



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

*copy to Prog/CDP*  
OFFICE ADDRESS: NATIONAL GOVERNMENT CENTER  
E. DE LOS SANTOS AVENUE  
QUEZON CITY PHILIPPINES

TELEPHONE NOS.: 929-60-71 to 79  
FAX NO.: 926-28-46

OUR REFERENCE:  
MC No. 07 s. 2006

**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 ON THE PAYMENT OF COST OF LIVING  
ALLOWANCE AND AMELIORATION ALLOWANCE (COLA/AA)  
DIFFERENTIAL**

**1.0 PURPOSE**

This Circular is being issued to prescribe revised guidelines on the payment of COLA/AA differential due each qualified NIA personnel both in (active) and out (inactive) of service.

**2.0 COVERAGE**

It is hereby reiterated that the earlier groupings adopted in the payment of COLA/AA differential as prescribed under Memorandum Circular No. 20, s. 2003 shall continue to be observed, viz:

- 2.1 *Group A* - NIA officials and employees 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 the service as of December 7, 2001 or thereafter.

It is understood that officials and employees who were separated from the service after December 07, 2001 due to resignation/retirement or death/termination of services are included in Group A.

- 2.2 *Group B* - NIA officials and employees 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 07, 2001 or earlier are included in Group B.

### **3.0 FUNDING SOURCE**

For purposes of funding requirements, the 2005 year-end Cash Surplus from current operation available for COLA/AA differential shall be equal to cash surplus multiplied by 60% (40% is to be set aside for cash buffer and other NIA operational requirements for the ensuing year).

Translated into actual cash available in the amount of fifty million (P50 M) pesos, P35 M shall go to COLA/AA payment for Group A and the remaining P15 M shall be set aside for Group B.

### **4.0 REVISED GUIDELINES**

#### **4.1 For Group A**

6.5% of the remaining COLA/AA balance of each claimant is hereby authorized.

#### **4.2 For Group B**

An initial across-the-board grant of Four Thousand (P4,000.00) pesos for each claimant is hereby granted. However, in cases where the full COLA/AA due each claimant is less than P4,000.00, the full amount shall be paid upon written request of the concerned parties or their legal heirs.

### **5.0 PAYMENT PROCEDURE**

5.1 Officials and employees under Group A shall be notified of the COLA/AA payment through a Notice of COLA/AA (Annex "A") Said Notice shall be forwarded to the General Accounting Division in the case of Central Office or to the Accounting/Finance Unit in the Regional/Operation/Project Offices for review purposes.

5.2 A consolidated report of payments made shall be submitted by all offices concerned to the Controllership Department for review and monitoring purposes within 30 days from payment thereof, copy furnished the PRMD.

5.3 Payment of COLA/AA as herein authorized shall be subject to accounting and auditing rules and regulations.

### **6.0 RESPONSIBILITY OF IMPLEMENTING OFFICIALS**

The Head of 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 reconstitute the entire amount.

## **7.0 SAVING CLAUSE**

Cases not covered by this Circular shall be referred to the Office of the Assistant Administrator for Administrative Services, Attention: Personnel & Records Management Department.

This Circular amends/supersedes/peals in part or in whole provisions of previous circulars inconsistent herewith.

For implementation.



**BALTAZAR H. USIS**  
Administrator

23 January 2006

Annex "A"  
(MC No. 07, s. 2006)

Republika ng Pilipinas  
PAMBANSANG PANGASIWAAN NG PATUBIG  
(National Irrigation Administration)  
Lungsod ng Quezon

\_\_\_\_\_  
(Date)

**NOTICE OF PAYMENT  
COST OF LIVING ALLOWANCE  
AND AMELIORATION ALLOWANCE**

Mr. / Ms. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Mr. / Ms. :

Pursuant to NIA Memorandum Circular No. 7, s. 2006 you are entitled to receive payment of COLA / AA computed as follows:

Balance	: COLA / AA	P
Multiplied by	: Distribution factor of 6.5%	
Amount due	:	P _____
		=====

This COLA / AA payment is subject to review and post audit, and to appropriate readjustment and refund of any excess payment made, as the case may be, by the employee/claimant concerned.

Very truly yours,

\_\_\_\_\_  
(Head of Office)

cc : CH  
COA