



# COOPERATIVE DEVELOPMENT AUTHORITY

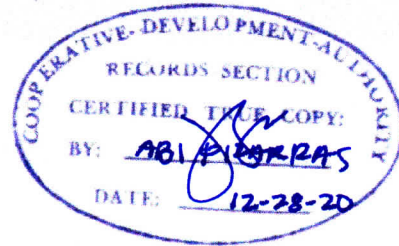
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## MEMORANDUM CIRCULAR NO. 2020-30 Series of 2020.

TO : ALL CONCERNED

SUBJECT : GOODWILL PROGRAM FOR COOPERATIVE OFFICERS



Pursuant to Section 6 (a)<sup>1</sup> of Republic Act No. 11364, otherwise known as “An Act Reorganizing and Strengthening the Cooperative Development Authority, Repealing for the Purpose Republic Act No. 6939, Creating the Cooperative Development Authority,” Article 135<sup>2</sup> of Republic Act No. 9520, also known as “An Act Amending the Cooperative Code of the Philippines to be known as the “Philippine Cooperative Code of 2008,” and Republic Act No. 9994, also known as “An Act Granting Additional Benefits And Privileges To Senior Citizens, Further Amending Republic Act No. 7432, As Amended, Otherwise Known As “An Act To Maximize The Contribution Of Senior Citizens To Nation Building, Grant Benefits And Special Privileges And For Other Purposes,” the Authority hereby issues this Goodwill Program for Cooperative Officers.

### Section 1. Rationale

The mandate of the Cooperative Development Authority is to promote the viability and growth of cooperatives as instruments of equity, social justice, and economic development. The Authority has witnessed the growth of a large number of cooperatives who have significantly contributed to the socio-economic development of the country, and at the same time recognizes the vital role played by the officers who lead these cooperatives to the path to success.

In view of this, cooperatives are hereby enjoined to institutionalize a program for officers over and above other benefits that they enjoy as social protection. The program aims to recognize their efforts and reward their selfless contribution to the efficiency, economy and improvement of the operations of cooperatives resulting to

<sup>1</sup> “SEC. 6. Powers and Functions of the Board.- The Board as a collegial body shall be responsible for policy formulation, strategic planning and direction setting of the agency and shall exercise the following powers and functions:

- (a) Formulate policies, rules and regulations consistent with the provisions of Republic Act No. 9520 and this Act;”

<sup>2</sup> “ART. 135. Compliance With Other Laws. – The Labor Code and all other labor laws, the Social Security Act, the Medical Care Act, and all other social legislations, and all other laws and executive orders shall apply to cooperatives duly registered under this Code.”



organizational productivity. It is a way of giving back to the officers for all the time and sacrifices they offered in the fulfillment of their oath of office.

**Section 2. Scope and coverage.**

The program shall apply to all qualified incumbent officers of cooperatives with net worth of at least 10 Million pesos. For cooperatives with net worth of less than 10 Million pesos, they may opt to adopt the program, as long as they have the capacity to implement.

Once the program has started, the same must be implemented continuously.

Cooperative officers covered under the program must meet the following qualifications:

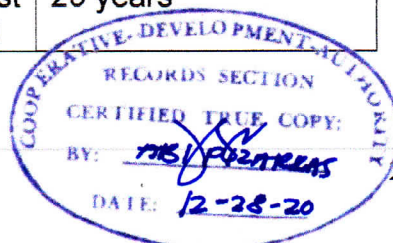
1. Do not receive regular salaries;
2. At least 60 years old;
3. With a minimum of ten (10) years of service, continuous or intermittent;
4. Member in good standing at the time of the availment;
5. Must not have been disciplined, suspended, or removed from office on grounds of dishonesty, misconduct, gross negligence, or dereliction of duty; and
6. Must not have been adjudged by final judgment of a commission of any offense involving moral turpitude.

After availing of the benefit of this program, the officer shall no longer qualify to be elected or appointed.

**Section 3. Length of service as basis for the goodwill program.**

The amount of benefit that a cooperative officer is entitled to receive shall be based on his/her length of service, as follows:

Number of years of service	Amount of monthly benefit	Number of years of availment
10 years	10% of the highest honorarium received	10 years
11-15 years	15% of the highest honorarium received	15 years
16-20 years	20% of the highest honorarium received	20 years
Above 20 years	25% of the highest honorarium received	25 years



\* A fraction of 6 months shall be considered as 1 year.

For cooperatives with no honorarium, minimum amount of benefits may be provided as follows:

- 10 years – 300.00 monthly;
- 11 to 15 years – 500.00 monthly;
- 16 to 20 years – 700.00 monthly;
- Above 20 years – 1,000.00 monthly.

The benefits could be availed of within the number of years as herein provided. In case the officer dies within the said period, the benefit shall cease and his/her beneficiaries shall not have any right to claim the same.

#### **Section 4. Budget for the Goodwill Program.**

The budget for the program must be included in the Annual Development Plan of the cooperative to be approved by the general assembly. It shall be charged to the goodwill benefit expense account.

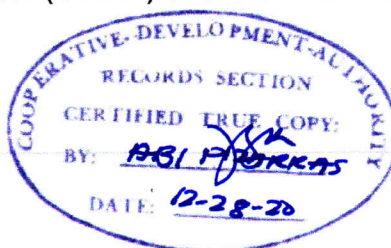
#### **Section 5. Documentary Requirements and Procedure.**

The cooperative officer shall submit to the Board of Directors a letter of intent and proof of the number of years of service rendered as an officer in order to avail of the goodwill program benefit.

The Board of Directors shall act on the application within ten (10) days from receipt thereof through the issuance of a board resolution.

#### **Section 6. Effectivity.**

This Circular shall take effect fifteen (15) days from the date of the filing thereof with the Office of the National Administrative Register (ONAR) of the UP Law Center.



All CDA Regional Offices must endeavor to inform and disseminate this Circular to cooperatives within their jurisdiction.

Approved per CDA BOD Resolution No. 331, S-2020 dated November 5, 2020.

For the Board of Directors:



**ORLANDO R. RAVANERA**

Chairman

/OC350

