

January 29, 2024

MEMORANDUM ORDER

No. 83

Series of 2024

**Subject: POLICIES AND GUIDELINES ON OVERTIME (OT) SERVICES
RENDERED BY THE EMPLOYEES OF THE BUREAU OF PLANT
INDUSTRY**

A. Rationale

In the exigency of service, uniform guidelines regarding hours worked beyond the employees' standard working schedule are hereby enacted to ensure appropriate and just remuneration, either through Compensatory Time-off (CTO) or Overtime Pay, for such services and in accordance to CSC-DBM Joint Circular No. 01 series of 2015 "Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees" and DA AO No. 3 series of 2024, "Internal Rules and Procedures on Rendition and Remuneration of Overtime Services of Employees of the Department of Agriculture."

B. Coverage

Only appointive and salaried civilian government employees holding regular, contractual, and casual positions of division chief or equivalent level and below whose employment is in the nature of a regular employee; Contract of Service (COS) and Job Order personnel may be authorized to render overtime service. Consultants and other third-party service provider are not authorized to render overtime services.

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.

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

1. Civilian personnel holding positions higher than division chief or equivalent levels;
2. Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules, and regulations;

3. Those who are on travel status;

C. Authority

Heads of operating units performing activities that may warrant the rendition of OT service must submit Request for Authority to render Overtime Services (Annex A), prior to the rendition of OT, to be approved by the Director with the recommending approval of the Assistant Director. The request shall indicate the names of employees who will render overtime, the duration specifying the days and hours covered, the manner of compensation, and the corresponding justification for the overtime services. Attached to the request is the Work Program (Annex B) which provides the proposed activities to be accomplished, period covered, and assigned staff. The Director shall evaluate the merits of the request to render overtime work and shall approve or disapprove the request as deemed necessary or otherwise.

The request for Authority to Render Overtime Services shall cover a period not exceeding three (3) months. Overtime services rendered without an approved Authority to Render Overtime (Annex C) shall not be paid or be credited for compensatory time-off.

D. General Policies on Overtime Services

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:

1. Cause financial loss to BPI and its instrumentalities;
2. Put the name and/or credibility of BPI in question due to its inability to meet its commitments;
3. Negate the purposes for which the work or activity was conceived;
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 issuance of the same purpose.

As a general rule, the remuneration for overtime services shall be through CTO.

Compensatory Time Off (CTO) refers to the number of hours or days an employee is excused from reporting for work with full pay and benefits. This is a non-monetary benefit provided to an employee in lieu of overtime pay.

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 operations.

The Daily Time Record (DTR) of each employee shall be duly accomplished, and the time entries appearing therein shall be the basis for determining the number of hours of actual overtime services.

E. Priority Activities that may Warrant Rendition of Overtime Services

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

1. Implementation of special or priority programs and projects embodied in Presidential directives with specific dates of completion;
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;
3. Essential public services during emergency or critical situations that would require immediate or quick response;
4. Relief, rehabilitation, reconstruction, and other work or services during calamities and disasters;
5. Seasonal work, such as but not limited to, preparation of budgets and annual reports, in order to meet scheduled deadlines;
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;
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
8. Such other activities as are needed to meet performance targets or deliver services to the public as may be determined by the Director.

F. Period of Overtime Services

Officers and employees shall render not less than eight (8) hours of work a day for five (5) days a week or a total of forty (40) hours a week, exclusive of lunch time. As a general

rule, such hours shall be 8:00 AM to 12:00 NN, and from 1:00 PM to 5:00 PM on all days, except Saturdays and holidays.

Overtime services shall include those rendered beyond eight (8) hours of work on a regular work day (Monday to Friday); those rendered on rest days, such as Saturday and Sunday, and those rendered on holidays, and 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.

G. Payment for Overtime Services

If Overtime Pay has been determined 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.

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 based on CSC-DBM Joint Circular No. 01 series of 2015:

$$\text{Hourly Rate (H.R.)} = S / 22 \text{ workdays} / 8 \text{ hours per workday}$$

Overtime pay shall be computed as follows:

For ordinary working days: Plus 25% of the hourly rate.

$$\text{Overtime Pay} = 1.25 \times \text{H.R.} \times \text{No. of hours rendered}$$

For rest days and non-working holidays: Plus 50% of the hourly rate.

$$\text{Overtime Pay} = 1.50 \times \text{H.R.} \times \text{No. of hours rendered}$$

H. Limitations on Overtime Services and Overtime Pay

1. Overtime work shall be rendered only after an Authority to Render Overtime Services has been approved/issued.
2. Only appointive and salaried civilian government employees holding Regular and Co-Terminus positions of division chief or equivalent level and below, may be authorized to render overtime services with pay.
3. 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.

4. 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.
5. 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.
6. The period of overtime services shall not be used to offset undertime/tardiness incurred by the employee during regular working hours.
7. 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. Any excess over 12 hours shall be compensated through CTO.
8. The total Overtime Pay of an employee in a year shall not exceed 50% of his/her total basic salary for the year.
 - a. For the purposes of computation of the 50% salary limitation, overtime shall be considered earned irrespective of the timing of payment.
 - b. Changes in the salaries due to promotion, step increment, and other reasons shall be considered in establishing the 50% maximum of Overtime payment. Hence, the average of the employee's salary within the year shall be the basis.
9. Overtime Accomplishment Report (Annex D) shall be attached to the claim for overtime pay or CTO

I. Application and Availment of Compensatory Time-Off (CTO) for Permanent Employees

1. An employee may accrue not more than forty (40) hours of Compensatory Overtime Credit (COC) in a month. In no instance, however, shall the unexpended balance exceed one hundred twenty (120) hours.
2. The COCs should be used as time-off within the year these are earned until the immediately succeeding year. Thereafter, any unutilized COCs are deemed forfeited.
3. The COCs shall be considered as official time for the following purposes:
 - a. compliance with compensation rules relative to the entitlement to PERA, Additional Compensation, year-end benefits, and other benefits received on a regular basis; and
 - b. computation of service hours for entitlement to sick and vacation leave credits, and step increment due to length of service
4. The COCs earned cannot be converted to cash, hence are non-commutative.
5. The COCs will not be added to the regular leave credits of the employee. Hence, it is not part of the accumulated leave credits that is paid out to the employee.

6. When availing CTO the employee must submit the application form for availment of CTO (Annex E) and Computation of COC (Annex F).

J. Application and Availment of Compensatory Time-Off (CTO) for Contract of Service and Job Order Workers

While COS and JO workers may not enjoy the privilege of monetary pay and compensation for the rendition of overtime services, they may still perform the same and may avail the offsetting or compensatory time-off, subject upon the approval of their respective heads.

Compensatory Overtime Credits (COCs) 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.

1. COS and JO workers shall submit to the Human Resources Section (HRS) a copy of the approved Daily Time Record (DTR) with the computation of overtime services rendered for the month.
2. When availing CTO the COS and JO workers must submit the application form for availment of CTO (Annex E) and Computation of COC (Annex F) prior to the processing of salary to HRS.
3. The Human Resources Section will verify and certify the Application for CTO and computation of COC and it shall be attached as part of the documentary requirements for the processing of salary.
4. The same process under no. 3 and 4 shall be observed for succeeding application with unutilized COCs.
5. If COCs was used the same process shall be observed under no. 1-4 for the succeeding application.
6. The same process shall be observed for succeeding application except if with unutilized COCs in which the COS and JO workers may still use following the procedure under no. 3 and 4.

K. Limitations on the Availment of Compensatory Time-Off (CTO)

1. The COCs cannot be used to offset undertime/s or tardiness incurred by the employee during regular working days.
2. The CTO may be availed of in blocks of four (4) or eight (8) hours. When adopting alternative work schedules, parallel adjustments should be done in the availment blocks, equal to either a half or full day leave from work.

3. CTO may be availed up to a maximum of five (5) consecutive days per single availment, or on a staggered basis within the duration of the approved request of OT.
4. Employees must first obtain approval from their respective heads regarding the schedule of availment of CTO. In the exigency of the service, the schedule may be recalled and subsequently rescheduled in a later period.
5. Actual Output Report for overtime services rendered shall be attached to the claim for overtime pay
6. Any unused COCs within the contract period will be deemed forfeited.

L. Revised Interim Guidelines for Alternative Work Arrangements and Support Mechanisms for Workers in the Government During the Period of State of National Emergency Due to COVID-19 Pandemic or SC Memorandum Circular No. 10, Series of 2020 as amended by SC Memorandum Circular No. 18, Series of 2020 provides:

1. Employees under work-from-home arrangement are not entitled to Compensatory Overtime Credit/Overtime Pay.
2. Employees assigned in the skeletal workforce during the implementation of Enhanced Community Quarantine (ECQ) and Modified Enhanced Community Quarantine (MECQ) shall be entitled to Hazard Pay pursuant to the provisions of Administrative Order No. 26, Series of 2020 and DBM Budget Circular No. 2020-1, Series of 2020, on top of the Compensatory Overtime Credit or Overtime Pay as well as other applicable benefits, subject to the provisions of CSC-DBM Joint Circular No. 2, Series of 2015 and other related civil service, budgeting, accounting and auditing rules and regulations.
3. Employees assigned in the skeletal workforce shall be entitled to Compensatory Overtime Credit/Overtime Pay for hours rendered beyond the normal 8 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, subject to the provisions of CSC-DBM JC No. 2 Series of 2015, as amended and other related civil service, budgeting, accounting, and auditing rules and regulations.

M. Effectivity

This memorandum shall take effect immediately upon approval and shall revoke any guidelines inconsistent herewith.

For guidance and strict compliance.

Done this 6th of March 2024.

Approved by:



GERALD GLENN F. PANGANIBAN, Ph.D.
Director