

Guide to Payroll Loans

PRESENTATION

The payroll loan is a personal credit line that can be accessed by INSS retirees and pensioners, as well as by employees of public companies and military personnel, and it is necessary for the financial institutions that offer the product to have an agreement with the respective employee employer.

In payroll loans, installments are deducted directly from the salary, retirement or pension payroll, a factor that reduces the risk of default, that is, non-payment of installments.

For this reason, it is also known as a payroll deduction loan: the risk of not paying is lower, making the interest rates lower than other types of loans.

Other advantages include the convenience of contracting and longer payment terms. These advantages can guarantee access to goods and services that salaries and pensions would not allow for outright purchase, and can be useful in achieving certain goals. The important thing is to be careful when contracting, calculating the total amount to be paid at the end and making sure that the installments fit within the budget.

HOW TO ACCESS PAYROLL LOAN

The installments of the assigned loan are discounted directly from the payroll, during the agreed period.

Once the contract is approved, the bank deposits the amount into your account, and the installments begin to be deducted from your salary, benefit or pension.

In order to contract, there must be an agreement between the paying source (INSS, public and private companies) and the bank where you wish to obtain the loan.

The discount on installments must be expressly authorized by you.

BASIC RULES

There are specific rules for payroll loans, established by specific legislation, and determinations by public agencies depending on the agreement. However, some prerequisites are common for retirees, pensioners, civil servants and workers with a formal employment record. Check them out:

- Have proven fixed income;
- Be between 18 and 80 years old;
- Present the requested documents;
- Have a bank account to receive the loan money;

INCOME COMMITMENT MARGIN

The so-called assignable margin is the maximum amount that can be discounted from your salary, benefit or pension to pay the loan installment, that is, a ceiling for committing your income.

It is up to each Financial Institution to respect current legislation regarding the permitted percentage of income commitment.

LESS INTEREST

Payroll loans usually have lower rates than other lines of credit on the market, since the discount directly from the payroll is used as collateral for the transaction. When a loan is secured, the risk of default is lower, allowing for better payment conditions.



LONGER PERIOD TO PAY

Since there is a guarantee of payment, banks and financial institutions feel safe allowing the loan to be paid off over a longer period of time. Employees with formal employment contracts in private companies usually have up to 48 months to pay, and public servants have up to 96 months.

DEBT RENEGOTIATION

Many people who take out payroll loans use the money to renegotiate debts. In other words, to exchange a more expensive debt (credit card revolving credit or overdraft, for example) for a cheaper one. And this can, in fact, be a great way to use the product.

USE OF MONEY WITHOUT RESTRICTIONS

In many types of loans, such as financing a car or a house, the money is used exclusively to pay for the car or property, with no possibility of flexibility. With a payroll loan, however, you receive the money in your account and can use it however you want.

PORTABILITY

Credit portability is a consumer right guaranteed by law, which also applies to payroll loans. This means that you can transfer your debt from one financial institution to another that offers more advantageous conditions. To change banks, request portability from the new institution and, if approved, notify your bank, which has up to five business days to arrange the transfer. The original financial institution must send the necessary information to complete the portability within the specified period, if it does not offer more advantageous conditions.

RISKS INVOLVED IN CONTRACT

Just like any other financial product, using a payroll loan requires planning. Even with easy access and low interest rates, you need to think carefully before deciding to take it out. Answer the following questions:

- Do I need to take out the loan now or can I wait? Does the installment fit into my spending list?
- Can this commitment affect the payment of other bills?
- What will I have to give up, since I will need to live for a period of time on a lower salary or pension?
- And if something unexpected happens, how will I honor this commitment and pay the other bills?

LONG-TERM INCOME COMMITMENT

Payroll loan is a long-term debt, and unforeseen events happen all the time.

Furthermore, there is no possibility of postponing or suspending the debt. If you work in a private company, if you become unemployed, you will have to pay off the debt all at once or resort to another type of loan, which will probably have higher interest rates than those of a payroll loan.

Therefore, before deciding, keep these risks in mind and plan to prevent them.



Protect yourself against frauds in Payroll Credit

SEARCH FOR OFFICIAL CHANNELS

Be wary of approaches that offer quick credit and unusual interest rates. If you are looking for credit and meet the requirements mentioned in the “Basic Rules” item, contact BOC Financeira through our Official Channels:

- **Relationship Center:** call 0300 010 0242, or click [here](#) to request more information.
- **BOC Financeira website:** visit our website <https://www.bocfinanceira.com.br/correspondentes/> and consult the list of Authorized Banking Correspondents of BOC Financeira.

DO NOT MAKE ADVANCE PAYMENTS

In this type of fraud, scammers offer loans with very advantageous conditions through social networks such as Instagram, Facebook, WhatsApp messages or phone calls. They then ask the victim for an advance payment so that the full amount of the loan can be released.

BOC Brasil and BOC Financeira do not require any type of advance payment to obtain a loan, and do not request refunds for expenses, fees or commissions from Correspondents.

Main Questions

WHAT HAPPENS IN CASE OF DISMISSAL?

The first step is to contact the lending institution and inform them of what happened. Since you will no longer receive a salary, there is no way to discount the installments of your loan. In this case, a negotiation is made, redefining the payment method. Generally, there are two options: debiting the installments directly from your checking account or paying them via bank slip. It is likely that the interest will increase during the negotiation, since the guarantee (salary) will no longer exist. In other words, the loan, which was a payroll loan, will become a regular personal loan.

CAN THE DEBT BE DISCOUNTED UPON TERMINATION?

The company can discount up to 30% of the severance pay (balance of salary, accrued vacation and advance notice) to pay off or amortize the private loan with the bank. That is, if you have R\$10.000 to receive, the company can discount up to R\$3.000. Even with this discount, there may still be a balance to pay, depending on the amount owed and how much was discounted. If this occurs, it is possible to use 10% of the FGTS balance and up to 100% of the termination fine to pay the installments of the loan. But be careful: this option is only available for employment contracts signed from 2016 onwards.

WHAT IF I CHANGE JOBS?

If you change jobs, find out if the new company has an agreement with the same bank for payroll loans, as there is the possibility of transferring the debt (portability). In this case, the installments will continue to be debited from your salary until the end of the contract. If the partner bank of the new company is different from the one with which you have the contract, it may be more advantageous to take out a new loan to pay off the old one with the other bank than to bear the increase in interest rates.

IF THE COMPANY GOES BANKRUPT, WHAT WILL HAPPEN?

In this case, your commitment to the bank will continue to exist. And, if you do not have another job in sight, there is no way to transfer your position. In this case, you will need to settle the commitment. Therefore, it is important to prepare for the most different situations.

CAN I PAY THE INSTALLMENTS IN ADVANCE?

As with other loans, you are not required to wait for each installment to be due. If you wish, you can make an early payment, obtaining a discount on the interest for that period. In general, it is worth paying early. The procedure varies according to the institution, but the process is similar: just contact the bank and inform them of the number of installments you wish to pay early. It is worth remembering that this is a right provided for in the Consumer Protection Code.



Conclusion

Through this material, we learn more about payroll loans, their characteristics, features, rules, advantages and risks.

We understand the conditions required to request it and we have learned how to use the product consciously and strategically, so that it can help you carry out your projects. We hope we have helped you understand how to use it in the best possible way.

SERVICE CHANNELS:

- **Hearing or Speech Impaired:** 0800 940 0649
- **Customer Service Center:** For queries and information.
 - **Telephone:** 0300 010 0242
 - **E-mail:** central@bocfinanceira.com.br (for assistance regarding vehicles or INSS payroll loan)
central@bocbanco.com.br (for other Payroll Loan and Credit Card contracts)
- **Charge:** For payments of overdue bills, expired contracts or any other problem related to billing.
 - **Telephone:** 0300 010 0242
 - **E-mail:** cobranca@bocfinanceira.com.br
- **SAC:** For complaints, information and cancellations.
 - **Telephone:** 0800 725 0048
 - **E-mail:** sac@bocbrasil.com.br (for contracts relating to vehicles or INSS Consigned Credit)
sac.cdc@bocbrasil.com.br (for other Payroll Loan contracts, Credit Cards and Individual and Legal Entity customers)
- **Ombudsman:** If you have already contacted the SAC, but would like your service to be re-evaluated.
 - **Telephone:** 0800 725 2242
 - **E-mail:** ouvidoria@bocfinanceira.com.br
- **In-Person Service**
 - Entrance via Avenida Paulista, 901
 - From Monday to Friday, from 10 am to 4 pm, **except national holidays**.
- **Correspondence:**
 - Alameda Santos, 960 - 13th, 14th, 15th and 16th floors, Cerqueira César – CEP: 01418-002

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(<https://meubolsoemdia.com.br/>)