

[QUEDANCOR MEMORANDUM CIRCULAR NO. 376, August 15, 2005]

QUEDANCOR INCOME AUGMENTATION LIVELIHOOD (IAL) PROGRAM FOR CASUAL STATE EMPLOYEES

1. RATIONALE

The increasing cost of oil in the world market coupled with the unfavorable political environment hampered the government's program for economic development. With the government's current fiscal problems, providing immediate increases in the salaries and benefits of the government employees to relieve them of the high cost of basic commodities is not a feasible solution given the financial condition of our country.

Realizing the present predicament of most state employees in coping with the tight financial situation, QUEDANCOR, in line with its policy of alleviating poverty, generating employment and spur economic development, is expanding its Income Augmentation and Livelihood Program to State Employees to accommodate casual employees of the government in the said program.

2. OBJECTIVE

To make credit available to casual employees of the government agencies/ bureaus/ units, for their livelihood projects and similar activities thereby augmenting their family's income and creating employment for their dependents or relatives.

3. DEFINITION OF TERMS

3.1 Casual Employee – refers to an employee who has passed the probationary period but cannot be given a regular appointment due to lack of appropriate eligibility, or to further test his/her capabilities prior to his/her appointment to regular status.

3.2 Co-Maker – refers to regular/permanent state employee who is qualified and willing to pay the obligation of the principal borrower in case of default.

3.3 Non-Participating Government Agency/Bureau/Unit/PGEA – refers to a government institution, its bureaus, units or employees association which is not participating under the program but its employees are availing loans as individual borrower or willing to form an SRT under the program.

3.4 Participating Government Agency (PGA) – refers to the participating government agency which forged an agreement with QUEDANCOR in the availment of loans under this program.

3.5 Participating Government Employees' Association (PGEA) – refers to the participating government employees' association which forged an agreement with QUEDANCOR in the availment of loan by its members under this program.

3.6 Self-Reliant Team (SRT) – refers to a basic economic unit of agri-fishery farmers, employed within the same government agency/office for at least two (2) years of service and at least six (6) months service with the present employer in case of transfer to another government agency/bureau/unit and voluntarily forming themselves into an informal group for the primary purpose of promoting business opportunity and stimulating economic activity in the countryside.

3.7 Receivables – refers to the receivables of the applicant/employee such as but not limited to the salaries, allowances, bonuses, retirement benefits, separation pay, gratuity pay, monetary value of their accumulated leave credits and any other monies or benefits.

3.8 State Employee – refers to a permanent or casual state employee qualified to avail of a loan under this program.

3.9 Team Leader (TL) – is the leader of the SRT, duly elected or selected by the members of the group to collect loan amortizations from the SRT members and remit the same to QUEDANCOR based on the schedule of loan amortizations in accordance with the memorandum of agreement signed by them.

4. SCOPE

Casual employees in the executive, legislative and judiciary branches of the government including state universities and colleges (SUCs), Local Government Units (LGUs), government owned and controlled corporations and other government instrumentalities.

5. STATEMENT OF POLICIES

5.1 Eligibility Requirements

5.1.1 General Requirements

a. Must be casual employee with at least two (2) years of service with the government and at least six (6) months service with the present employer in case of transfer to another government agency/bureau /unit and not on leave of absence without pay as of date of filing of application;

b. Must have at least fifteen (15) days unexpended leave credits (vacation and sick leave);

c. Must have no pending criminal and administrative case as evidenced by a Certification issued/signed by the agency concerned;

d. Must have a net monthly take home pay of not less than P3,000.00 after statutory deductions and net of all loan amortizations, including the IAL loan being applied for;

e. Must have a regular/permanent co-maker whose salary grade is equal to or higher than the employee-applicant. However, if the salary of the co-maker is lower than the employee-applicant, at least two (2) permanent or regular co-makers. The Co-