

ADMINISTRATIVE ORDER

No. 08
Series of 2020

**SUBJECT : INTERNAL RULES AND PROCEDURES ON
RENDITION AND COMPENSATION OF
OVERTIME SERVICES OF DSWD EMPLOYEES**

A. Purpose

This Administrative Order is issued in compliance with Section 5.0 and 13.0 of CSC-DBM Joint Circular No. 2, series of 2015, dated 25 November 2015.


B. Coverage

Government employees who may be authorized to render overtime services with pay or compensation are the following:

- a. Government employees holding regular, contractual, coterminous and casual positions from Division Chief (DC) or its equivalent, and below, may be authorized to render overtime services with pay or compensation.
- b. Incumbents of position of DC or its equivalent and below, designated as officers-in-charge of higher level positions, may also be authorized to render overtime services as they are still bound to observe the prescribed work hours in their respective agencies.

C. Personnel Who are Not Authorized to Render OT Services with Pay or Compensation

- a. Personnel holding positions higher than DC level;
- b. Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules, and regulations (e.g., period where honorarium from special project is granted); and
- c. Those who are on travel status either in relation to the performance of official duties or for participation to trainings/seminars, conferences, workshops and the likes, either as participants or as members of the training team.



D. General Policies

- a. The rendition of OT services shall be authorized only when extremely necessary, such as when a particular work or activity cannot be completed within the regular work hours and that non-completion thereof will:
1. Cause financial loss to the Department;
 2. Put the name and/or credibility of the Department in question due to its inability to meet its commitments;
 3. Negate the purposes for which the work or activity was conceived (i.e. provision of support services or services to intended beneficiaries);
 4. Negatively affect the provision of support services to internal clients or the provision of services to intended beneficiaries; and
 5. Violate Republic Act No. 11032 or an act Promoting Ease of Doing Business and Efficient Delivery and Government Services, amending for the Purpose Republic Act No. 9485, otherwise known as Anti-Red Tape Act of 2007, and other issuances for the same purpose.
- b. As a general rule, the remuneration for OT services shall be through Compensatory Time/Day-Off (CTDO) in accordance with the guidelines under the CSC-DBM Joint Circular No. 2, series of 2004, as amended by CSC-DBM Joint Circular No. 2-A, series of 2005.
1. Pursuant to CSC-DBM Joint Circular No. 2, series of 2004, **Compensatory Overtime Credit (COC)** refers to the accrued number of hours an employee earns as a result of services rendered beyond regular working hours and/or those rendered on Saturdays, Sundays, Holidays or scheduled days off without the benefit of overtime pay.
 2. Compensatory Time/Day Off (CTDO) refers to the number of hours or days an employee is excused from reporting for work with full pay and benefits. It is a non-monetary benefit provided to an employee in lieu of overtime pay.
- c. The monetary compensation of OT services may be authorized only in exceptional cases, such as:

1. OT services in excess of the allowable number of Compensatory Overtime Credit (COC) to be earned in a month;
2. OT services in excess of the allowable COC balance in a year; or
3. OT services rendered which are certified by the Division Head or above level¹, that cannot be claimed as COC since availment thereof will adversely affect the operations of the O/B/S/SP/FO or Division.

E. The priority activities that may warrant rendition of OT services may include the following:

- a. Implementation of special or priority programs and projects embodied in Presidential and/or Agency Head's directives with specific dates of completion;
- b. Completion of infrastructure and other projects with set deadlines when due to unforeseen events the deadline cannot be met without resorting to OT work;
- c. Services during emergency or critical situations that would require immediate response such as but not limited to:
 1. Rescue of DSWD clientele (including staff) in extremely difficult circumstances arising from but not limited to illegal recruitment, child labor, physical or sexual abuse, trafficking, being stranded, etc.;
 2. Assistance to deportees;
 3. Assistance to individuals, families or communities in crisis situations like medical evaluation, demolition, etc.
- d. All activities related to emergency response preparedness, disaster response operations, center monitoring during disaster, Quick Response Team (QRT) functions, and disaster early recovery and rehabilitation.
- e. Seasonal work such as but not limited to, preparation of budgets and annual reports, in order to meet scheduled deadlines;
- f. Preparation of financial and accountability reports required by oversight agencies like Congress of the Philippines, Office of the President, Commission on Audit, Department of Budget and

¹ Please refer to item 9.1 below for the accomplishment of this form also referred to as HRMDS-GF-05A

Management, and National Economic and Development Authority;

- g. Services rendered by Drivers and other immediate staff of officials when they are required to keep the same working hours as these officials;
- h. Completion of routine regular functions that cannot be completed within the regular working hours, due to volume or other equally urgent intervening tasks, but the completion thereof is necessary so as not to prejudice the interest of internal and external clients;
- i. Rendition of OT services shall also be authorized for the support activities performed in connection with the services mentioned in items E.a to E.h e.g. *clerical, secretarial, skilled, technical and other support functions*; and
- j. Such other activities as needed to meet performance targets or deliver services to the public as may be determined by the O/B/S/SP/FO Head.
- k. Attendance in Committee Hearings/Meetings required by the Congress/Senate, which are conducted beyond regular office hours.

F. Period of OT Services

- a. Those rendered beyond the regular eight (8) work hours on scheduled workdays or 40 hours a week, and those rendered on rest days or scheduled days off, weekends, holidays, special non-working days and work suspensions, both exclusive of time for lunch and rest subject to the limitations set forth in Item G of this rules.
- b. Those rendered by drivers and other immediate staff of officials who are required to keep the same work hours as said officials, beyond the prescribed eight (8) work hours in a work day, and on rest days or scheduled days off, weekends, holidays, special non-working days and work suspensions (i.e. *Early Duty* of drivers who are required to report before official/core time to ferry officials etc.).
- c. Those rendered beyond the prescribed work hours in a shift (shifting/modified schedule) of eight (8) hours or more, such as activities related to emergency response preparedness, disaster response, operations center monitoring during disaster, and disaster early recovery and rehabilitation on scheduled work days and those rendered on rest days or scheduled day-off, holidays, special non-working days and work suspensions.



G. Limitations on OT Services and OT Pay

- a. Only employees who arrive a) on or before the start of the workday - for those adopting fixed working hours; b) on or before the start of the core working hours - for those adopting flexi-time, shall be allowed to render OT work with monetary compensation, provided that at least 2 hours of OT services were rendered for the day.
- b. In the case of personnel adopting a full flexi-time work schedule, any excess work hours/minutes in a particular day may be used partly or fully to offset any deficiency in the number of work hours/minutes in a week following the rule on full flexi-time. The remaining hours/minutes after offsetting may be claimed as OT to be compensated either monetarily if at least two (2) hours a day or thru COC if at least one (1) hour a week whichever is appropriate following the guidelines set forth in this Administrative Order.
- c. OT services rendered in the exigency of the service by employees who were late during a particular working day shall be compensated through COC in accordance with the guidelines set forth under CSC-DBM Joint Circulars No. 2, s. 2004, as amended by No. 2-A, s. 2005, provided that the OT services on the particular week is at least one (1) hour.
- d. For a regular workday, one-hour break shall be observed for every three (3) hours of continuous OT services regardless of the form of compensation.

When an employee starts working at 8:00 AM, for example, he completes the regular eight (8) hours at 5:00 PM, and his/her OT services starts at 5:01 PM onwards. Upon completion of three (3) OT hours at 8:00 PM, a one-hour break shall be observed from 8:01 PM to 9:00 PM. If he/she continues to work beyond 9:00 PM in the exigency of the service, counting of OT hours will resume at 9:01 onwards, and so on.

- e. Likewise, services of drivers when assigned to render service earlier than 7:00 A. M., i.e. in case of emergencies or during relief operations or to convey officials/employees to or from airport and other similar situations, shall also be counted as actual official work hours, provided that it is so specified in the certification to be issued by the Head of O/B/S/SP/FO concerned (ANNEX A). Services rendered beyond eight (8) hours shall be considered OT services.



- f. During Saturdays, Sundays, Holidays, or suspension of work, the following are, generally, the break periods:

12:00 Noon - 1:00 P.M.
5:00 P.M. - 6:00 P.M.

One-hour break shall be observed for every three (3) hours of continuous OT service after 6:00 PM.

Ex. OT service starts at 8:00 AM:

One (1) hour break during 12:00-1:00 PM

One (1) hour break after rendering 8:00 hours at 5:00 PM
(5:01-6:00 PM)

OT service resumes at 6:01 PM and a one (1) hour break shall be observed after rendering three (3) hours (9:01-10:00PM) and for every three (3) hours thereafter.

- g. As a general rule, OT service earlier than 8:00 A. M. on Saturdays, Sundays, holidays, special non-working days and work suspensions shall not be allowed. However, OT services before 8:00 AM may be allowed during critical and emergency situations as defined in Section E.c and E.d.
- h. Rendering overnight OT service shall be resorted to only when extremely necessary and authorized by the Head of O/B/S/SP/FO. No employee shall be allowed to render overnight service for more than 2 consecutive nights of straight duty, for health reasons and to ensure employee's productivity, except during activities related to emergency response preparedness, disaster response operations, emergency deployment, center monitoring during disaster, and disaster early recovery and rehabilitation wherein, by the nature of the work, overnight duty may not be limited to 2 consecutive nights.
- i. During weekdays, overtime services rendered of an employee who leaves the office premises on personal business/nature during office hours shall not be compensated either monetary or non-monetary, as official time is significantly reduced for personal reason. The same is further subject to existing internal and oversight agency rules and regulations on government office hours.

T₂B

Should it be weekends, the time the employee is on personal business outside the office premises during the period of his/her overtime, shall be reduced from his overtime hours.

Ex. An employee leaves the office premises from 1:00 PM to 3:00 PM on personal business:

If weekday	If Weekend
Should the employee rendered overtime services on the same day, the same shall not be compensated accordingly	2 hours shall be deducted from his overtime hours.

- j. The period of OT services during weekends and holidays shall, in no case, be used to offset any deficiency during the core working hours.
- k. Only a maximum of twelve (12) hours of OT services on a rest day, weekend, scheduled day off, holiday, or special non-working day, shall be compensated either through OT pay or through COC. Any excess shall be compensated through COC.
- l. The total OT pay of an employee in a year shall not exceed 50% of his/her total basic salary for the year.
- m. The total amount of OT Pay to be spent by the Department shall not exceed 5% of its total Personnel Services (PS) budget in a year. Any grant of OT Pay in excess of the 5% limit shall be subject to the approval of DBM in accordance with existing budgeting and accounting rules and regulations.

H. Compensation of OT Services

a. Monetary Compensation

- 1. The OT pay shall be computed based on the hourly rate of an employee and the applicable premium on the hourly rate, depending on the day such OT service was rendered.
- 2. The number of work hours of OT service rendered on a scheduled workday, N_1 , and those rendered on a rest day or scheduled day off, holiday or special non-working day, N_2 , shall be computed by taking into consideration the provisions under item G of this Administrative Order.

3. The hourly rate (**HR**) of an employee on full-time employment with a monthly salary (**S**) for 22 workdays in a month and 8 hours per workday, shall be computed by using the following formula:

$$HR = \left[\frac{S}{1 \text{ Month}} \right] \left[\frac{1 \text{ Month}}{22 \text{ Workdays}} \right] \left[\frac{1 \text{ Workday}}{8 \text{ Work Hours}} \right]$$

4. The OT Pay shall be 125% or 1.25 of **HR** on a scheduled workday to include days with declared work suspension. It shall be 150% or 1.5 of **HR** on a rest day or scheduled day off, holiday, or special non-working day.
5. The total OT Pay for a month for an employee on full-time employment, **OT Pay**, shall be computed based on the following formula:

$$OT \text{ Pay} = 1.25 (HR) (N_1 \text{TOTAL}) + 1.5 (HR) (N_2 \text{TOTAL})$$

To simplify the formula:

$$OT \text{ Pay} = HR [1.25 (N_1 \text{TOTAL}) + 1.5 (N_2 \text{TOTAL})]$$

To illustrate the computation:

Y employee rendered OT service of 20 work hours for regular work days, **N₁**, and 24 work hours during rest days or scheduled day-off, holidays and special non-working days, **N₂**, for the month of June 2016 with monthly salary of P 16, 512.00.

$$\begin{aligned} OT \text{ Pay} &= HR [1.25 (N_1 \text{TOTAL}) + 1.5 (N_2 \text{TOTAL})] \\ &= P93.82 [(1.25 \times 20) + (1.5 \times 24)] \\ &= P2, 345.50 + P3, 377.52 \\ &= P5, 723.02 \end{aligned}$$

b. Compensation through Compensatory Overtime Credit (COC)

1. OT services to be compensated through COC shall be subject to the guidelines set forth under CSC-DBM Joint Circulars No. 2, s. 2004 as amended by CSC-DBM Joint Circular No. 2-A, s. 2005.

2. The COC is expressed in number of hours, computed as follows:

For OT services rendered on weekdays or scheduled work days:

$$\text{COC} = \text{number of hours of OT services} \times 1.0$$

For OT services rendered on weekends, holidays or scheduled day-off:

$$\text{COC} = \text{number of hours of OT services} \times 1.5$$

3. The COCs shall be used as time-off within a year, starting from the succeeding month the COCs are earned. Thereafter, any unutilized COCs are deemed forfeited per said guidelines.

c. Administrative Procedures

1. Claims for OT compensation shall be supported by the following documents, in the following sets:

Document required	No. of copies ²		
	Pay	CDO	Pay & CDO
Certified Copy of the duly approved DTR³	1 CTC	1 CTC	1 CTC
Supporting documents to DTR:			
Certification of Early Duty for those covered by Section 5.7 (ANNEX A) signed by the official who required the same	1 CTC	1 CTC	2 CTC
Locator Slip or Certificate of Appearance or logbook , whichever is applicable (to support DTR manual entries i.e. "OB", "Travel", "Please see attachment")	1 CTC	1 CTC	2 CTC
Plotted/Modified Schedule (if applicable)	1 CTC	1 CTC	2 CTC
Special Order stating the necessity	1 CTC	1 CTC	2 CTC

² CTC = certified true copy; ORIG = originally signed copy

³ No time-in/out entries on DTR during lunchbreaks are considered half-day duty, hence, employee cannot claim for OT compensation, either monetary or through COC, for that day.

Manual/handwritten entries without countersign of the immediate supervisor and/or authorized signatory will not be included in the computation of OT services.

and urgency of the work to be done, OT work program and duration of OT work (template and sample attached as ANNEX B)			
STATEMENT OF SPECIFIC WORK ACCOMPLISHED DURING OVERTIME – template and sample attached as ANNEX C (whichever is applicable)	1 ORIG	1 ORIG	1 ORIG, 1 CTC
OR			
Daily Trip Ticket for drivers wherein specific days allowed for OT must be duly initialed by the immediate supervisor with “Allowed for OT” notation	1 CTC	1 CTC	2 CTC

- 1.1 Failure to submit SO for confirmation of OT services rendered within the timeline set in item H.c.1.2 shall mean automatic disapproval of the request. However, in meritorious cases, request for exemption may be allowed, with sufficient justification, which will be requested for approval of the Secretary, by the Head of O/B/S/SP/FO.
- 1.2 The **Special Order** shall be approved by authorized official in accordance with the manual of delegation of authority, until the end of the immediately succeeding month only (*i.e. August 2020 overtime must be approved not later than September 30, 2020*). The same shall indicate the names of personnel, the purpose or expected outputs and the specific period of such services. The Subject of the SO shall be “Authority” if approved prior or within the month of OT services, or “Confirmation” if the approval is within the immediately succeeding month.
- 1.3 Statement of Specific Work Accomplished during Overtime indicating the specific time (duration) of OT, duly signed by the employee and immediate

supervisor who should be DC/Designated DC or equivalent level and above.

2. The deadline of filing/submission of claims for OT services rendered on a particular month, shall be as follows, for operational efficiency:

Particular	Deadline	Example
Monetary (OT Pay)	Every 15 th of the succeeding month or on the immediately following working day should the 15 th falls on a Saturday, Sunday or Holiday (SSH)	claims for OT pay in March 2020, must be filed/submitted to PAD not later than April 15, 2020
Non-monetary (COC)	On the last day of the third month after the period of rendition or on the immediately following working day should the 15 th falls on a Saturday, Sunday or Holiday (SSH)	Claims for non-monetary compensation of OT services in February 2020, must be filed/submitted to PAD not later than June 1, 2020 considering that May 31, 2020 is a Sunday

3. Should the employee be on **continuous travel outside Metro Manila or outside of the geographical region or province where the office is located**, within the deadline of submission and therefore will not be able to submit requests for monetary claims of OT services rendered, the employee shall be given five (5) working days upon return to office to submit a request for consideration noted by the head of the O/B/S/SP/FO, attached the request for monetary claims with complete supporting documents, and a copy of the Special Order and Certificate of Appearance as proof of said travel. **Except on this**, OT claims submitted beyond the said deadlines shall no longer be considered for the compensation indicated.
4. Batch preparation of payrolls for monetary OT claims for every period/month shall be continually in place, as follows:

JatB

Payroll Batch	Period of submission
1 st Batch	1 st to 8 th day of the month, or the immediately following working day should the 8 th falls on SSH
2 nd Batch	9 th to 15 th day of the month, or the immediately following working day should the 15 th falls on SSH

Should be deemed necessary, the FOs may adopt their own OT payroll schedule. The FO shall submit a request with justification to PAD for review and onward recommending approval to the Head of the Agency.

5. The Personnel Administration Division (PAD) in the Central Office or the Personnel Section/its equivalent in the Field Office shall be in-charge of the computation of OT hours rendered.
6. The authorized official in accordance with the updated Manual of Delegation and Delineation of Authority shall:
 - 6.1 Approve requests for authority to render overtime services, or requests of confirmation of overtime services rendered.
 - 6.2 Be held responsible for the proper implementation of the provisions of this Administrative Order. They shall be held administratively, civilly, and/or criminally liable, as the case may be, for any payment of overtime services not in accordance with existing laws and rules without prejudice to the refund by the employees concerned of any unauthorized or excess payments.
7. Cases not covered by this guideline shall be submitted to the Office of the Undersecretary for GASSG for resolution.

I. Flexibility Granted to Head of O/B/S/SP/FOs

The Heads of O/B/S/SP/FOs are granted the following flexibilities subject to the conditions and limitations prescribed in this Administrative Order:

- a. Determination of the priority activities that may warrant rendition of OT services and the timing and duration thereof;
- b. Determination of personnel who may be authorized to render OT services; and

- c. Determination of number of hours of OT services and the manner of compensation for such services pursuant to Section H.a and H.b of this Administrative Order.
- d. May implement internal control measures to ensure that rendition of OT service is necessary and the tasks were accomplished accordingly.

J. Fund Source

The overtime pay shall be charged against the following sources:

- a. The amount specifically appropriated in the agency budget for overtime pay, if any;
- b. Available agency savings, subject to existing rules and regulations on the use of savings;
- c. Other fund sources authorized under existing laws, rules and regulations.

K. Reportorial Requirement

The office responsible for financial management in the CO and FOs, shall submit to the DBM's Budget and Management Bureau or Regional Office concerned, copy furnished the CSC, the "Report on Overtime Services with Pay" on or before March 31 of every year (ANNEX D).

L. Repealing Clause

Previous issuances of the Department which are inconsistent with this Administrative Order are deemed repealed or modified accordingly.

M. Effectivity

This Administrative Order shall take effect immediately upon issuance and shall continue to be in force until it is revoked.


ROLANDO JOSELITO D. BAUTISTA

Secretary

Date: SEP 10 2020

Certified True Copy:


MYRNA H. REYES

OTC-Division Chief

Records and Archives Mgt. Division

16 SEP 2020

CERTIFICATION OF EARLY DUTY

This is to certify that the following time entries of (FULL NAME), position of the office, as reflected on his/her Daily Time Record (DTR) for the month of (month), (year) is approved for early time-in:

DATE	DAY OF THE WEEK	TIME-IN	TIME-OUT

This certification is being made to support the regular/excess working hours rendered by the above-mentioned staff.

SIGNATURE OVER PRINTED NAME OF OFFICIAL WHO REQUIRED THE EARLY DUTY
Position, Office

CERTIFICATION OF EARLY DUTY

This is to certify that the following time entries of (FULL NAME), position of the office, as reflected on his/her Daily Time Record (DTR) for the month of (month), (year) is approved for early time-in:

DATE	DAY OF THE WEEK	TIME-IN	TIME-OUT
August 18, 2020	Tuesday	12:32 AM	4:00 PM
August 28, 2020	Friday	1:19 AM	6:00 PM

This certification is being made to support the regular/excess working hours rendered by the above-mentioned staff.

JUAN DC. FILIPINAS
Director IV, Fiscal Service

**SAMPLE ONLY – OT SPECIAL ORDER FOR EMPLOYEES (PRINT IN LETTER HEAD)
REMOVE WHEN PRINTING**

ANNEX B

SPECIAL ORDER

No. _____
Series of 20__

SUBJECT: AUTHORITY

In accordance with the CSC and DBM Joint Circular No. 2, Series of 2015, providing the guidelines on overtime services and overtime pay for government employees, the following staff of the _____ (office) _____ are hereby authorized to render overtime services for the period **AUGUST 1 TO 31, 2020:**

No.	Name of Staff	Designation/Position	Nature of Overtime
1	EMPLOYEE 1	Administrative Assistant II	To assist in the encoding of data
2	EMPLOYEE 2	Administrative Officer II	To review data encoded by ADAS II
3	EMPLOYEE 3	Administrative Assistant II	To assist in the encoding of data

Attached is the matrix of budgetary requirement/fund source for the payment of overtime services of said staff for the given period. *(note: inclusion of this is subject to the terms of the delegation and delineation of authority – remove note when printing)*

The overtime services to be rendered by the above-named employees shall be compensated through Compensatory Time Off (CTO), or monetary compensation if the application of CTO will adversely affect the operations of the office, pursuant to the guidelines set forth in the said Circular, subject to availability of funds and pertinent budgetary, accounting and auditing rules and procedures.

Issued this _____ day of _____, Quezon City, Philippines.

Recommending Approval as to funding *(note: inclusion of this is subject to the terms of the delegation and delineation of authority– remove note when printing):*

PRINTED NAME
Chief, Budget Division

**NAME OF AUTHORIZED OFFICIAL
TO APPROVE OT BASED ON
DELEGATION OF AUTHORITY
designation**

guide note: the approving authority may choose the form of compensation as: monetary or COC, or monetary only, or COC only. If for COC only, there is no need for the matrix of budgetary requirement/fund source (remove when printing)

STATEMENT OF SPECIFIC WORK ACCOMPLISHED DURING OVERTIME
 For the Period MMMMMMM DD to DD, YYYY

Date		Time (Duration)		Specific Work Accomplished	Authorized to claim for (please select one)			REMARKS
DAY	DAY OF THE WEEK	FROM	TO		OT PAY	COC	OT PAY and COC	

Accomplished by:

SIGNATURE OVER PRINTED NAME/ POSITION

Office: _____

The above having been incurred under my authority in the interest of the public service and the charge being just and reasonable, as verily believable.

The monetary compensation requested, cannot be compensated through COC because the availment thereof will adversely affect the operations of the O/B/S/SP/FO.

SIGNATURE OVER PRINTED NAME OF SUPERVISOR
 POSITION, OFFICE

Legend:

- Date = specific date/day when a particular overtime service was rendered
- Time = duration of overtime service during the day, indicating the start/end of OT service
- Specific work Accomplished = situations/work load that give rise to overtime service
- Immediate Supervisor=should be Division Chief/designated Division Chief or equivalent level and above

Note: Certifying Officer should have direct knowledge of the specific work cited and shall be administratively liable for any misrepresentation.

STATEMENT OF SPECIFIC WORK ACCOMPLISHED DURING OVERTIME
 For the Period AUGUST 1 to 31, 2020

Date		Time (Duration)		Specific Work Accomplished	Authorized to claim for (please select one)			REMARKS
DAY	DAY OF THE WEEK	FROM	TO		OT PAY	COC	OT PAY and COC	
05	WED (holiday)	8:40 AM	4:40 PM	Assisted in the encoding of data				3 HRS FOR COC, THE REST OT PAY
13	THU	5:44 PM	8:48 PM	Assisted in the encoding of data				
23	SUN	2:41 PM	5:00 PM	DSWD Anniversary Preparation				

Accomplished by:

JUAN F. DELA CRUZ/ ADAS III
 Office: FISCAL DIVISION

The above having been incurred under my authority in the interest of the public service and the charge being just and reasonable, as verily believable.

The monetary compensation requested, cannot be compensated through COC because the availment thereof will adversely affect the operations of the O/B/S/SP/FO.

JUANA DC. FILIPINAS
 DIVISION CHIEF, FISCAL DIVISION

Legend:

- Date = specific date/day when a particular overtime service was rendered
- Time = duration of overtime service during the day, indicating the start/end of OT service
- Specific work Accomplished = situations/work load that give rise to overtime service
- Immediate Supervisor=should be Division Chief/designated Division Chief or equivalent level and above

Note: Certifying Officer should have direct knowledge of the specific work cited and shall be administratively liable for any misrepresentation.



**Report on Overtime Services With Pay
For FY _____**

Department/Agency: _____

1. Priority Activities for Which Overtime Pay was Authorized

2. Total Expenditure for Overtime Pay

<u>No. of Personnel</u>	<u>Total Overtime Pay</u>	<u>Total Salaries/ Wages</u>	<u>% Total Overtime Pay/ Total Salaries/Wages</u>
Regular -	_____	_____	_____
Contractual -	_____	_____	_____
Casual -	_____	_____	_____

3. Fund Sources for Overtime Pay

<u>Sources</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Submitted By:

Certified Correct:

Head, Finance/Administrative Unit

Agency Head



CIVIL SERVICE COMMISSION (CSC)
and
DEPARTMENT OF BUDGET AND MANAGEMENT (DBM)



JOINT CIRCULAR No. 1 s. 2015

November 25, 2015

TO : All Heads of Departments, Bureaus, Offices, and Other Agencies of the National Government, Including Constitutional Commissions, Congress, The Judiciary, Office of the Ombudsman, State Universities and Colleges (SUCs); Government-Owned or -Controlled Corporations (GOCCs); Local Government Units (LGUs); and All Others Concerned

SUBJECT : Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees

1.0 Background

Memorandum Order (MO) No. 228¹, approved by then President Corazon C. Aquino on March 29, 1989, authorized the rendition and payment of overtime services of government employees. To implement this MO, DBM issued National Budget Circular No. 410 dated April 28, 1989, as amended by Budget Circular No. 10 dated March 29, 1996.

Under Section 1(d) of Administrative Order (AO) No. 103² dated August 31, 2004, Compensatory Time-Off³ (CTO) was implemented as an alternative to Overtime Pay⁴. Pursuant to said AO, the Civil Service Commission (CSC) and the Department of Budget and Management (DBM) issued Joint Circulars (JCs) No. 2, s. 2004⁵ dated October 4, 2004, and No. 2-A, s. 2005⁶ dated July 1, 2005 prescribing guidelines for availment of the CTO.

Recently, the Office of the President granted clearance to the CSC and DBM to issue a joint circular granting flexibility to agencies to pay overtime services in cash, subject to certain conditions and limitations such as the nature of overtime work to be rendered, overtime payment limit, fund source, reportorial requirements, and other pertinent measures to efficiently and effectively implement the grant of Overtime Pay.

¹ Prescribing Guidelines Governing the Rendition and Payment of Overtime Services of Government Personnel

² Directing the Continued Adoption of Austerity Measures in the Government

³ As defined in item 4.0 of the CSC-DBM Joint Circular No. 2, s. 2004, Compensatory Time-Off or CTO refers to the accrued number of hours an employee earns as a result of services rendered beyond regular working hours, and/or those rendered on Saturdays, Sundays, holidays or scheduled days off without the benefit of Overtime Pay.

⁴ As defined in the Congress Joint Resolution No. 4, s. 2009, Overtime Pay is the cash payment for work performed by an employee beyond the regular working hours in a day, and those performed on rest days, holidays, and non-working days.

⁵ Non-Monetary Remuneration for Overtime Services Rendered

⁶ Amendment to CSC-DBM Joint Circular No. 2, s. 2004 Re: Non-Monetary Remuneration for Overtime Services Rendered

2.0 Purpose

This Joint Circular is issued to prescribe policies and guidelines on the rendition of overtime services and the corresponding remuneration, either through CTO or Overtime Pay, including the flexibility granted to agency heads to authorize overtime services and the payment thereof.

3.0 General Policies on Overtime Services

- 3.1 The rendition of overtime services shall be authorized only when extremely necessary, such as when a particular work or activity cannot be completed within the regular work hours and that non-completion of the same will: a) cause financial loss to the government or its instrumentalities; b) embarrass the government due to its inability to meet its commitments; or c) negate the purposes for which the work or activity was conceived.
- 3.2 As a general rule, the remuneration for overtime services shall be through CTO, in accordance with the guidelines under the CSC-DBM Joint Circulars No. 2, s. 2004 and No. 2-A. s. 2005.
- 3.3 The payment in cash of overtime services through Overtime Pay may be authorized only in exceptional cases when the application of CTO for all overtime hours would adversely affect the operations of the agency.

4.0 Priority Activities that May Warrant Rendition of Overtime Services

The priority activities that may warrant rendition of necessary overtime services may include the following:

- 4.1 Implementation of special or priority programs and projects embodied in Presidential directives with specific dates of completion;
- 4.2 Completion of infrastructure and other projects with set deadlines when due to unforeseen events the deadline cannot be met without resorting to overtime work;
- 4.3 Essential public services during emergency or critical situations that would require immediate or quick response;
- 4.4 Relief, rehabilitation, reconstruction, and other work or services during calamities and disasters;
- 4.5 Seasonal work, such as but not limited to, preparation of budgets and annual reports, in order to meet scheduled deadlines;
- 4.6 Preparation of financial and accountability reports required by oversight agencies like Congress of the Philippines, Office of the President, Commission on Audit, Department of Budget and Management, and National Economic and Development Authority;
- 4.7 Services rendered by drivers and other immediate staff of officials when they are required to keep the same working hours as these officials; and

- 4.8 Such other activities as are needed to meet performance targets or deliver services to the public as may be determined by the agency head.

5.0 Authority and Flexibility Granted to Agency Heads

Agency heads are authorized to approve the rendition of overtime services and are granted the following flexibilities subject to the conditions and limitations prescribed in this Circular:

- 5.1 Determination of the priority activities that may warrant rendition of overtime services and the timing and duration thereof;
- 5.2 Determination of agency personnel who may be authorized to render overtime services; and
- 5.3 Determination of the number of hours of overtime services and the manner of compensating the same pursuant to items 3.2 and 3.3 hereof.

6.0 Government Employees Who May be Authorized to Render Overtime Services with Pay or Compensation

- 6.1 Only appointive and salaried civilian government employees holding regular, contractual, and casual positions of division chief or equivalent level and below, may be authorized to render overtime services with pay or compensation.
- 6.2 Incumbents of positions of division chief or equivalent level and below, designated as Officers-in-Charge of higher level positions, may also be authorized to render overtime services as they are still bound to observe the prescribed work hours in their respective agencies.

7.0 Government Officials and Employees Who are Not Authorized to Render Overtime Services with Pay or Compensation

The following government officials and employees are not authorized to render overtime services under this Circular:

- 7.1 Civilian personnel holding positions higher than division chief or equivalent levels;
- 7.2 Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules, and regulations;
- 7.3 Those who are on travel status;
- 7.4 Elective officials in the national government and local government units down to municipal level;
- 7.5 Elective and appointive *barangay* officials and employees; and
- 7.6 Military and uniformed personnel of the government.

8.0 Period of Overtime Services

- 8.1 As provided under Section 5, Rule XVII of the Omnibus Rules Implementing Book V of Executive Order No. 292, "Administrative Code of 1987," officers and employees of departments and agencies shall render not less than 8 hours of work a day for 5 days a week or a total of 40 hours a week, exclusive of time for lunch. Generally, such hours shall be from 8:00 in the morning to 12:00 noon and from 1:00 to 5:00 in the afternoon, except Saturdays, Sundays, and holidays. However, Section 6 thereof allows flexible work hours, subject to the discretion of the department/agency head.
- 8.2 The period of overtime service in a workday for a full-time employee shall include:
- 8.2.1 Those rendered beyond the normal 8 work hours on scheduled workdays or 40 hours a week, and those rendered on rest days or scheduled days off, holidays, and special non-working days, both exclusive of time for lunch and rest;
- 8.2.2 Those rendered beyond the prescribed work hours in a shift of 8 hours or more, such as in government hospitals, on scheduled workdays, and those rendered on rest days or scheduled days off, holidays, and special non-working days.
- 8.2.3 Those rendered by drivers and other immediate staff of officials who are required to keep the same work hours as these officials, which are beyond 8 work hours or the prescribed work hours in a workday, and on rest days or scheduled days off, holidays, and special non-working days.

9.0 Payment for Overtime Services

- 9.1 If Overtime Pay has been determined by the agency head to be the appropriate compensation for overtime services, the same shall be based on the hourly rate of an employee and to the applicable premium on the hourly rate, depending on the day such overtime service was rendered.
- 9.2 The number of work hours of overtime service rendered on a scheduled workday, N_1 , and those rendered on a rest day or scheduled day off, holiday, or special non-working day, N_2 , shall be computed by taking into consideration the provisions under item 10.0 of this Circular.
- 9.3 The hourly rate of an employee on full-time employment, HR , with a monthly salary, S , for 22 workdays in a month and 8 hours per workday, shall be computed by using the following formula:

$$HR = \left(\frac{S}{1 \text{ Month}} \right) \left(\frac{1 \text{ Month}}{22 \text{ Workdays}} \right) \left(\frac{1 \text{ Workday}}{8 \text{ Work Hours}} \right)$$

- 9.4 The Overtime Pay shall be 125% or 1.25 of **HR** on a scheduled workday. It shall be 150% or 1.5 of **HR** on a rest day or scheduled day off, holiday, or special non-working day.
- 9.5 The total Overtime Pay, for a month for an employee on full-time employment, **OT Pay**, shall be computed based on the following formula:

$$\text{OT Pay} = 1.25 (\text{HR})(N_{1\text{Total}}) + 1.5(\text{HR})(N_{2\text{Total}})$$

To simplify the formula:

$$\text{OT Pay} = \text{HR} [1.25(N_{1\text{Total}}) + 1.5(N_{2\text{Total}})]$$

10.0 Limitations on Overtime Services and Overtime Pay

- 10.1 Only employees who arrive on or before the start of the workday shall be allowed to render overtime work with pay, provided that at least 2 hours of overtime services are rendered.
- 10.2 One-hour breaks shall be observed for breakfast, lunch, or supper and rest, and every 3 hours of continuous overtime service, or as may be necessary.
- 10.3 Rendering overnight overtime service shall be resorted to only when extremely necessary. No employee shall be allowed to render overnight service for more than 2 consecutive nights, for health reasons and to ensure employee productivity.
- 10.4 The period of overtime services shall not be used to offset undertime.
- 10.5 Only a maximum of 12 hours of overtime services on a rest day or scheduled day off, holiday, or special non-working day, shall be compensated through Overtime Pay.
- 10.6 The total Overtime Pay of an employee in a year shall not exceed 50% of his/her total basic salary for the year.
- 10.7 The total amount of Overtime Pay to be spent by an agency shall not exceed 5% of its total Personnel Services (PS) budget for a given year.

Any excess over 12 hours shall be compensated through CTO.

Any grant of Overtime Pay in excess of the 5% limit shall be subject to approval of the DBM in accordance with existing budgeting and accounting rules and regulations.

11.0 Fund Sources

- 11.1 For national government agencies, including SUCs, the Overtime Pay shall be charged against the following sources:
 - 11.1.1 The amount specifically appropriated in the agency budget for Overtime Pay, if any.
 - 11.1.2 Available agency savings, subject to existing rules and regulations on the use of savings.
 - 11.1.3 Other fund sources authorized under existing laws, rules and regulations.
- 11.2 For GOCCs and GFIs, the Overtime Pay shall be charged against their respective corporate funds.
- 11.3 For LGUs, the Overtime Pay shall be charged against their respective local government funds, subject to the PS limitation in LGU budgets under RA No. 7160 or the Local Government Code of 1991.

12.0 Reportorial Requirements

Each agency shall submit to the DBM's Budget and Management Bureau or Regional Office concerned, copy furnished the CSC, the **"Report on Overtime Services With Pay"** using the template in **Annex A** on or before March 31 of every year.

13.0 Responsibilities of Agency Heads

Agency heads shall:

- 13.1 Formulate and adopt internal rules and procedures on the rendition of overtime services of their respective personnel which shall be circumscribed within the policies and guidelines under this Joint Circular.

Copies of these internal rules and regulations shall be submitted to the DBM and CSC.
- 13.2 Approve requests for authority to render overtime services indicating the names of personnel, the purpose or expected outputs, and the specific period of such services.
- 13.3 Be held responsible for the proper implementation of the provisions of this Joint Circular. They shall be held administratively, civilly, and/or criminally liable, as the case may be, for any payment of overtime services not in accordance with the provisions herein without prejudice to the refund by the employees concerned of any unauthorized or excess payments.

14.0 Resolution of Cases

Issues and concerns arising from the implementation of this Circular shall be resolved either by the DBM or CSC as deemed appropriate based on their respective functional jurisdictions.


15.0 Repealing Clause

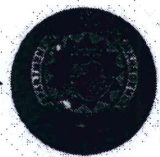
Budget Circular No. 10 dated March 29, 1996 is hereby repealed.

16.0 Effectivity

This Circular shall take effect immediately.


ALICIA DELA ROSA - BALA
Chairman
Civil Service Commission


FLORENCIO B. ABAD
Secretary
Department of Budget and Management



**Report on Overtime Services With Pay
For FY _____**

Department/Agency: _____

1. Priority Activities for Which Overtime Pay was Authorized

2. Total Expenditure for Overtime Pay

<u>No. of Personnel</u>	<u>Total Overtime Pay</u>	<u>Total Salaries/ Wages</u>	<u>% Total Overtime Pay/ Total Salaries/Wages</u>
Regular -	_____	_____	_____
Contractual -	_____	_____	_____
Casual -	_____	_____	_____

3. Fund Sources for Overtime Pay

<u>Sources</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Submitted By:

Certified Correct:

Head, Finance/Administrative Unit

Agency Head