

# KOLIN PHILIPPINES INTL. INC

POLICY ON	:	PAYROLL	SECTION	:	022
CATEGORY	:	ALL EMPLOYEES	PAGE	:	1 of 3

PREPARED BY	:	THADDEUS GEORGE ROMAN	REVISION	Rev. 06
APPROVED BY	:	OLIVER M. FILOTEO	EFFECTIVITY DATE:	MAY 1, 2025

## I. POLICY

All employees shall receive their salary, inclusive of overtime, allowances, rest day pay, and holiday premiums, on the 15<sup>th</sup> and 30<sup>th</sup> of each month via direct deposit through the designated payroll bank. Compliance with payroll procedures is mandatory and non-negotiable.

## II. GUIDELINES

### a. Official Payroll Bank

The Bank of the Philippine Islands (BPI), Magallanes Branch, is the sole authorized bank for payroll disbursement. No exceptions shall be made.

### b. Payroll Account Requirements

- i. All Head Office employees are strictly required to open their payroll accounts at BPI Magallanes Branch.
- ii. Employees in provincial areas shall be issued an endorsement letter for account opening at their nearest BPI branch. No payroll disbursement will be made to accounts outside the designated bank.

### c. Payslip Distribution

Payslips are released only on Mondays and Fridays. For Provincial Offices, payslips shall be sent through secure pouching and distributed solely by the Branch Operations Officer. No other means of distribution shall be entertained.

### d. Salary Deductions

The following deductions are mandatory and automatically applied to employee salaries:

- i. Withholding Tax (for taxable employees)
  - ii. SSS Premium Contributions
  - iii. SSS Loan Amortization
  - iv. Philhealth (PHIC) Contributions
  - v. Pag-IBIG (HMDF) Contributions
  - vi. Pag-IBIG Loan Amortizations
  - vii. Product Loan Amortizations (if applicable)
  - viii. Unliquidated Cash Advances
  - ix. Cooperative Share Contributions (for members only)
  - x. Cooperative Loan Amortizations (for members only)
  - xi. Personal Call Charges
  - xii. Any other deductions covered by a signed Authority to Deduct
- Note: Refusal or failure to settle any of the above obligations will result in salary withholding until resolved.

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**e. Payroll Cut-Off Compliance**

The Company observes a strict payroll cut-off schedule. Employees hired after the cut-off shall not receive payment in the current payroll cycle. No exceptions will be made.

**f. Time Card Submission Policy**

Employees assigned to dealer store outlets who fail to submit their time cards on or before the payroll cut-off date will have their salary withheld. Salaries will be held by the Treasury and will only be released upon verified submission of complete and accurate timekeeping records.

**g. Repeated Non-Compliance – Field Employees**

Field employees who fail to submit their time cards on two (2) occasions whether consecutive or not, will have their entire net pay for the current period withheld without exception. Payment will be deferred to the next payroll cycle, provided compliance is observed. Continued violation may lead to administrative sanctions.

**h. Payroll Dispute Resolution**

All payroll related disputes (e.g., incorrect amounts, missing allowances, unauthorized deductions) must be formally submitted in writing within three (3) working days from receipt of the payslip. Issues raised beyond this period shall be considered waived and will no longer be accommodated.

**i. Unauthorized Absences and Lateness**

Employees are expected to maintain regular attendance and punctuality. Unapproved absences, tardiness, or early departures will result in automatic salary deductions based on the company's attendance records. Habitual offenders will face progressive disciplinary action: a written warning for the first offense, a final warning for the second offense, a suspension of 4 to 30 days for the third to fifth offense, and dismissal upon the sixth offense. In cases of suspension, the release of salary may be delayed or withheld due to a high number of suspensions within a payroll cut-off, leave(s) without pay within a payroll cut-off, or outstanding loans.

**j. No Timekeeping, No Pay Policy**

The company enforces a "No Timekeeping, No Pay" policy. Employees who fail to use the official timekeeping system shall not receive pay for the affected period. Manual entries shall be rejected unless endorsed by the employee's immediate superior with written justification.



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**k. Payroll Hold for Administrative Sanctions**

Employees under investigation for violations of company policies may have their salaries put on hold during the investigation. Final pay computation will reflect penalties such as suspension days, unpaid leaves, or damages, if applicable.

**l. Final Pay Release**

The final pay of separated employees (resigned, terminated, retired) shall be processed and released within thirty (30) calendar days from the date of separation, in accordance with DOLE Labor Advisory No. 06-2020. Release of final pay is subject to the completion of clearance procedures, return of company property, and settlement of any outstanding liabilities. Delays due to justifiable reasons shall be communicated to the concerned employee in writing.

**m. Separation and Payroll Account Closure**

In the event of separation (resignation, termination, or retirement), the employee is required to close their payroll account at the designated payroll bank (BPI Magallanes). Clearance processing will not be completed until this requirement is fulfilled. The employee shall ensure that all necessary documentation for account closure is provided and processed before the release of any final pay.

**n. Salary Confidentiality**

Discussion, disclosure, or comparison of salary, allowance, or deduction information is strictly prohibited. Violators shall be subject to disciplinary action, up to and including termination.

**o. Payroll Access Restriction**

Payroll data is strictly confidential. Access is limited to authorized payroll and HR personnel only. Unauthorized access, modification, or dissemination of payroll information is a serious violation and shall be subject to disciplinary action.