



17 January 2018

MEMORANDUM No. 2018-003

TO : ALL ELECTRIC COOPERATIVES (ECs)

SUBJECT : REVISED RETIREMENT PLAN FOR GENERAL MANAGERS OF ELECTRIC COOPERATIVES (3RD REVISION)

I. BACKGROUND

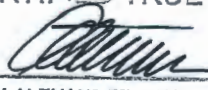
The Retirement Plan for Electric Cooperative General Managers was first issued on 01 January 1994. It was amended on 23 May 2005 by Memorandum No. 2005-015, "Revised Retirement Plan for Electric Cooperative General Managers". This was further amended after the enactment of Republic Act 10531 or the "National Electrification Administration Reform Act of 2013" which mandated the full observance to new and stricter compliances and quick response to the demand for reliable electric service by Member-Consumer-Owners (MCOs).

Considering the General Managers' significant role in ensuring the effective management and implementation of programs towards improved service to the MCOs and other stakeholders and the strict compliance to new rules and regulations with the passage of RA 10911 declaring the State Policy of promoting employment of individuals on the basis of their abilities, knowledge, skills and qualification rather than their age, it is deemed suitable to amend the existing policy on retirement plan for electric cooperative general managers.

II. STATEMENT OF POLICY

It shall be the policy of this Office to adopt a Retirement Plan that will provide benefits to General Managers with permanent appointments who shall retire from service under circumstances that are honorable and after having served a specified number of years with at least a satisfactory performance.

REPUBLIC OF THE PHILIPPINES
 NATIONAL ELECTRIFICATION ADMINISTRATION
 QUEZON CITY
 OFFICE OF THE CORPORATE SECRETARY
 CERTIFIED TRUE COPY



ATTY. ALEXANDER PAUL T. RIVERA

U.P. LAW CENTER
 OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
 Administrative Rules and Regulations

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III. SERVICE AND AGE REQUIREMENTS

A. Optional Retirement

The General Manager can avail of Optional Retirement at the age of sixty (60) with a minimum service of ten (10) years. This option cannot be availed after age sixty (60).

B. Compulsory Retirement

The Compulsory retirement age of a General Manager is at sixty-five (65) years.

C. No Extension of Service

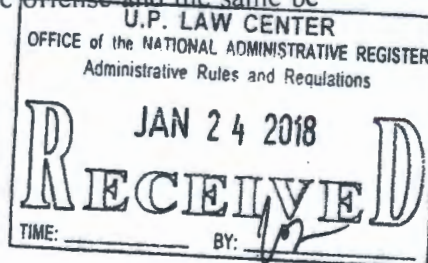
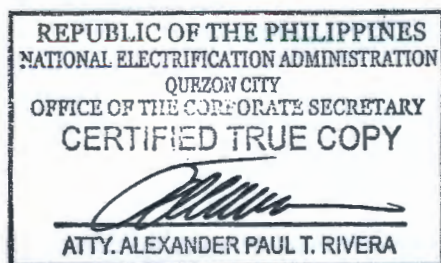
Upon retirement (Optional or Compulsory), no request for extension of service shall be allowed.

IV. RETIREMENT BENEFITS

- 1) The retirement package includes the latest basic salary approved by the Administrator plus the prescribed monthly representation allowance, Board meeting per diem based on the latest EC Key Performance Standard (KPS) rating and one twelfth (1/12) of 13th month pay.
- 2) A fraction of at least six (6) months and one (1) day shall be considered one (1) whole year.
- 3) Method of computation will be on a straight-line basis.
- 4) Services rendered as member of the Board of Directors shall be excluded since those were not undertaken by virtue of employment.
- 5) Extraordinary Performance

Extraordinary performance shall mean those over and above the KPS and compliance to performance requirements including innovations and strategies yielding significant/positive impact in the overall operations of the EC. The General Manager shall be entitled to the additional multiplier, provided that he/she:

- 1) Has been recognized by NEA for his/her significant contributions to the Rural Electrification Program which include, among others, implementation of SEP/BLEP Project based on targets;
- 2) Has contributed to the attainment of AAA rating for the last three (3) years prior to retirement;
- 3) Has not been found guilty of any administrative offense by the NEA. In case he/she is found guilty of any administrative offense and the same be



reversed on appeal by final judgment, he/she shall be entitled to the additional multiplier; and

4) Has no adverse audit findings

Adverse Audit findings are those resulting to negative impact to the operations of the EC. These include, but not limited to the following: irregular procurement procedures; acts of falsification; unauthorized diversion of EC funds; entering into dubious, fraudulent and spurious contracts; violation of procurement procedures and the likes.

Under OPTIONAL RETIREMENT PLAN, the benefits for services rendered for cumulative service of ten (10) years or more are:

Years in Service	Multiplier (%)	Additional % for Extraordinary Performance	Total (%)
10-12	200	25	225
13-15	225	25	250
16-20	250	25	275
21-25	275	50	325
26 and above	300	50	350

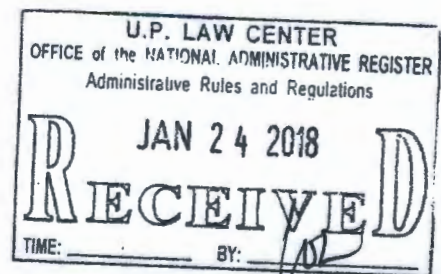
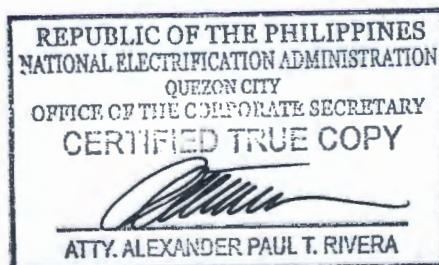
Under COMPULSORY RETIREMENT PLAN, the benefits for services rendered for cumulative service for FIFTEEN (15) years or more are:

Years in Service	Multiplier (%)	Additional % for Extraordinary Performance	Total (%)
15	125	25	150
16-20	150	25	175
21-25	175	25	200
26-30	200	50	250
31 and above	225	50	275

V. PROCEDURES

The following steps shall be undertaken by the General Manager who meets the requirements for optional or compulsory retirement:

- a) He/she shall inform the Board of Directors of his/her intention to avail of such scheme at least thirty (30) days before the effectivity date of his/her retirement; and
- b) The Board of Directors shall pass a Resolution accepting such application and submit the same to NEA for approval by the Administrator. The Resolution shall include the clearance and computation of corresponding benefits.



VI. MISCELLANEOUS PROVISIONS

- a) If at the time of retirement, a General Manager has a pending administrative case, civil and/or criminal case against him/her, arising from the official performance of his/her duties as General Manager shall go on such retirement without receiving any benefit. If proven guilty of the charge/s, forfeiture of these benefits may be promulgated in the formal decision in the resolution of the case. Once cleared, however, he/she shall receive the full amount to which he/she is entitled under this Policy.
- b) The EC must have sufficient Sinking Fund and shall regularly set aside savings under a Restricted Fund for this purpose based on actuarial study. In no case shall the payment of retirement benefit result in an increase in the coop's power rate.
- c) The release of retirement benefit shall be granted after the General Manager has cleared himself/herself of all monetary and property accountabilities with the cooperative and shall be subject to availability of funds.

VII. RESPONSIBILITY

The Board President, Finance Services Department Manager and the Internal Auditor shall be responsible in the implementation of this policy.

VIII. EFFECTIVITY

This shall take effect immediately after filing with the University of the Philippines (UP) Law Center pursuant to the Presidential Memorandum Circular No. 11, dated October 9, 1992.

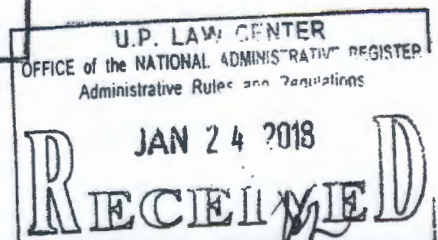
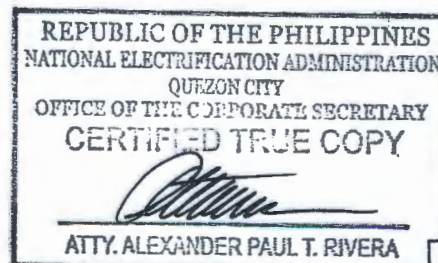

EDGARDO R. MASONGSONG
Administrator

NATIONAL ELECTRIFICATION
ADMINISTRATION
Office of the Administrator



NEA-OA248259

1/23/18





January 24, 2018

THE DIRECTOR

Office of the National Administrative Register
University of the Philippines Law Center
U.P Law Center, Diliman
Quezon City

Sir:

Pursuant to Book VII, Chapter 2, Section 3 of the 1987 Administrative Code of the Philippines, we are respectfully submitting to the U.P Law Center for filing, publication and recording the attached certified true copies of the **"REVISED RETIREMENT PLAN FOR GENERAL MANAGERS OF ELECTRIC COOPERATIVES (3RD REVISION)"** promulgated by the National Electrification Administration (NEA) in accordance with its authority under Section 5 of P.D. No. 269 as amended.

Thank you very much for the usual and kind assistance of the U.P Law Center.

Very truly yours.

ATTY. ALEXANDER PAUL T. RIVERA
Corporate Board Secretary V

