

Department:	Employee Rewards & Services	Reference No.	
Section:			
Subject:	Compensation		
Sub-Topic:			
Process Owners:	Mary Therese M Arive		
Author:			
Status:		Document type:	Public

1.0 Objective

The Company seeks to establish and maintain a system of compensation and benefits that is externally competitive, internally equitable, and supportive of corporate and individual requirements.

2.0 Scope

This includes compensation and benefits of employee from hiring to separation from the company.

3.0 Details

1. Pay Structure

Job evaluation is the process of ascertaining the appropriate pay grade for a position based on standard factors (e.g., complexity of work, previous experience required, responsibility for information). This is performed whenever there is a newly created position or a newly reconstituted one. A general job evaluation is also conducted as warranted by business circumstances.

Pay scales are provided to guide movements along and across pay grades. These are regularly reviewed vis-à-vis alignment with compensation policy.

2. Hiring Rate

Hiring rate is determined by the position's pay grade and the new hire's assessed relevant qualifications.

3. Pay Increases

3.1. Regularization Increase

This may be given to an employee who satisfactorily completes the probationary period.

3.2. Merit Increase

This is given to an employee based on his work performance for a stated period.

3.3. Promotion Increase

This is given to the employee as a result of upward position adjustment and assumption of higher/expanded responsibilities.

3.4 Others

Pay increases may also be given as a result of, among others, structural adjustment, a government directive, acquisition of additional professional credentials, or a Collective Bargaining Agreement.

4. Overtime Pay (Staff)

Overtime pay is granted to staff for excess hours of work, as authorized by the Division and Department Heads. Minimum of 1 hour for authorized overtime.

	Overtime Rate/Hour
Regular Work Day	Before 9:00pm – 150% After 9:00pm – 175%
Regular Holiday	200%
Rest Day, Special Holiday	150%

A grace period of 10 minutes is allowed during rest days and holidays. Beyond this, start time for compensation purposes shall be determined in aggregates of 30 minutes, as illustrated below.

- 8:00 – 8:10 AM – considered as 8:00 AM
- 8:06 – 8:30 AM – considered as 8:30 AM

OT pay requests are approved by line head and directly submitted to Payroll for spot audit/processing.

5. Night Differential

Night Differential is granted for authorized work performed between 10:00 p.m. to 6:00 a.m. This is on top of any overtime compensation.

The rates are as follows

- Staff - P150 per night, proportionate to the actual number of hours
- Supervisor – P270 per night

6. Bonuses

6.1. 13th Month Pay

The Company grants all covered employees a 13th month pay equivalent to one month basic salary.

Those with less than one year of service or have been on leave without pay or suspended for at least 30 calendar days receive a proportionate amount. Reckoning date is December 31 of applicable year.

6.2. Christmas Bonus

On top of the 13th month pay, the Company grants all employees with at least 5 years of continuous service as of December 31 of the applicable year a Christmas Bonus based on the following amounts:

Years of Service	Amount
5 to less than 10 years	25% of monthly basic salary
10 to less than 15 years	50% of monthly basic salary
15 to less than 20 years	75% of monthly basic salary

20 years and over	100% of monthly basic salary
-------------------	------------------------------

Employees who have been on leave without pay (except sick leave) or suspended for at least 30 calendar days receive a proportionate amount.

6.3. Midyear Bonus

The Company grants a mid-year bonus equivalent to fifty (50%) percent of the covered employee's basic monthly salary at the time of payout in May of each year, and another fifty (50%) percent of the covered employee's adjusted basic monthly salary at the time of payout in October. The covered employee must have rendered at least one (1) year of service at the time of payout to be entitled to the said bonus.

Proportionate amounts are granted to regular employees without one year of service, those who are either suspended or on unpaid leave for at least 30 calendar days in the last 12 months.

7. Allowances

On top of basic salaries, the Company may grant allowances. The allowances may be for specified groups or reasons. Further, granting may be for a limited period only or subject to certain conditions.

These allowances, which in certain cases may be tax-free, are not included in the computation of basic salary-related benefits (e.g., 13th month pay, leave conversions, Retirement Plan).

Among the allowances are meal allowances (as part of the Collective Bargaining Agreement) and per diem (for official out-of-town trips).

7.1 Meal and Transportation Allowance (Supervisors)

The allowance shall be provided for supervisors to help defray expenses incurred for work performed outside regular working hours. This is computed at P230 per hour, for a minimum of 2 to a maximum of 8 hours on regular work days and a minimum of 4 to a maximum of 8 hours on rest days/holidays.

The approved request for such should be submitted to HRMD for processing. Cu-off date shall be the usual payroll-cut-off which is 8 working days before pay-out. Payment shall be credited to the nearest payroll period. An employee may only receive either meal and transportation allowance or per diem allowance, not both.

8. Payroll

8.1. Payroll Crediting

Salaries are paid every 10th and 25th of the month. If the payday falls on a Saturday, Sunday or Holiday, employees may draw their salaries on the weekday immediately preceding the above mentioned days.

The mode of payment is through RCBC savings/current account.

Pay slips are normally released two (2) days before payday.

8.2. Payroll Deductions

As required by law, the Company makes regular deductions for taxes withheld from income, Social Security, Philhealth and PAG-IBIG contributions from the employee's payroll. Other deductible items are the following:

- Excessive tardiness (for staff and supervisors),
- leaves without pay,

-
- any accountability to the Company or
 - when expressly authorized by the employee, as when he signs an authorization to deduct to pay for items allowed by the Company.

Total payroll deductions should not go below the take home pay limit of 30%.

9. Determination of Monthly, Daily and Hourly Rates (Based on Basic Pay)

9.1. To convert daily rate to monthly rate (e.g., in case of increase in daily rate)

$$\text{Monthly Rate} = \frac{\text{Daily Rate} \times 365 \text{ days}}{12}$$

9.2. To convert monthly rate to daily and hourly rates (i.e., for overtime pay)

$$\text{Daily Rate} = \frac{\text{Monthly Basic Salary} \times 12 \text{ months}}{261}$$

$$\text{Hourly Rate} = \frac{\text{Daily Rate}}{8}$$

9.3. To convert monthly rate to daily rate (i.e., for sick leave encashment)

$$\text{Daily Rate} = \frac{\text{Monthly Basic Salary} \times 12 \text{ months}}{312}$$

9.4. To convert monthly rate to daily rate (i.e., for vacation leave encashment)

$$\text{Daily Rate} = \frac{\text{Monthly Basic Salary} \times 12 \text{ months}}{261}$$

10. Effect of Prolonged Absence without Pay

Employees who are either suspended or on leave without pay for at least 30 calendar days shall not earn vacation and sick leave credits for the covered period and shall have tenure-based pay increases and bonuses computed proportionately. All other benefits shall be handled on a case-to-case basis.

11. Computation and Processing of Last Pay

Last pay shall be processed upon full completion of exit clearance. In case the last pay is insufficient to pay all liabilities to the Company, the separating employee is obliged to personally settle all obligations upon demand.

Common components of the last pay of employees who are retiring, resigning, or being separated due to an authorized cause shall be the following:

- Last payroll (covering at least ½ month)
- Pro-rated 13th month pay
- Pro-rated Christmas bonus if at least with 5 years of service upon separation
- Commutation of unused vacation leaves, including earned leaves for use the following period
- Commutation of unused sick leaves (for Managers & Officers only), including earned leaves for use the following period
- Retirement Plan proceeds, in case of retirement or voluntary separation after at least 10 years

Last pay of employees who are being separated due to just cause shall cover last payroll and pro-rated 13th month pay.

Upon receipt of the above, the employee shall be required to sign a Release, Quitclaim and Waiver.

Description / Title	Name List	Sign-off and Approval	
Reviewer(s)		Reviewer's Sign-off	
Business Representative	Mary Therese M Arive		
Approver(s)		Approval Sign-off	
Business Manager			