

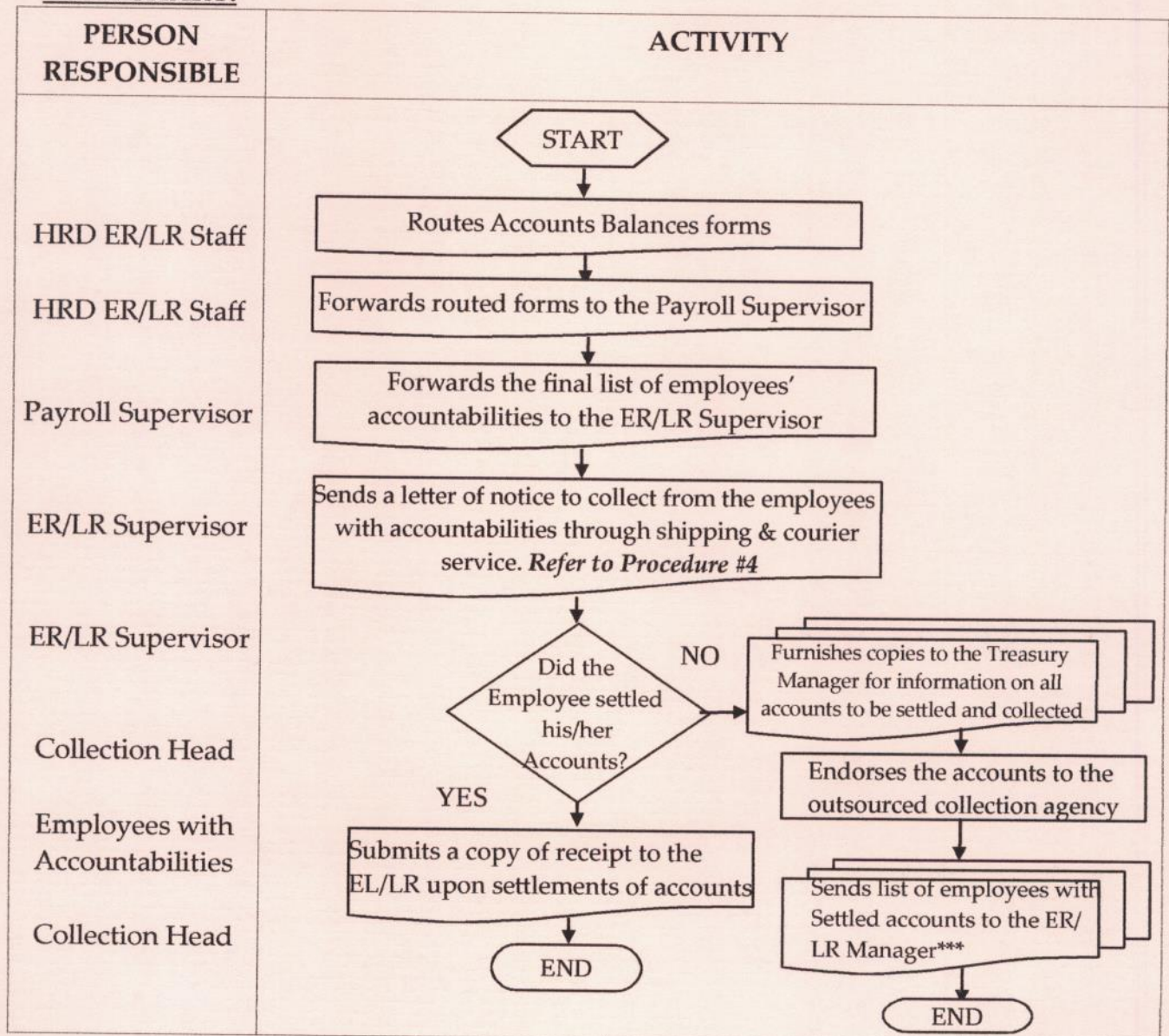


DR. PABLO O. TORRE  
MEMORIAL HOSPITAL


B.S. Aquino Drive,  
Bacolod City,  
Negros Occidental,  
6100

Document Code:	DPOTMH-HRD-ER/LR-P002
Revision Number:	01
Effective Date:	09-25-2020
Document Type:	Policy
Page Number:	7
Department/Section:	<b>HUMAN RESOURCE DIVISION</b>
Document Title:	<b>POLICY ON THE AUTHORIZED DEDUCTIONS, COLLECTION AND SETTLEMENT OF THE SEPARATED EMPLOYEES' ACCOUNTABILITIES</b>

### FLOWCHART:





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### **PURPOSE:**

To establish a standard policy on the identification of authorized deductions for payroll, collection and settlement of employee's accountabilities after separation from the company.

### **LEVEL:**

Human Resources Staff, Payroll Supervisor, Treasury Manager, Chief Accountant, and Collection Head – Personal Accounts.

### **DEFINITION OF TERMS:**


**Separated Employees.** Refers to the resigned, retired or terminated employees.

### **POLICY:**

#### **Authorized Deductions**

1. Authorized deductions for payroll shall only be the following:
  - Government-related loans (SSS, PAG-IBIG)
  - Company Loans
  - Membership Fees, Monthly Dues, and other assessments of employees who are members of the union with the written authority to check-off, duly signed by the employee.
  - Advances signed and agreed by the employee.
  - Cooperative
  - Any other deductions authorized by the employees
2. Employees are not allowed to sign a hospital guarantee note for and in behalf of the person except for his/her dependent in reference to *HR(COMPEN)-QP-17 Hospitalization & Other Medical Benefits*.



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### Collection

1. All employees' accountabilities due to authorized deductions shall be subjected for collection upon separation from the company.


### Settlement

1. The debt must be paid in full, and in cash or check.
2. Total balance of the SSS Salary loans shall be deducted from any benefits due to the employee in case the member-borrower is separated voluntarily or involuntarily. *(Please refer to the SSS website: <https://www.sss.gov.ph/sss/appmanager/pages.jsp?page=salarydetails> under the Responsibilities of employer, Salary Loan Details).*
3. Upon separation, the last payroll shall be computed and released with the final pay.
4. If final pay is insufficient to settle accountabilities, settlement shall be within 30 days prior to the release of clearance.

### Turn Around Time

Process	Date and Length of Time	Person Responsible
1. Sends out and monitors the Accounts Balances Forms	5 working days after the effective date of separation or reports of separation	HRD ER/LR Staff
2. Finalizes list of employees' accountabilities and forward to the ER/LR Supervisor.	5 working days after receipt from ER/LR	Payroll Supervisor
3. Prepares and sends a letter of notice to collect from the employees with accountabilities through shipping and	5 working days after receipt from the Payroll Supervisor	ER/LR Supervisor




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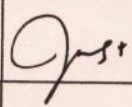
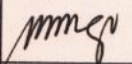
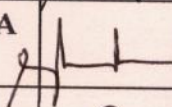
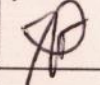
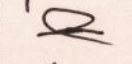
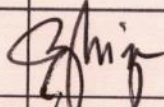
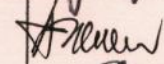

accountabilities through shipping and courier services based on the last known address stated in the employees 201 records; Furnishing a copy to the Treasury Manager.		
4. Settles accounts with Treasury (procedure included in the letter).	15 working days	Employees with accountabilities
5. After demand letter, in cases wherein accountabilities are still not settled, furnish copies of demand letters to the Credit & Collection for outsource collection.	On the working day after the deadline of accounts settlement	HRD ER/LR Supervisor
6. Endorses the accounts to the outsourced collection agency.	Within 5 working days after the endorsement from HRD	Collection Head – Personal Accounts

Process	Date and Length of Time
Processing of the Accounts Balances Form	10 working days
Preparation and sending of letters of notice to collect and demand letters through shipping and courier services and outsource agency	10 working days
Settlement of accounts by employees with accountabilities	15 working days




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	Document Title:	<b>POLICY ON THE AUTHORIZED DEDUCTIONS, COLLECTION AND SETTLEMENT OF THE SEPARATED EMPLOYEES' ACCOUNTABILITIES</b>

**APPROVAL:**


	Name/Title	Signature	Date
Prepared by:	<b>KARLOTA L. SUMUGAT</b> Acting OD Specialist		09-09-20
	<b>MARIE MARGARET G. VALLADOLID, CPA, MBA</b> Treasury Manager		09-16-2020
	<b>ERMA GRACE C. BANDADA, CPA, MBA, FPCHA</b> Chief Accountant		09-16-2020
	<b>RONEL JAY Y. FERRER</b> Acting ER/LR Supervisor		
Reviewed by:	<b>DENNIS C. ESCALONA, RN, MN, FPSQua</b> Quality Assurance Supervisor		09-17-2020
Recommending Approval:	<b>NANCY B. HIZON, MS Psych, FPCHA</b> Corporate Human Resource Officer		9-14-2020
	<b>HENRY F. ALAVAREN, MD, FPSMID, FPSQua</b> Total Quality Division Officer		9/17/2020
Approved:	<b>GENESIS GOLDI D. GOLINGAN</b> President and CEO		12/23/2020



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### **PROCEDURE:**

1. HRD ER/LR Staff shall send out the Accounts Balances Form.
2. The Staff shall then forward the routed form to the Payroll Supervisor for the computation of the final payment.
3. The Payroll Supervisor shall forward the final list of employees' accountabilities to the ER/LR Supervisor.
4. The ER/LR Supervisor shall send a letter of notice to collect from the employees with accountabilities through shipping & courier services, based on the last known address stated in the employees' 201 records.
5. Furnishes copies to the Treasury Manager for information on all accounts to be settled and collected.
6. The employees with accountabilities shall settle the accounts with Treasury following the procedures on the notice of collection.
7. Employees who have settled their accounts shall secure a copy of their receipts to be submitted to the ER/LR Manager and attached to their Clearance Form.
8. After the demand letter, in cases wherein accountabilities are still not settled, the ER/LR Supervisor shall furnish copies of demand letters to the Credit & Collection and Treasury Manager for outsourcing collection.

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9. The Collection Head – Personal Accounts shall endorse the accounts to the outsourced collection agency.
10. The Collection Head – Personal Accounts shall send lists of employees to the ER/LR Manager who has settled their accounts with the outsourced collection agency.



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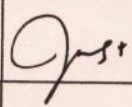
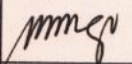
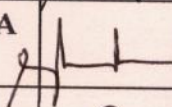
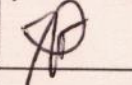
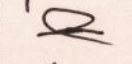
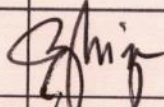
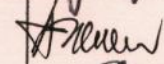

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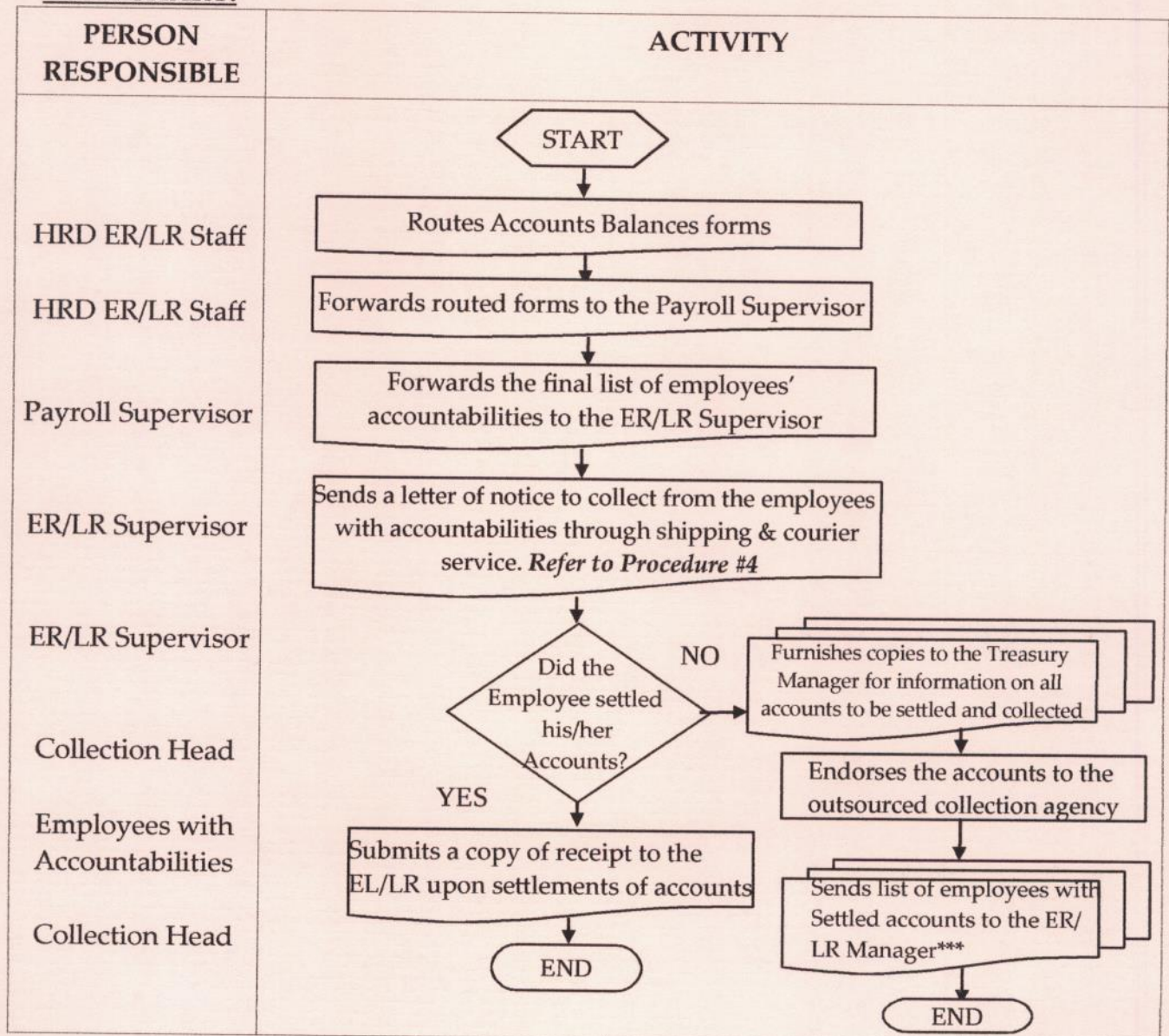


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### **WORK INSTRUCTION:**

#### **HRD ER/LR Staff:**

1. Sends out Account Balances Form.
2. Forwards the routed form to the Payroll Supervisor for the computation of the final payment.

#### **ER/LR Supervisor:**

1. Sends a letter of notice to collect from the employees with accountabilities through shipping & courier service.
2. Furnishes copies to the Treasury Manager for information on all accounts to be settled and collected.
3. Furnishes copies of demand letters to the Credit & Collection and Treasury Manager for outsourcing collection.

#### **Payroll Supervisor:**

1. Forwards the final list of employees' accountabilities to the ER/LR Supervisor


#### **Collection Head:**

1. Endorses the accounts to the outsourced collection agency.
2. Sends lists of employees to the ER/LR Manager who has settled their accounts with the outsourced collection agency.

#### **Employees with Accountabilities:**

1. Settles the accounts with Treasury following the procedures on the notice of collection.



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**DOCUMENTATION:**

1. Accounts Balances Form
2. Letter of notice to collect
3. Lists of employees with Accountabilities

**DISSEMINATION:**

1. Communicator's Bulliten