

MC NO. 36 s. 2004

**MEMORANDUM CIRCULAR**

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

**SUBJECT: Revised Guidelines for the Payment of COLA/AA  
Differential Due to Active and Retired COB Personnel**

**1. PURPOSE:**

This Circular is issued to prescribe the guideline that shall be observed for the payment of COLA/ AA differential to Active and Retired COB personnel beginning year end CY 2004.

**2. REITERATION OF POLICY**

The following terminology and its meaning is hereby reiterated for clarity of COLA/AA policies.

- 2.1 Actual Net income refers to NIA's yearly total income less total expenses (exclusive of depreciation and bad debts) including terminal leave, retirement gratuity and viability incentive grant.
- 2.2 Available amount for payment of COLA/AA differential for COB personnel shall be 60% of the actual net income as defined in 2.1.
- 2.3 The coverage of COLA/AA as grouped under section 2 of MC 20 series of 2003 for easier identification and distinction shall remain.

**Group A** - NIA officials and employees in service and those hired on any period running from June 30, 1989 or thereafter but not beyond March 16, 1999 and were then receiving the COLA and AA and continued to be in service as of December 7, 2001 or thereafter.

It is understood that officials and employees who were no longer in the service on December 8, 2001 or thereafter due to resignation/retirement or death/termination of services are included in Group A.

**Group B** - NIA officials and employees in service and those hired on any period running from June 30, 1989 or thereafter but not beyond March 16, 1999 and were then receiving the COLA and AA but got separated from the service, either by resignation/retirement or death/termination of services effective December 7, 2001 or earlier.

It is understood that officials and employees who were no longer in the service on December 7, 2001 or earlier are included in group B.

### **3. Revised Guidelines**

#### **3.1 Payment of COLA/AA differential beginning CY 2004**

Initial payment, hereto termed as Tranche 1, will be sourced from the nationwide actual net income. This will be used partly to effect leveling of payment (in terms of percentages) in the responsibility centers (RIOs and IMOs) who have paid less than 50% of entitlement of their personnel under Group A and mostly initial payment for Group B personnel in all responsibility centers (RIOs, IMOs and CO).

Under this scheme actual net income for the year available for COLA/AA differential (60% of Actual Net Income) shall first be set aside and accumulated until it reaches P108.29 million. Said amount will be shared between groups as follows:

48.39% or P52.400 million for Group A; and  
51.61% or P55.890 million for Group B

#### **3.2 Allocation of the First Tranche**

The P52.400 million will be allocated to Group A personnel in Region 5, UPRIIS, Region 4, MARIIS, and Region 3, 1 and 6 to effect total payment for each at 30.93% of entitlement (see Table 1). This will make payment in above mentioned responsibility centers at par with Region 2.

The P55.890 million will be allocated to Group B personnel in the responsibility centers (RIOs, IMOs and CO) except Regions 11 and 13 and equitably shared using the factor in table 2. With this distribution payment in all responsibility centers except Region 11 and 13 will be about 19.37% of this entitlement.

#### **3.3 Allocation After the First Tranche**

After the first tranche actual net income for the year available for payment of COLA/AA differential shall also be set aside and accumulated to a level to be decided by the management.

The accumulated amount shall be shared between groups as follows:

63.22% for Group A  
36.78% for Group B

Amount allocated for Group A will be equitably distributed to each responsibility centers (RIOs, IMOs and CO) using Table 3. These amount in turn will be used by the responsibility centers in paying each COLA/AA beneficiaries in equal percentage determined by taking the percentages of their remaining entitlement against their allocation.

Similarly, allocated amount for Group B will be equitably distributed to each responsibility centers (RIOs, IMOs and CO) using Table 4. This amount in turn will be used by the responsibility center in paying each COLA/AA beneficiaries in equal percentages determined by taking the percentage of their remaining entitlement against the amount allocated.

These process will be repeated once the pre-determined amount for payment is reached until entitlement of each group in all responsibility centers is fully satisfied.

4. Payment of COLA/AA for Project based personnel shall continue to be governed by the provision of MC 62, series of 2002.
5. Payment is subject to the usual accounting and auditing rules and regulations. Further, subject for refund by the recipient in case the same is disallowed.
6. Saving Clause

Cases not covered by this Circular shall be referred to the Assistant Administrator for Finance & Management, and Administrative Services.

This Circular amends/supersedes/repeals in part or in whole provisions of previous Circulars inconsistent herewith.

For strict compliance.



**JESUS EMMANUEL M. PARAS**  
Administrator

September 27, 2004

Leveling off for the 1<sup>st</sup> payment to 30.93% for Group A and 19.37% for Group B. Succeeding allocation shall be at an equitable factor of available money against unpaid COLA/AA for each responsibility center.

# Table 1

## COLA/AA SCHEDULE OF PAYMENT GROUP A

REGION	First P52.400 M	PERCENTAGE	CUMMULATIVE	
	( Amount in P)	(%)	Amount (P)	(%)
5	5,840,000	15.99	11,292,777.35	30.93
UPRIIS	11,024,000	14.84	22,979,929.71	30.93
4	8,463,000	12.68	20,636,805.22	30.93
MARIIS	10,442,000	11.58	27,888,107.47	30.93
3	7,720,000	11.40	20,940,461.78	30.93
1	4,775,000	11.04	13,372,325.02	30.93
6	4,136,000	7.28	17,581,743.65	30.93
2		-	14,955,380.95	30.93
CAR		-	7,842,379.78	40.36
12		-	23,555,560.17	40.91
7&8		-	16,249,249.91	41.84
10			19,075,708.07	50.60
CO			52,350,798.33	54.63
9			12,563,320.40	56.17
11			32,843,385.92	69.13
13			15,510,097.96	70.00
<b>TOTAL</b>	<b>52,400,000</b>	<b>6.35</b>	<b>329,638,031.69</b>	<b>39.94</b>

**Table 2****COLA/AA SCHEDULE OF PAYMENT  
GROUP B**

REGION	FIRST TRANCHE		CUMULATIVE	
	AMOUNT	PERCENTAGE OF TOTAL (%)	AMOUNT	PERCENTAGE OF TOTAL (%)
1	5,395,054	19.37	5,395,054.00	19.37
2	5,323,103	13.19	7,816,170.39	19.37
3	5,456,318	17.58	6,012,070.45	19.37
4	6,393,762	17.04	7,266,743.67	19.37
5	2,611,648	19.37	2,611,648.00	19.37
6	25,581	3.27	151,636.35	19.37
7&8	1,183,520	6.68	3,429,267.16	19.37
9	1,110,412	14.62	1,470,848.40	19.37
10	1,233,884	12.09	1,976,858.25	19.37
11		0	2,217,314.21	19.98
12	2,633,355	13.69	3,724,764.44	19.37
13		0	664,043.50	70.00
CAR	1,205,086	16.89	1,381,280.95	19.37
UPRIIS	10,139,480	19.14	10,257,216.40	19.37
MARIIS	7,549,794	16.69	8,759,334.00	19.37
C.O.	5,629,004	16.79	6,492,868.94	19.37
GRAND TOTAL	55,890,000	15.61	69,627,118.11	19.45

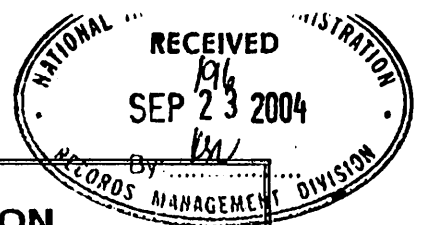
**Table 3****GROUP "A" FACTOR AFTER  
1<sup>ST</sup> TRANCHE**

<b>REGION</b>	<b>ACTIVE SERVICE</b>	
	<b>BALANCE</b>	<b>FACTOR</b>
<b>1</b>	<b>29,863,255.48</b>	<b>0.060</b>
<b>2</b>	<b>33,399,579.87</b>	<b>0.067</b>
<b>3</b>	<b>46,766,952.36</b>	<b>0.094</b>
<b>4</b>	<b>46,088,710.99</b>	<b>0.093</b>
<b>5</b>	<b>25,221,304.22</b>	<b>0.051</b>
<b>6</b>	<b>39,266,791.60</b>	<b>0.079</b>
<b>7&amp;8</b>	<b>22,586,101.25</b>	<b>0.046</b>
<b>9</b>	<b>9,802,266.60</b>	<b>0.020</b>
<b>10</b>	<b>18,620,069.83</b>	<b>0.038</b>
<b>11</b>	<b>14,667,530.09</b>	<b>0.030</b>
<b>12</b>	<b>34,018,069.67</b>	<b>0.069</b>
<b>13</b>	<b>6,647,184.89</b>	<b>0.013</b>
<b>CAR</b>	<b>11,590,147.13</b>	<b>0.023</b>
<b>UPRIIS</b>	<b>51,320,075.55</b>	<b>0.104</b>
<b>MRIIS</b>	<b>62,280,901.72</b>	<b>0.126</b>
<b>C.O.</b>	<b>43,479,232.67</b>	<b>0.088</b>
<b>GRAND TOTAL</b>	<b>495,618,173.92</b>	<b>1.000</b>

**Table 4****GROUP "B" FACTOR AFTER 1<sup>ST</sup>  
TRANCHE**

REGION	RETIRED	
	BALANCE	FACTOR
1	22,464,469.98	0.078
2	32,545,758.12	0.113
3	25,033,664.89	0.087
4	30,258,003.45	0.105
5	10,874,643.66	0.038
6	631,398.18	0.002
7&8	14,279,127.64	0.050
9	6,124,465.43	0.021
10	8,231,444.23	0.029
11	8,880,873.42	0.031
12	15,509,549.31	0.054
13	1,549,434.94	0.005
CAR	5,751,516.78	0.020
UPRIIS	42,710,034.65	0.148
MRIIS	36,473,001.22	0.126
C.O.	27,035,664.83	0.094
GRAND TOTAL	288,353,050.72	1.000



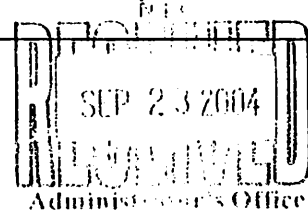


## NATIONAL IRRIGATION ADMINISTRATION

### BOARD OF DIRECTORS RESOLUTION

**SUBJECT :** Revised Guidelines for the payment of COLA/AA differential due to active and retired COB personnel.

**RESOLUTION NO. 7274-04  
SERIES OF 2004**



***Resolved as it is hereby resolved, on motion duly seconded,***  
that the Revised Guidelines for the payment of COLA/AA differential due to active and retired COB personnel under Annex "A" hereof, be and is hereby noted.

**Date Adopted:**

**September 20, 2004**

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 September 20, 2004.

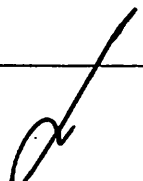
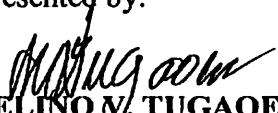
**4<sup>th</sup> Special Board Meeting**

  
**ATTY. GENEVER M. DIONIO**  
Acting Corporate Board Secretary

**NOTED BY:**

  
**JESUS EMMANUEL M. PARAS**  
ADMINISTRATOR

# NATIONAL IRRIGATION ADMINISTRATION

For the: BOARD OF DIRECTORS	From the: Administrator	
<b>SUBJECT:</b> Revised Guidelines for the payment of COLA/AA Differential Due to Active and Retired COB Personnel		
<b>ACTION REQUESTED:</b> <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> For Approval  <input type="checkbox"/> For Approval and Confirmation         </div> <div> <input checked="" type="checkbox"/> For Notation  <input type="checkbox"/> For Information         </div> </div>		
<p><b>DETAILS:</b></p> <p>After series of payment of COLA/AA to active NIA COB personnel, only five (5) NIA Offices, namely: Regions 9, 10, 11 and NIA Central Office received more than 50% payment while the remaining Regional Offices and two (2) IMO received less with Region 5 the lowest paid at 14.93% to Region 7&amp;8 with 41.84% payments received for COB Personnel in active service as of April 30, 2004. Retired personnel in all 16 offices received less that 50% of the COLA/AA.</p> <p>In order to address the issues and problems on the payment of COLA/AA differential the management reorganized the Committee on COLA/AA to study and recommend to management new policy guidelines on payment of the same. After series of meetings and consultation the Committee recommended the leveling off for the 1<sup>st</sup> payment to 30.93% for Group A and 19.37% for Group B. Succeeding allocation shall be at an equitable factor of available money against unpaid COLA/AA for each responsibility center.</p>		
Submitted by:  <b>JESUS EMMANUEL M. PARAS</b>	To be presented by:  <b>MARCELINO V. TUGAOEN, JR.</b>	Date: Sept. 6, 2004