

Malacañang
Manila

ADMINISTRATIVE ORDER NO. 195

AUTHORIZING THE GRANT OF AN INTEREST-FREE LOAN TO
GOVERNMENT PERSONNEL IN CY 1995 AND YEARS THEREAFTER

I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

1.0 PURPOSE

This Administrative Order is issued to allow government personnel to exercise the option to avail of an interest-free loan not exceeding one-half (1/2) of the amount of the Year-End Bonus and Cash Gift authorized under RA 6686 which shall be deducted from the full amount of the Year-End Bonus and/or Cash Gift accruing to the official or employee concerned in CY 1995 and years thereafter.

2.0 COVERAGE

2.1 All appointive government personnel under regular, temporary or casual status, and contractual personnel whose employment is in the nature of a regular employee, who are still in the service as of May 15 of each year and:

2.1.1 have rendered at least a total of four (4) months including leave of absence with pay in the government from January 1 to May 15 of the same year; and

2.1.2 on approved leave without pay but have rendered at least a total of four (4) months of service from January 1 to May 15 of the same year, provided they are not yet dropped from the rolls.

3.0 EXEMPTION

The following government personnel shall not be allowed to avail of the loan authorized herein:

IN REPLYING, PLEASE CITE:

PFVR Letter # L950642



L950642

W

- 3.1 those who are under preventive suspension as of May 15 of the year the benefit is given unless exonerated;
- 3.2 those who are absent without leave (AWOL) as of May 15 of each year;
- 3.3 those who are formally charged in administrative cases and/or meted penalties as of May 15 of each year, and thereafter, during the year the benefit is given. Accordingly, those with pending cases as clarified under Budget Circular No. 5-A, dated December 16, 1994, are only disqualified to avail of the said benefit during the first year of the pendency of the case; and
- 3.4 those who may have four (4) months or more of government service but are no longer in the service as of May 15 of each year or those whose government service ends before October 31 of each year due to retirement/resignation/separation or for whatever reasons.

4.0 **RULES AND REGULATIONS**

- 4.1 Officials and employees who availed of the loan herein authorized but later have been found to be exempted from the coverage of this Circular shall be required to pay the same through payroll deduction within three (3) months from the date of such exemption. For this purpose, the head of the agency concerned and such other officials/employees who took part in the grant of the loan shall cause the deduction of the above from any benefit, including the last salary, due the official/employee whose government service ends before October 31.
- 4.2 The loan of officials and employees who are on full-time or part-time detail with another government agency or special project shall be drawn from their respective mother agency. In the case of those who are paid from project funds, the loan shall be drawn from the same source where they draw their salaries. No one shall exercise the option under this Order from more than one source.
- 4.3 Officials and employees who are employed on a part-time basis are entitled to the loan provided herein corresponding to the basic salary he is actually receiving and a pro-rata amount of the P1,000.00 Cash Gift. Those who, by the nature of their employment, are on part-time service with two (2) different agencies, where part-time service in one agency is equivalent to one-half day service, shall be entitled to an amount for the corresponding one-half day service, in each agency, provided that the total loan shall not exceed the equivalent amount provided in this Order.

4.4 The loan under this Order of officials or employees who transferred from one agency to another shall be granted by their new Office.

5.0 **RELEASE OF FUNDS**

5.1 The Department of Budget and Management is hereby directed to release the necessary funds to concerned government agencies out of the amounts provided for the year-end benefits in the Annual General Appropriations Act (GAA).

5.2 Agencies, however, may use whatever cash available from their Common Funds for the purpose herein authorized without waiting for the receipt of the Special Allotment Release Order and Notice of Cash Allocation for the purpose.

6.0 **FUNDING SOURCE**

6.1 In the case of national government agencies, the amounts required shall be charged against the approved appropriations for the purpose under the annual General Appropriations Act (GAA).

6.2 In the case of government-owned and/or -controlled corporations and government financial institutions (GFIs), the amounts required shall be sourced fully from their respective corporate funds.

6.3 In the case of local government units, the amounts required shall be sourced fully from their respective local funds.

7.0 **RESPONSIBILITY OF THE HEAD OF AGENCY**

The heads of concerned government agencies shall be held responsible and personally liable for any grant of loan herein authorized not in accordance with the provisions of this Order, without prejudice, however, to the refund of any excess payment by the official or employee concerned.

8.0 **PROHIBITION AGAINST PAYMENT OF ADDITIONAL BENEFITS**

Agencies are hereby prohibited from granting additional benefits other than those authorized under this Order. Consequently, all administrative authorizations to grant any or other forms of benefits or other similar compensation in CY 1995 and thereafter which partake the nature of year-end bonus and cash-gift that are

inconsistent with the declared policy on the matter shall be rendered nugatory and unenforceable.

9.0 **RESOLUTION OF CASES**

Cases not covered by the provisions of this Order shall be submitted to the Secretary of Budget and Management for appropriate evaluation and resolution.

10.0 **EFFECTIVITY**

This Order shall take effect immediately.

DONE in the City of Manila this 30th day of May in the year of Our Lord, Nineteen Hundred and Ninety-Five.



By the President:



RUBEN D. TORRES
Executive Secretary