but not to exceed ₱1,000 for every employee.

Provident Fund may be loanable to employees equivalent to 100% of the employees' share with interest rate of 9% per annum payable over a period of one (1) year.

An employee may apply for a loan from the Provident Fund after one year of contribution and profit sharing every end of the year proportionate to their contribution to the fund.

Section 4: Health Benefits :

4.1 PhilHealth

4.2 Medical Benefits :

4.2.1. Each employee shall be provided with a medical allowance of ₱4,833.00 annually which shall be cumulative up to two years. This allowance shall cover not only expenses for hospital confinement but also out-patient charges such as professional fees, laboratory tests and medicines provided that these are supported by medical certificate, drug prescription, official receipts and laboratory findings.

In case of major operation, the medical allowance for the next year may be advanced by the employee provided that a doctor's medical certificate as to the employee's operation is submitted by the employee. However in case of the employee's resignation or termination on or prior to end of the current year when the major operation occurred, the P4,833.00 advanced allowance shall be deducted from his/her last pay.

4.2.2 Aside for the P4,833.00 annual medical allowance, the company, at its cost, shall require its employees to have an annual check-up.

Section 5: Other Benefits

5.1 Loyalty Incentive

Years of Service	Loyalty Bonus: % Basic Monthly Salary
5	50%
10	100%
15	150%
20	200%
25	250%

Conditions to be qualified for a Loyalty Incentive:

Employee is a regular employee;

Employee must have completed such number of years of continued actual service to the association; and

Employee must not have been administratively found guilty of any offense within the covered period of service.

Administrative formal charges shall cause the withholding of all benefits.

5.2 Uniform Allowance

Uniform allowance of P 6,000.00 annually are provided to each regular employee in order to maintain the company's corporate image, identify its employees and partially subsidize the employee's clothing expense.

5.3 Funeral Assistance

A funeral assistance of P10,000 shall be given to the direct beneficiary of the deceased employee of the company upon presentation of the employee's Death Certificate.

5.4 Participation to Medical/Mortuary Fund

The employees shall be entitled to participate in the medical/mortuary fund available to the company's marketing agents.

This benefit shall first be exhausted before the employee can avail of the other P4,833.00 medical benefit as stated in 2.7.

5.5 Car Loan Plan

Privilege Car loans of :

300K to 500k to AR & AC

1M for BOT, GM, Deputy GM & Dept Head if they have served for a period of 10 years. This type of loan is for brand new vehicles or 2nd hand but not more than 2 yrs & payable either 5yrs/3yrs with 0% interest if paid w/in the prescribed period & with 12% interest if not paid on time.

5.6 Cell phone Subsidy (for selected employees)

Managers cell load subsidy - P600.00/month

GM cell load subsidy - P 1,350.00/month

ARTICLE VII : EMPLOYEES' DISCIPLINE

Section 1: Offenses

OFFENSES - All acts or omissions in violation of established Praxis Fides PFMBAI procedures or other acts prejudicial to the interest of the PFMBAI shall be considered punishable offenses. These include crimes involving moral turpitude, omissions, offenses and/or improper conduct that may adversely affect the good name of the institution.

CATEGORIES OF OFFENSES

The gravity of an offense shall be determined by a combination of several factors, such as, but not limited to the following:

1. Impact on the image, productivity and efficiency of the PFMBAI;
 2. Intent in the commission of the offense;
 3. Breach of Trust;
 4. Financial/ material loss to the Institution;
 5. Habituality
- A.** An offense is considered **GRAVE/ MAJOR** if it is characterized by malicious intent or gross negligence involving serious breach of

confidence and/or public scandal, whether the intended harm is achieved or not.

- B. An offense is considered **MODERATE** if it implies a habitual disregard or lack of concern to protect the interest of the PPFMBAI and involves either repeated violations within a relatively short period of time of what otherwise would be minor offenses, or culpable commission or omission of an act which result in serious embarrassment or inconvenience to another person.
- C. An offense is considered **MINOR**, if it involves an infraction of a rule or procedure of PFMBAI; or an omission or an oversight which would not have occurred had due care been reasonably exercised; a mistake or an act of negligence which does not result in a serious inconvenience or damage to another person or to the PFMBAI.

SECTION 2: Penalties- Penalties shall be imposed for the purpose of establishing order and discipline in the work area and preserving the integrity of the PFMBAI. Disciplinary actions shall be imposed in progressively increasing weight depending upon the gravity of the offense.

KINDS OF PENALTIES

1. LIGHT PENALTIES

A. Verbal Reprimand

A verbal reprimand is an oral admonition given to an employee for an infraction of a rule with a warning that repetition of the offense will be dealt with more seriously.

B. Written Reprimand

A written reprimand shall be given to an employee who repeats an offense where a verbal reprimand was previously given. The same shall also be issued to an employee who commits a more serious offense that would require a stronger disciplinary action and need not be preceded by a verbal reprimand.

A copy of the written notice shall be filed in the employee's 201 file and shall be a factor for consideration in the evaluation of the employee's performance within that rating period.

2. MODERATE/ GRAVE PENALTIES

A. Suspension

Suspension is defined under these rules as physical detachment from service for a designated period of time without salary and/or benefits during the period of suspension. The term of suspension shall be determined by the gravity of the offense committed.

Should the suspended of employee be subsequently exonerated of all charges, he shall be restored to his former position with full pay from the date of his suspension and without any adverse effect on his tenure of employment.

B. Demotion

Demotion is the reduction of rank and/or position of the employee for a minimum of three months, depending on the gravity of an offense as maybe determined by the GM, upon endorsement of the Head of HR Committee.

C. Dismissal

Dismissal is defined as dishonorable separation from the service for causes laid down in the Table of Penalties. In this case, the employee automatically forfeits all benefits which would normally accrue to him on separation.

3. OTHER PENALTIES

A. Restitution

These penalties herein below may be imposed concurrently with any other penalty in cases of theft, destruction of or damage to the property of the PFMBAI, of its employee, clients or other parties doing business with the PFMBAI.

PFMBAI may recover the amount involved by means of salary deduction or by installments or by whatever means it shall allow

the offender to pay the amount involved. However, restitution shall not mitigate the other penalties attaching to the infraction.

B. Suspension/ Cancellation of Authorities

Removal or withdrawal of assigned authorities (e.g. lending expense) for a minimum of three (3) months, depending on the gravity of the offense as may be determined by the President, upon endorsement of the General Manager.

C. Disqualification of Staff Loan Benefits

This penalty disqualifies the employee to avail of any loan benefits as provided in the Summary of Benefits for a minimum of 6 mos. to a maximum of one (1) year from the date the penalty was imposed.

D. Transfer

This penalty would result to the involuntary assignment of the employee to another branch and/or department.

OFFENSES AND RANGE OF PENALTIES

- A. For MINOR OFFENSES-** Penalties for minor offenses range from verbal reprimand to 2 day suspension.

B. For MODERATE OFFENSES- Penalties for moderate offenses range from 3-day suspension to not more than 15-day suspension.

C. For GRAVE/MAJOR OFFENSES- Penalties for grave offenses range from more than fifteen-day suspension up to dismissal.

Effects of Penalties Imposed- Penalties imposed shall have adverse effects on promotion, merit rating including disqualification from grant of loyalty incentive, and entitlement of retirement benefits (such as provident fund loan and retirement benefits) which are made known to employees of PFMBAI to deter them from committing offenses.

*** In the implementation of the penalty of Suspension, days would mean working days.**

a. **NEGLECT OF DUTY -**

Every employee is required to exercise reasonable diligence in the performance of his/ her duty. Employees are expected to perform their assigned tasks during office hours and at their workplace or other assigned areas. Failure to do so shall constitute an offense under this provision and shall subject the employees to disciplinary measures.

b. **VIOLATION OF OPERATING PROCEDURES**

PFMBAI follows established operating procedures, which are designed to guard against financial losses, and to ensure effective

operations at all levels. Violation of these established operating procedures decreases the PFMBAI's level of productivity.

c. OBTAINING LOANS FROM CLIENTS OR SUPPLIERS

Officers and employees shall not solicit or obtain any loan from a client or supplier of PFMBAI.

d. INTRODUCING LENDERS OR GRANTING LOANS TO EMPLOYEES -

Officers and employees shall not introduce lenders or broker any loan of an employee. Officers and employees, whether collectively or individually, shall not engage in the business of extending personal loans to other officers, employees or the public.

e. IMMORALITY

Employees of the PFMBAI are expected to always maintain high moral standards of behavior as they represent the PFMBAI at all times. Employees should not resort to any immoral, indecent or scandalous conduct committed within Company premises regardless of whether or not committed during working time, including the use of distribution of immoral, indecent or scandalous materials.

f. CONDUCT AND BEHAVIOR

Each employee shall conduct himself properly and in such manner as to inspire confidence and earn respect for himself and for the institution.

Employees shall refrain from activities that may produce disturbance within the PFMBAI premises. Hence, any display of violence, engaging in any form of quarrel, or coercion shall constitute an offense under this Code.

Further, selling and/or peddling goods, of whatever nature is prohibited within the PFMBAI premises.

g. SECURITY AND SAFETY

Employees must promote safety and preserve security within the PFMBAI premises. They are expected at all times to abide by the safety rules and regulations of the PFMBAI

h. DISHONESTY

Every employee of the PFMBAI must exercise honesty in handling/ using funds and assets belonging to PFMBAI, those entrusted to the PFMBAI by members, or belonging to any third party doing business with the PFMBAI. Violation of this provision includes misappropriation of PFMBAI's funds, withholding from the PFMBAI or stealing or attempting to steal from the PFMBAI or from others within PFMBAI premises.

i. INSUBORDINATION

Every employee shall comply with and perform all reasonable directives and instructions of their duly authorized superior in order to maintain harmony and good order in the PFMBAI's operations directed towards the realization of its corporate objectives.

Acts disregarding, undermining or weakening the influence or authority of superiors are violative of this rule. It includes the willful and unjustifiable refusal to accept work shift, assignment or specific instructions given by a superior.

Insubordination is committed by willfully refusing to satisfactorily perform work, assignment or specific instructions given by superior authority, except when the work, assignment, transfers or specific instructions are contrary to law or established policies and procedures.

j. USE OF COMPANY PROPERTY

PFMBAI property refers to all properties, real or personal, owned by the Company and in the Company's possessions or custody. All employees must observe proper housekeeping of properties, whether or not entrusted to them by the PFMBAI and must exercise due care in the handling/ use of the same. Improper/ incorrect use of equipment or its parts, which may cause loss or damage thereto, shall constitute a violation of this rule and shall be penalized accordingly.

RULES AND REGULATIONS

This Code of Discipline may include other acts or omissions, which are clearly prejudicial to the welfare or interest of the PFMBAI. The PFMBAI reserves the right to consider such acts punishable and to impose the appropriate sanctions/ penalties provided in the Table of Disciplinary Action (Appendix "A") as may be warranted by the circumstances of each case.

If at time of commission of the latest offense, the employee has previously violated at least two (2) other separate rules embraced in this Code or other promulgated Company work rules, he/she shall be meted out a more drastic penalty including that of dismissal.

Any act, conduct or behavior prejudicial to the interest of the Company, but not specially included in this Code shall also be punishable, the penalty to be imposed on which shall depend upon the gravity of the offense.

Penalties shall be imposed based on the severity or the frequency of the offense. Repetition or the habitual commission of the same or similar offenses (repetition involves committing the same or similar offense three or more times) shall be considered in the imposition of penalties and may call for the imposition of progressively severe penalties.

The rule on penalties and sanctions shall be strictly enforced in order to ensure uniformity in the application of sanctions and to prevent subjectivity as regards the disciplinary actions taken.

Punishable acts not listed in this Code of Conduct and Discipline and which constitute just cause under Article 282 of the Labor Code, shall be subject to the penalties listed above depending on the severity or the frequency of the offense committed.

Except for the penalty of dismissal, two or more classes of penalties may be imposed for a single offense, is so warranted. Penalties shall be imposed based on the severity or the frequency of the offense.

➤ Section 3: Procedure on Administrative Investigation

For implementing administrative penalty based on just causes, procedural due process requires that the employee be given the benefit of the so-called *twin-notice and hearing*, as follows:

First notice: Notice to Explain (NTE) or memorandum to show cause. A written notice served on the employee specifying the ground or grounds for termination, and giving to said employee reasonable opportunity within which to explain his side.

Hearing or formal investigation. A hearing or conference during which the employee concerned, with the assistance of counsel if the employee so desires, is given opportunity to respond to the charge, present his evidence or rebut the evidence presented against him.

Second notice: Notice of decision. A written notice of termination served on the employee indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination.

In case of termination, the employee must be personally served with notices (notice to show cause and notice of termination). Ideally, this should be done by personally handing a copy of the notice to the employee concerned. However, if this is not possible, the notices may be served on the employee's last known address either by ordinary or registered mail (from legal viewpoint, registered mail is preferred). The mere posting of the notice on the bulletin board is not sufficient compliance.

If the employee refused to receive notice, the employer must serve the same by registered mail at his last known address.

Opportunity to Respond.

The very purpose of requiring the employer to observe proper administrative due process is to give the employee ample opportunity to respond to the charges against him or to defend himself. What the law require is *ample opportunity*.

Ample opportunity means every kind of assistance that management must accord the employee to enable him to prepare adequately for his defense including legal representation.

Requirements for First Notice (NTE).

The first notice informing the employee of the charges against him should set out clearly what he is being held liable for. It should neither be

pro-forma nor vague. This is consistent with the requirement that the employee should be afforded ample opportunity to be heard and not *mere* opportunity.

Moreover, the penalty, if necessary, must be based on the same grounds cited in the NTE. If the dismissal is based on grounds other than those specified in the notice, he is deemed to have been deprived of due process.

Effect of Refusal of Employee to Participate in Investigation.

By the refusal of employee to participate in the investigation, he is deemed to have waived his right to defend himself¹.

ARTICLE VIII. PROVISIONS FOR MORE STRINGENT STANDARDS. -

Nothing in this Act shall be construed to derogate from any law, or any regulation prescribed by any body or agency, which provides for more stringent standards for its official and employees.

ARTICLE IX. SEPARABILITY CLAUSE. - If any provision of this Act or the application of such provision to any person or circumstance is declared invalid, the remainder of the Act or the application of such provision to other persons or circumstances shall not be affected by such declaration.

ARTICLE X. REPEALING CLAUSE. - All laws, decrees and orders or parts thereof inconsistent herewith, are deemed repealed or modified accordingly, unless the same provide for a heavier penalty.

¹ ([Leonardo vs. NLRC, 2000.](#))

ARTICLE XI. EFFECTIVITY. - This Praxis Fides Employees' Manual shall take effect after fifteen (15) days following the due approval of the Board of Trustees.

Approved, _____.

INDEXES

- **Annex A – Table of Sanctions for Employees**
- **Annex B – Manual on Corporate Governance**
- **Annex C – P.D. 612 Insurance Code On Mutual Benefit Assoc.**

