



Republika ng Pilipinas
Hambansang Pangasiwaan ng Patubig
(NATIONAL IRRIGATION ADMINISTRATION)
Lungsod ng Quezon

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OUR REFERENCE:

MC # 39, s. 2002

MEMORANDUM CIRCULAR

**TO : THE DEPUTY ADMINISTRATOR, ASSISTANT ADMINISTRATORS/
DEPARTMENT / REGIONAL / OPERATION / PROJECT MANAGERS,
PROVINCIAL IRRIGATION OFFICERS, IRRIGATION
SUPERINTENDENTS, AND ALL OTHERS CONCERNED**

**SUBJECT: GUIDELINES FOR THE PAYMENT OF COST OF LIVING
ALLOWANCE AND AMELIORATION ALLOWANCE TO QUALIFIED
NIA OFFICIALS AND EMPLOYEES**

1. PURPOSE

This Circular is being issued to provide guidelines, rules and regulations for the payment of the Cost of Living Allowance (COLA) and Amelioration Allowance (AA) to qualified NIA officials and employees pursuant to NIA Board Resolution No. 7056-01 dated December 07, 2001 and Opinion No. 062 dated April 09, 2002 of the Office of the Government Corporate Counsel.

2. COVERAGE

2.1 INITIAL payment of the herein authorized COLA/AA shall cover NIA officials and employees, whether permanent, temporary, casual/daily, co-terminous, or contractual whose appointments were passed on by the Civil Service Commission, viz:

2.1.1 in the NIA service as of June 30, 1989 up to March 16, 1999, and continued to be in the service as of the time of grant, i.e., December 07, 2001, and were then receiving COLA and AA.

2.1.2 those in the NIA service as of June 30, 1989 and were then receiving COLA and AA but resigned/ retired or whose services were terminated due to completion of project, etc. after the said date but were rehired prior to March 16, 1999 and continued to be in the service as of December 07, 2001;

2.1.3 those hired after June 30, 1989 and in the service as of December 07, 2001 and were not receiving the COLA/AA during the said period.

2.2 The SUCCEEDING payments (tranches) of the COLA/AA shall cover NIA officials and employees whether permanent, temporary, casual/daily, co-terminous, or contractual whose appointments were passed on by the Civil Service Commission qualified under Section 2.1 above and falling under any of the following circumstances subject to the availability of funds and supplementary rules and regulations that shall be issued for the purpose :

2.2.1 those who were in the service as of June 30, 1989 but were separated from the service either by approved resignation/retirement or death, or whose casual/contractual services were terminated due to completion of project before March 16, 1999.

2.2.2 those hired after June 30, 1989 but were separated from the service either by approved resignation/retirement or death, or whose casual/contractual services were terminated due to completion of project before March 16, 1999.

3 EXCLUSIONS

NIA officials and employees dismissed from the service by reason of a final adverse judgment in an administrative or criminal case.

4 BASIS OF COMPUTATION FOR THE FIRST TRANCHE

4.1 Computation of the respective individual amounts of COLA/AA for the first tranche shall be based only on NIA employment service record of the official/employee concerned, duly certified by the Manager, Personnel Division in the case of Central Office or by the respective Administrative Manager/Personnel Officer or personnel in-charge of administrative matters in the Regional/ Operation/ Project offices and approved by the Department/ Regional/ Operation/Project Manager concerned.

4.2 Leaves without pay for the period covered and period of suspension in a case where the employee is found guilty shall be correspondingly deducted.

4.3 The computation of the COLA/AA for COB personnel shall be on a pro-rata scheme using the hereunder formula:

$$\frac{\text{Available Fund}}{\text{Total Claim (budget for the purpose)}} \times \text{Total Individual Claim} = \text{Individual Claim Due (1st tranche)}$$

(Please refer to Exhibits "A", "B", and "C" for Illustrative Examples of Employees cited under Items 2.1.1, 2.1.2 and 2.1.3, respectively)

Payment for the first tranche of COLA/AA for COB Officials and employees shall be made out of the available Cash Surplus for COB CY 2001. Cash Surplus refers to the unencumbered cash balance after deducting all accounts payable/unpaid obligations.

- 4.4 Project personnel shall be paid the COLA/AA using the same distribution factor of 2.44% derived for COB personnel under Section 4.3 above.

5 PAYMENT PROCEDURES

- 5.1 Period covered by the COLA/AA shall be retroactive to November 01, 1989 (date when the same was discontinued) based on actual service rendered to NIA but not beyond March 16, 1999 (date DBM-CCC No. 10 gained its effectiveness and enforceability after fifteen days following the completion of its publication in the Official Gazette).
- 5.2 Payment of COLA/AA to NIA officials and employees falling under Section 2.2 hereof will be effected starting year 2003 or earlier subject to availability of funds for the purpose.
- 5.3 Succeeding payments of the COLA/AA shall be done as follows:
- 5.3.1 For COB personnel, same shall be programmed for a minimum period of three (3) years subject to annual review based on actual funds generated.
 - 5.3.2 Those of the project personnel, on the other hand, shall be based on the remaining life of the project or for a period of three years whichever comes first, subject to available project funds for the purpose and within the approved Program of Work.
- 5.4 Payment of COLA and AA shall be paid less the following official deductions starting the second tranche:
- 5.4.1 Unliquidated cash advances with NIA, if any.
 - 5.4.2 Past due obligations of officials and employees with NIA, if any.
- 5.5 In the case of resigned/ retired NIA officials and employees falling under Section 2.2 hereof, payment of the COLA and AA shall be made out of the current year's savings starting 2003 upon written request of the concerned parties, or their legal heirs.
- 5.6 The official/employee covered by this circular shall be notified of the COLA/AA payment through a Notice of COLA/AA Payment (Annex "A"). Said Notice shall be forwarded to the Accounting Division in the case of Central Office or to the Accounting/ Finance Unit in the Regional/ Operation/ Project Offices for review purposes.

- 5.7 A consolidated report of payments made in the initial and succeeding tranches shall be submitted by all offices concerned to the Controllershship Department for review and monitoring purposes within 30 days from the payment thereof, copy furnished the PRMD.

6 FUNDING SOURCE/REQUIREMENTS

- 6.3 For COB personnel, the total amount of obligation shall be immediately taken up as Accounts Payable to NIA qualified officials and employees by the accounting officials/processors concerned.
- 6.4 For Project personnel, funding requirements, shall be subject to the availability of project funds for the purpose.

7. OTHER IMPLEMENTING RULES AND REGULATIONS

- 7.1 Those covered under Section 2.2 who left NIA service without an official NIA Clearance from Property and Monetary Accountabilities shall be required to accomplish and submit the same to the Personnel Division in the case of NIA Central Office or by the respective Administrative Division/Personnel Section/Unit in-charge of administrative matters of Regional/Operation/Project Office concerned before processing/ payment of COLA and AA can be effected and received by the concerned resigned/retired NIA employee.
- 7.2 Those covered by this Circular who were dropped from the rolls after filing their respective claims shall likewise be required to accomplish and submit the same official NIA Clearance from Property and Monetary Accountabilities before they can be paid their respective COLA and AA.
- 7.3 For purposes of Items 7.1 and 7.2 hereof, the Accounting/ Property Division in the case of Central Office or the respective Accounting/Supply Section/Unit of the Administrative/Finance Division in the Regional, Operation, Project Offices shall prepare the following:
- 7.3.1 List of incumbent officials and employees who have overdue financial/property accountabilities and unliquidated cash advances, to be submitted to the concerned unit.
- 7.3.2 List of resigned / retired officials and employees with (a) unsettled financial/property accountabilities; (b) unliquidated cash advance; or (c) outstanding obligations which list shall be submitted to the concerned unit for appropriate deduction.
- 7.4 Payment of the COLA/AA as herein authorized shall be subject to accounting and auditing rules and regulations.

8 RESPONSIBILITY OF IMPLEMENTING OFFICIALS

The Head of the offices concerned shall be held responsible for the implementation of this Circular in their respective areas of jurisdiction and shall be held liable for any deviation/s from the provisions hereof, without prejudice, however, to the refund of any excess payments by the employees concerned. Further, officials and employees who received the subject payments but later found not entitled thereto shall be required to restitute the entire amount.

12 SAVING CLAUSE

All questions / problems arising from the implementation of the payment of COLA / AA pursuant to this Circular shall be addressed to the Office of the Assistant Administrator for Administrative Services, Attention: The Manager, Personnel and Records Management Department.

For implementation.



JESUS EMMANUEL M. PARAS
Administrator

16 May 2002

ILLUSTRATIVE EXAMPLE

Mr. Juan dela Cruz, a NIA employee holding an Engineer A position and with the following circumstances:

- who is in the NIA service as of June 30, 1989 up to March 16, 1999 and continued to be in the service as of the time of grant, i.e., December 07, 2001, and
- was then receiving COLA and AA

I. Computation of Actual Services Rendered for purposes of granting COLA/AA

<u>Period</u>	<u>No. of Months Covered</u>	<u>Amount Due</u>	
		<u>COLA</u>	<u>AA</u>
Nov. 01, 1989 to March 16, 1999	112.5	P95,625.00 (P850 x 112.5)	P70,574.95 (basic pay x 10% x 112.5)

II. Computation of COLA/AA due Mr. dela Cruz based on the formula prescribed under Section 4.3 of the herein MC as follows:

$$\frac{\text{Available Fund}}{\text{Total Claim (budget for the purpose)}} \times \text{Total Individual Claim} = \text{Individual Claim Due (1st tranche)}$$

WHERE: Total Individual Claim	=P	166,199.95
Total Claim (budget for the purpose)	=	805,757,000.00
Available Fund	=	19,700,000.00

SUBSTITUTION:

$$\frac{19,700,000}{805,757,000} \times 166,199.95 = P 4,063.43 \text{ (Individual Claim Due)}$$

THUS: Mr. dela Cruz is entitled to receive P4,063.43 in the 1st tranche.

ILLUSTRATIVE EXAMPLE

(Item 2.2.2)

Ms. Jane Santos, holding an Clerk-Processor B position and with the following circumstances:

- in the service as of June 30, 1989 and was then receiving COLA and AA.
- resigned on September 16, 1993; and
- rehired on June 15, 1996 and continued to be in the service as of December 07, 2001.

I. Computation of Actual Services Rendered for purposes of granting COLA/AA

<u>Period</u>	<u>No. of Months Covered</u>	<u>Amount Due</u>	
		<u>COLA</u>	<u>AA</u>
Nov. 01, 1989 to Sept. 16, 1993	17.5	P14,875.00	P5,794.25
June 15, 1996 to March 16, 1999	33	28,050.00	21,730.50
	<u>50.5</u>	<u>P42,925.00</u>	<u>P27,524.75</u>

III. Computation of COLA/AA due Ms. Santos based on the formula prescribed under Section 4.3 of the herein MC as follows:

$$\frac{\text{Available Fund}}{\text{Total Claim (budget for the purpose)}} \times \text{Total Individual Claim} = \text{Individual Claim Due (1st tranche)}$$

$$\begin{aligned} \text{WHERE: Total Individual Claim} &= \text{P } 70,449.75 \\ \text{Total Claim (budget for the purpose)} &= 805,757,000.00 \\ \text{Available Fund} &= 19,700,000.00 \end{aligned}$$

SUBSTITUTION:

$$\frac{19,700,000}{805,757,000} \times 70,449.75 = \text{P } 1,722.43 \text{ (Individual Claim Due)}$$

THUS: Ms. Santos is entitled to receive P1,722.43 in the 1st tranche.

ILLUSTRATIVE EXAMPLE

(Item 2.1.3)

Mr. Pedro Sta. Maria, a NIA employee holding an Engineering Asst. B position and with the following circumstances:

- hired on October 1, 1997 and in the service as of December 07, 2001 and was not receiving the COLA/AA during the period.

I. Computation of Actual Services Rendered for purposes of granting COLA/AA

<u>Period</u>	<u>No. of Months Covered</u>	<u>Amount Due</u>	
		<u>COLA</u>	<u>AA</u>
Oct.. 01, 1997 to March 16, 1999	17.5	P14,875.00 (P850.00 x 17.5)	P15,058.75 (basic pay x 10% x 17.5)

II. Computation of COLA/AA due Mr. Sta Maria based on the formula prescribed under Section 4.3 of the herein MC as follows:

$$\frac{\text{Available Fund}}{\text{Total Claim (budget for the purpose)}} \times \text{Total Individual Claim} = \text{Individual Claim Due (1st tranche)}$$

$$\begin{aligned} \text{WHERE: Total Individual Claim} &= \text{P } 29,933.75 \\ \text{Total Claim (budget for the purpose)} &= 805,757,000.00 \\ \text{Available Fund} &= 19,700,000.00 \end{aligned}$$

SUBSTITUTION:

$$\frac{19,700,000}{805,757,000} \times 29,933.75 = \text{P } 731.85 \text{ (Individual Claim Due (1st Tranche))}$$

THUS: Mr. Sta. Maria is entitled to receive P 731.85 in the 1st tranche.

NATIONAL IRRIGATION ADMINISTRATION

BOARD OF DIRECTORS RESOLUTION

SUBJECT: Implementing Guidelines for Payment of Cost of Living Allowance (COLA) and Amelioration Allowance (AA) to Qualified NIA Officials and Employees

**RESOLUTION NO. 7088-02
SERIES OF 2002**

RESOLVED, as it is hereby resolved, that the implementing guidelines for the payment of the Cost of Living Allowance and Amelioration Allowance to qualified NIA Officials and Employees pursuant to NIA Board Resolution No. 7056-01 dated December 07, 2001 and OGCC Opinion No. 062 dated April 09, 2002, be and is hereby noted.

Pursuant thereto, this grant covers the following NIA employees, to wit:

- 1) In the NIA service as of June 30, 1989 up to March 16, 1999 and continued to be in the service as of the time of grant i.e., December 07, 2001 and were then receiving COLA/AA;
- 2) Those hired after June 30, 1989 and in the service as of December 07, 2001 and were not receiving the COLA/AA during the said period;
- 3) Those in the NIA service as of June 30, 1989 and were then receiving COLA and AA but resigned/retired or whose services were terminated due to completion of project, etc. after the said date but were rehired prior to March 16, 1999 and continued to be in the service as of December 07, 2001

Computation for the 1st tranche shall be based on a pro-rata basis using the distribution factor of 2.44% arrived at as follows:

$$\frac{\text{Available Fund}}{\text{Total Claim (budget for the Purpose)}} \times \text{Total Individual Claim} = \text{Individual Claim Due}$$

For COB personnel, the 1st tranche shall be funded from CY 2001 surplus of P 19.7 M. While those of project personnel shall be charged against their respective project funds available for the purpose using the same distribution factor of 2.44 percent.

Initial and succeeding payments shall be subject to the availability of funds for the purpose, and implementing rules and regulations to be issued by Management (please see attached MC as Annex "A")

Date Adopted:

May 13, 2002

I, the undersigned, hereby certify that the foregoing is a true copy of the resolution adopted by the Board of Directors of the National Irrigation Administration and spread in the minutes of a duly constituted meeting of said Board held on May 13, 2002.

790th Regular Meeting


FRANK S. ABALOS
Corporate Board Secretary

NATIONAL IRRIGATION ADMINISTRATION

For the : BOARD OF DIRECTORS

From the : ADMINISTRATOR

SUBJECT : PAYMENT OF COLA/AA

ACTION REQUESTED: FOR NOTATION

DETAILS :

With the receipt of the favorable Office of the Government Corporate Counsel's Opinion dated April 9, 2002, a condition precedent stated under BR No. 7056-01 dated December 07, 2001 in granting NIA's request for the grant of COLA/AA to qualified NIA officials and employees, payment of the same shall now be effected.

Payment for COB and Project personnel shall be in tranches. For the initial grant, the following NIA employees are covered: 1) in the NIA service as of June 30, 1989 up to March 16, 1999 and continued to be in the service as of the time of grant i.e., December 07, 2001 and were then receiving COLA/AA; 2) those hired after June 30 1989 and in the service as of December 07, 2001 and were not receiving the COLA/AA during the said period; 3) those in the NIA service as of June 30, 1989 and were then receiving COLA and AA but resigned/ retired or whose services were terminated due to completion of project, etc. after the said date but were rehired prior to March 16, 1999 and continued to be in the service as of December 07, 2001. Computation shall be based on a pro-rata basis using the distribution factor of 2.44% arrived at as follows:

$$\frac{\text{Available Fund}}{\text{Total Claim (budget for the Purpose)}} \times \text{Total Individual Claim} = \text{Individual Claim Due (1st Tranches)}$$

For COB personnel, the 1st tranche shall be funded from CY 2001 surplus of P19.7 M. While those of project personnel shall be charged against their respective project funds available for the purpose using the same distribution factor of 2.44 percent.

Initial and succeeding payments shall be subject to the availability of funds for the purpose, and implementing rules and regulations to be issued by Management (MC attached).


JESUS EMMANUEL M. PARAS
Administrator

Date May 9, 2002

Republic of the Philippines
PAMBANSANG PANGASIWAAN NG PATUBIG
(National Irrigation Administration)
Lungsod ng Quezon

(Date)

NOTICE OF COST OF LIVING ALLOWANCE &
AMELIORATION ALLOWANCE
FIRST TRANCHE PAYMENT

Mr. /Ms. _____

Dear Mr./Ms. _____

Pursuant to NIA Board Resolution Nos. 7056-01 and 7088-02 dated December 7, 2001 and May 13, 2002, respectively and OGCC Opinion dated April 9, 2002 as implemented under NIA MC No. 35 s. 2002, you are entitled to receive payment of COLA/AA representing the first tranche computed as follows:

Total Claim (COLA _____ plus AA _____) Php _____

Multiply: Distribution Factor of 2.44% of total claim - _____

COLA/AA due for the first tranche Php _____

This COLA/AA first tranche payment is subject to review and post audit and to appropriate readjustment and refund if found not in order.

Very truly yours,

cc: CD
COA