



HEALTH STAFF WELFARE FUND

C/O Policy and Planning Division

MINISTRY OF HEALTH

THIMPHU

INFO/HSW/07

2 April 2007

OFFICE MEMO

1. In agreement with the Annual Health Conference 2007, the Management Board has endorsed the following recommendation of staff welfare fund:
 - a. *Semso* for death of nominee and member is increased to Nu. 20,000/ and 40,000/- respectively with effect from 10th February 2007. This increase in *semso* will be applicable for deaths that have taken place after the effective date;
 - b. In addition to receiving *semso*, the member will also be refunded of their contribution on their demise to their nominee;
 - c. The distress loan of Nu 15,000/- to be provided free of interest only for the demise of nominee and ex-country medical treatment;
 - d. The personal loan of maximum Nu. 100,000/ or 10 months take home salary which ever is less, to be provided with 7% simple interest with repayment schedule of 36 or 60 months depending on the member's preferences;
 - e. Honorarium of Nu 5000/- per month for the fund manager
 - f. For time being, recruitment of one secretarial support staff has been internalize with existing secretarial support with honorarium of Nu 2000/- per month.
2. The status of the fund as of June 2006 is Nu 15.240 Million.
3. Board has adopted following investment principle for overall fund management.
 - a. 30% of the fund will be used for fixed deposit
 - b. 36% of the fund will be used for loans and
 - c. 34% of the fund will be used for general reserve from where *semso*, honorarium and to meet other expenses of the fund management
4. For the year 2007, the board has approved Nu 5.5 million for personal loans to be availed by members;
5. Members who are interested in availing personal loan need to apply in the prescribed format and should reach the office of fund manager latest by 21st April 2007. Please go through the eligibility criteria, lending policy and interest rate calculation of the personal loan which is attached herewith.
6. The concerned authorities are requested to disseminate the information contained in this letter to all the members of the health staff welfare scheme within your jurisdiction.

(Dr. Dorji Wangchuk)

Vice Chairman

Staff Welfare Fund Board

Distribution to:

All the concerned heads, with the request to further disseminate the office memo to members in your unit.

Copy to:

PS to Hon'ble Lyonpo for kind appraisal



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Eligibility criteria and lending policy of Welfare Loans

1. Distress Loan:

1.1 Eligibility criteria:

- Have to be member
- Only during the demise of the nominees
- Ex-country medical treatment of the nominees.
- Liquidated earlier loans

1.2 Lending Policy:

- The maximum amount entitled for distress loan is Nu 15,000 per distress
- Interest Free
- Monthly repayment of 10 installments of Nu 1500(10% of the principle)
- Member shall be admissible for the next loan only after the liquidation of earlier loan.
- In case the members have any default installments, they will be charged with the penalty rate of 7% on the balance amount

2. Personal Loans:

2.1 Eligibility Criteria:

- Have to be member
- Should have made regular contribution to the welfare fund for a minimum period of 3 years.
- Produce a surety who has agreed to pay back the loan amount in case of default payment.
- Members can avail the next loan only after the liquidation of the earlier loan.

2.2 Lending Policy:

- Maximum loan ceiling of Nu 100,000 or 10 months net take home salary which ever is less.
- The repayment shall be made into equal installments of maximum 60 months.
- Simple interest rate of 7% p.a
- The loan has to avail in the prescribed format
- The loan amount & the interest to be deducted at the source by the concerned AFD, head of agencies & deposit to the fund manager.



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Interest Rate Calculation = $PRT/100$ (Shown as an Example)

Principle	Rate	T=Years	Simple Interest	Amount	Monthly Instalments
20,000	0.07	3	4,200	24,200	672.22
20,000	0.07	4	5,600	25,600	533.33
20,000	0.07	5	7,000	27,000	450.00
30,000	0.07	3	6,300	36,300	1008.33
30,000	0.07	4	8,400	38,400	800.00
30,000	0.07	5	10,500	40,500	675.00
40,000	0.07	3	8,400	48,400	1344.44
40,000	0.07	4	11,200	51,200	1066.67
40,000	0.07	5	14,000	54,000	900.00
50,000	0.07	3	10,500	60,500	1680.56
50,000	0.07	4	14,000	64,000	1333.33
50,000	0.07	5	17,500	67,500	1125.00
60,000	0.07	3	12,600	72,600	2016.67
60,000	0.07	4	16,800	76,800	1600.00
60,000	0.07	5	21,000	81,000	1350.00
70,000	0.07	3	14,700	84,700	2352.78
70,000	0.07	4	19,600	89,600	1866.67
70,000	0.07	5	24,500	94,500	1575.00
80,000	0.07	3	16,800	96,800	2688.89
80,000	0.07	4	22,400	102,400	2133.33
80,000	0.07	5	28,000	108,000	1800.00
90,000	0.07	3	18,900	108,900	3025.00
90,000	0.07	4	25,200	115,200	2400.00
90,000	0.07	5	31,500	121,500	2025.00
100,000	0.07	3	21,000	121,000	3361.11
100,000	0.07	4	28,000	128,000	2666.67
100,000	0.07	5	35,000	135,000	2250.00