

How and When You May Apply For Your Loan

Applications for posting loans or for renegotiation of principal and/or interest are submitted to the Allowances Section of Compensation and Benefits (ABPF). Application forms (FSD 10) are available from administration at your Mission or from ABPF (see Figure 8).

ABPF can approve the loan application upon receipt of final Posting Confirmation, and the loan cannot be granted more than 90 days before your official departure, as indicated on your Posting Confirmation.

You may also apply after your arrival at the mission, but acceptable reasons must be specified if a loan is requested after more than 12 months at the mission. Only in exceptional circumstances will a loan be granted or the principal renegotiated (increased) during the last 12 months of a posting. The interest on a posting loan may be renegotiated after repayment has commenced except during the last 12 months of the repayment period; since any savings would be minor and there is a considerable amount of paperwork involved.

The Allowances Section (ABPF) will advise you when a cheque has been issued or deposited in your bank account, and inform you of the terms and conditions for recovery. A printout of interest payable will be provided but receipts are not issued as proof of interest paid.

Should I Borrow? If So, How Much?

The Department will look at your ability to repay, including your record of meeting past financial obligations to the Department. If this is your first posting abroad, you may want to consult a trusted colleague, or seek the advice of your banker or an accountant, or if still in doubt, discuss the matter in confidence with ABPF.

2.12 Accountable Advances

During the course of your relocation and tour of duty, you will inevitably incur expenses that are reimbursable under the Directives. The intent of FSD 4 is that you should not have to go out of pocket. You are, therefore, entitled to receive an accountable advance from your employer for an amount directly related to your anticipated reimbursable expenses.

Accountable advances may not be issued until you have passed your medical requirements and have received a final Posting Confirmation. It usually takes ten working days for a cheque to be issued (see Figure 9 which is used to account for advances and submit claims for reimbursement).

An employee who receives an accountable advance must submit a full account within 10 days after the purpose for which the advance was made has been fulfilled. Failure to account for advances within these periods could result in eventual recovery against your pay in accordance with the Department's obligations under the *Financial Administration Act*.

Some employees have run into problems because they have treated an accountable advance in the same way as a loan. When the time for accounting came and a refund was due the employer, no money was available for that purpose. Keep this in mind, especially during the excitement of getting ready to move out of your accommodation and while you are in travel status.

2.13 Health Insurance

One of the most basic and essential items to be knowledgeable about concerns what happens to your insurance when you live abroad.

Medical Insurance

As a result of your posting, your medical coverage must be amended from the Provincial (basic) plan and the Public Service Health Care Plan (PSHCP) to the comprehensive Outside Canada PSHCP. See the 1992 Information Booklet on PSHCP published by the Treasury Board. Note that since July 1, 1987 the plan also includes a vision care and hearing aid benefit.