



Republic of the Philippines
Department of Education
REGION VIII - EASTERN VISAYAS

March 25, 2024

OFFICE MEMORANDUM

AD-2024- **183**

UPDATED PROCESS AND REQUIREMENTS ON THE GRANT OF CERTIFICATE OF COMPENSATORY OVERTIME CREDIT (COC) AND AVAILMENT OF COMPENSATORY TIME-OFF (CTO)

To: Regional Office Employees
All Others Concerned

1. With reference to the responses from the Civil Service Commission and the Department of Budget and Management to the query of this Office relative to the grant of Compensatory Overtime Credits (COC) in lieu of overtime pay to employees who opt not to claim for travel allowance and/or per diem while on official travel on a holiday or non-working day, this Office hereby updates the process and requirements on the grant of COC and availment of CTO.
2. The grant of COC shall cover incumbent positions of chief of division and below under permanent or casual status, and contractual personnel whose employment is in the nature of a regular employee.
3. The following government officials and employees are not authorized to render overtime services with pay or compensation:
 - a. Civilian personnel holding positions higher than division chief or equivalent levels;
 - b. Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules, and regulations; and
 - c. Those who are on travel status.
4. Overtime services may be authorized for the following activities:
 - a) completion of infrastructure and other projects with set deadlines when due to unforeseen events the deadline cannot be met without resorting to overtime work;
 - b) relief, rehabilitation, reconstruction and other related work or services during calamities and disasters;
 - c) work related to school graduation/registration where the additional work cannot be handled by existing personnel during regular working hours;
 - d) work involving the preparation for and administration of government examinations, including the prompt correction and release of results thereof where existing personnel are not adequate to handle such work during regular working hours;

- e) seasonal work such as budget preparation and rendition of annual reports to meet scheduled deadlines;
- f) preparation of special/financial/accountability reports required occasionally by central monitoring agencies like the Congress of the Philippines, Office of the President, Commission on Audit, Department of Budget and Management, and National Economic and Development Authority;
- g) the provision of essential public services during emergency situations, such as power and energy, water, distribution and control of basic staples, communication, and transportation, medical and health services, peace and order, and security;
- h) implementation of special programs/projects embodied in Presidential directives and authorizations and with specific dates to complete, which are in addition to the regular duties of the employees;
- i) legal services to facilitated the dissolution of cases/resolutions/decisions;
- j) services rendered by drivers and immediate staff of officials when required to keep the same working hours as their superiors; and
- k) such other activities as may be determined by the head of agency.

5. Procedure in the rendition of overtime services and availment of compensatory time-off

Procedure

- The Head of Office/authorized official issues an Office Memorandum authorizing the rendition of overtime services and indicating the tasks to be completed and the expected time of completion or the concerned Chief of Division/Immediate Superior seeks approval using the template for authority to render overtime services.
- The concerned personnel submits the following requirements to the Personnel Section, Administrative Division:
 - Office Memorandum/Approved authority to render overtime services;
 - Duly accomplished and approved Daily Time Record (DTR) and/or Attendance Sheet; and
 - Accomplishment Report.
- The Personnel Section incharge of COC:
 - Evaluates completeness of the required documents;
 - Computes the number of hours based on the formula below:
 - For overtime services rendered on **weekdays** or **scheduled work days**
 - $COC = \text{number of hours of overtime services} \times 1.0$
 - For overtime services rendered on **weekends, holidays** or **scheduled days off**
 - $COC = \text{number of hours of overtime services} \times 1.5$
 - Prepares the Certificate Compensatory Overtime Credit;
 - Facilitates signature of the authorized signatories; and
 - Releases the COC to the concerned employee/s.

Availment of CTO

- The CTO shall be filed in advance or whenever possible five (5) days before going such leave by accomplishing Application for Leave (Form 6).
- The CTO may be availed of in blocks of four (4) or eight (8) hours.
- The employee may use the CTO continuously up to a maximum of five (5) consecutive days per single availment, or on staggered basis within the year.

6. The request for issuance of COC must be submitted to the Personnel Section-Administrative Division **within one (1) month** from which overtime services were rendered.

7. Each employee may accrue **not more than forty (40) hours** of COCs in a month. In no instance, however, shall the unexpended balance exceed one hundred twenty hours (120) hours. The COC earned is **valid for one (1) year** from the date of approval up to the first anniversary of rendition of overtime services.

8. The COC shall be used as time-off within the year these are earned until the immediately succeeding year. Thereafter, any unutilized COCs are deemed forfeited.

9. In case of detail, secondment or transfer to another agency, the COCs earned in one agency cannot be transferred to another agency, nor could the employee receive the monetary equivalent thereof. In cases of resignation, retirement, or separation from the service are deemed forfeited.

10. Attached are Civil Service Commission and Department of Budget and Management Joint Circulars No. 2-A, s. 2005, JC No. 2, s. 2004, and JC No. 02, s. 2015 for reference.

11. For information, guidance, and strict compliance.


EVELYN R. FETALVERO CESO IV
Regional Director 



AD-PS-EDR



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



JOINT CIRCULAR No. 02, 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

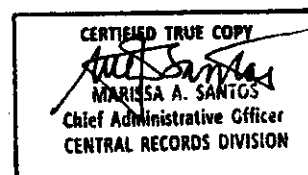
² Directing the Continued Adoption of Austerity Measures in the Government

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 simply 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.

Any excess over 12 hours shall be compensated through CTO.

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 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 

NOTE

This CSC-DBM Joint Circular dated November 25, 2015 on the, "*Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees,*" is hereby renumbered as CSC-DBM Joint Circular No. 2, s. 2015.

**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
DEPARTMENT OF BUDGET AND MANAGEMENT
JOINT CIRCULAR NO. 2-A, s. 2005**

July 1, 2005



TO : All Heads of Departments, Bureaus and Agencies of the National Government, State Universities and Colleges, Government-Owned-or-Controlled Corporations, Government Financial Institutions, and other Government Corporate Entities

SUBJECT : Amendments to CSC-DBM Joint Circular (JC) No. 2, s. 2004 re: Non-Monetary Remuneration for Overtime Services Rendered

1.0 This Circular is being issued to amend Section 5.5.2 of CSC-DBM Joint Circular No. 2, s. 2004 dated October 4, 2004, on the accrual and use of Compensatory Overtime Credits (COCs), and Section 8 (Saving Clause) thereof to delineate the roles of the CSC and DBM in the resolution of issues or conflicts arising from the implementation of said Circular.

2.0 Section 5.5.2 is hereby amended to read as follows:

"5.5.2 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."

3.0 Section 8.0 is hereby amended to read as follows:

"8.0 Saving Clause

Issues or conflicts on the procedure for accrual of COCs and availment of CTOs shall be referred to the CSC for resolution. All other issues on the implementation of this Circular shall be resolved by the DBM."

4.0 This Circular shall take effect immediately.

KARINA CONSTANTINO-DAVID
Chairperson
Civil Service Commission

EMILIA T. BONCODIN
Secretary
Department of Budget and Management



REPUBLIC OF THE PHILIPPINES



CIVIL SERVICE COMMISSION
DEPARTMENT OF BUDGET AND MANAGEMENT

Joint Circular No. 2 series of 2004
October 4, 2004



TO All Heads of Departments, Bureaus and Agencies of the National Government, State Universities and Colleges, Government-Owned or -Controlled Corporations, Government Financial Institutions, and Other Government Corporate Entities, including their Subsidiaries

Subject Non-Monetary Remuneration for Overtime Services Rendered

1.0 Purpose

To provide a uniform policy on the availment of compensatory time-off, in lieu of overtime pay, pursuant to Section 1 (d) of Administrative Order No. 103, "Directing the Continued Adoption of Austerity Measures in the Government".

2.0 Coverage

This Circular shall cover incumbents of positions of chief of division and below under permanent, temporary or casual status, and contractual personnel whose employment is in the nature of a regular employee.

3.0 Exemption

This Circular does not cover the following government personnel:

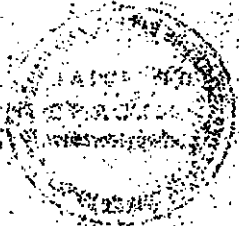
- 3.1 those occupying positions whose ranks are higher than chiefs of division;
- 3.2 those appointed to positions in the Career Executive Service (CES);
- 3.3 elective officials; and
- 3.4 military and uniformed personnel.

4.0 Definition of Terms

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.

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. It is a non-monetary benefit provided to an employee in lieu of overtime pay.

5.0 Guidelines

- 
- 5.1 Employees are required to render forty (40) hours of work in a week, subject to the work schedule adopted by the agency. In the exigency of the service, employees may be required to render services beyond regular working hours.
- 5.2 The Head of Office shall determine the need for overtime services. In this regard, the Office concerned shall issue an office order specifying the date and time for rendition of overtime, and its purpose.
- 5.3 Overtime services may be authorized for the following activities:
- a. completion of infrastructure and other projects with set deadlines when due to unforeseen events the deadline cannot be met without resorting to overtime work;
 - b. relief, rehabilitation, reconstruction and other related work or services during calamities and disasters;
 - c. work related to school graduation/registration where the additional work cannot be handled by existing personnel during regular working hours;
 - d. work involving the preparation for and administration of government examinations, including the prompt correction and release of results thereof where existing personnel are not adequate to handle such work during regular working hours;
 - e. seasonal work such as budget preparation and rendition of annual reports to meet scheduled deadlines;
 - f. preparation of special/financial/accountability reports required occasionally by central monitoring agencies like the Congress of the Philippines, Office of the President, Commission on Audit, Department of Budget and Management, and National Economic and Development Authority;
 - g. the provision of essential public services during emergency situations, such as power and energy, water, distribution and control of basic staples, communication and transportation, medical and health services, peace and order, and security;
 - h. implementation of special programs/projects embodied in Presidential directives and authorizations and with specific dates to complete, which are in addition to the regular duties of the employees;
 - i. legal services to facilitate the dissolution of cases/resolutions/decisions;
 - j. services rendered by drivers and other Immediate staff of officials when required to keep the same working hours as their superiors; and
 - k. such other activities as may be determined by the head of agency.

5.4 Computation of COCs

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

5.4.1 For overtime services rendered on weekdays or scheduled work days:

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

5.4.2 For overtime services rendered on weekends, holidays or scheduled days off:

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

5.5 Accrual and Use of COCs

5.5.1 Each employee may accrue not more than forty (40) hours of COCs in a month. In no instance, however, shall the unexpended balance exceed one hundred twenty hours (120) hours.

5.5.2 The COCs should be used as time-off within the year these are earned. The unutilized COC should not be carried over in the ensuing year, hence, are non-cumulative.

5.5.3 The COCs shall be considered as official time for the following purposes:

5.5.3.1 compliance with compensation rules relative to the entitlement to PERA, Additional Compensation, year-end benefits, and other benefits received on a regular basis, and

5.5.3.2 computation of service hours for entitlement to sick and vacation leave credits, and step increment due to length of service.

5.6 Limitation on the Use of COCs

5.6.1 The COCs cannot be used to offset undertime/s or tardiness incurred by the employee during regular working days.

5.6.2 The COCs earned cannot be converted to cash, hence, are non-commutative.

5.6.3 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.

5.7 Effect on Personnel Movement

5.7.1 In cases of resignation, retirement, or separation from the service, the unutilized COCs are deemed forfeited.

5.7.2 In case of detail, secondment or transfer to another agency, the COCs earned in one agency cannot be transferred to another agency, nor could the employee receive the monetary equivalent thereof.

5.7.3 In case of promotion, except when promoted to a position not qualified to receive overtime pay under previous issuances, the employee will retain his or her accrued COC.

5.8 Issuance of Certificate of COC Earned

An employee who has earned COC shall be granted a Certificate of COC Earned (Annex A) duly approved and signed by the Head of Office. The certificate indicates the number of hours of earned COC by the employee in a month. The certificate would be issued at the end of each month.

5.9 Availment of CTO

5.9.1 The CTO may be availed of in blocks of four (4) or eight (8) hours. Agencies adopting alternative work schedules should make parallel adjustments in the availment blocks, tantamount to either a half or full day leave from work.

5.9.2 The employee may use the CTO continuously up to a maximum of five (5) consecutive days per single availment, or on staggered basis within the year.

5.9.3 The employee must first obtain approval from the head of the agency/authorized official regarding the schedule of availment of CTO. The management shall accommodate, to the extent practicable, all applications for availment of CTO at the time requested by the employee. In the exigency of the service, however, the schedule may be recalled and subsequently rescheduled by the Head of the Office/authorized official within the year.

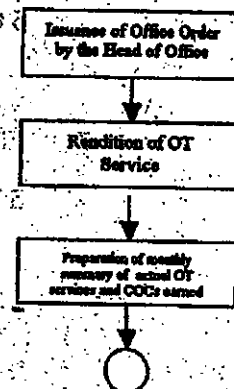
6.0 Procedures

The following procedures shall be observed in the rendition of overtime services and availment of compensatory time off:

6.1 The Head of Office/authorized official issues an Office Order authorizing the rendition of overtime services and indicating the tasks to be completed and the expected time of completion.

6.2 The employee renders overtime services as stipulated in the Office Order.

6.3 The Human Resource Management Office prepares a summary of overtime services rendered

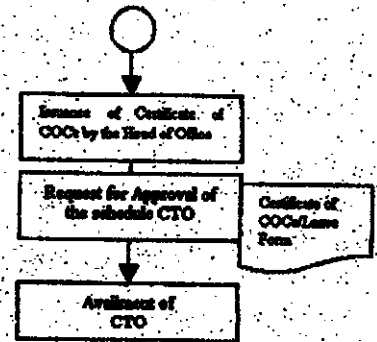


in a month, and computes the equivalent COCs, for the purpose of the issuance of the COC Certificate.

6.4 The Head of Office issues the Certificate of COCs, specifying the number of COCs earned in a month.

6.5 The employee requests approval from the Head of Office on the schedule of CTO.

6.6 The employee avails of the CTO.



7.0 Duties and Responsibilities

7.1 Heads of Offices

7.1.1 Authorize employees to render services beyond regular working hours in accordance with these guidelines and the rules and regulations on overtime service.

7.1.2 Grant Certificate of COC Earned, concurrently setting safeguard measures to prevent any form of fraud and/or duplicity.

7.1.3 Approve/disapprove schedule of CTO as requested by the employee, without compromising the delivery of services to clientele.

7.1.4 Ensure proper implementation of these guidelines. Act accordingly should violations or irregularities be committed.

7.2 Employees

7.2.1 Observe properly the procedures in earning of COC and availing of CTO.

7.2.2 Request approval from the Head of Office on the schedule of CTO.

7.2.3 Monitor the balance of earned COCs vis-à-vis CTOs availed of.

7.3 Human Resource Management Unit/Officer Concerned

7.3.1 Reflect on the time card the application for CTO filed by the employee.

7.3.2 Submit to the Head of Office a monthly report on summary of overtime services rendered and the equivalent COCs; report critical incidents or observations.

7.3.3 Recommend measures to improve the implementation of the guidelines on the grant of COCs and availment of CTOs.

8.0 Saving Clause

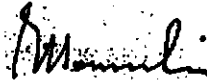
Issues or conflicts arising from the implementation of this Circular shall be resolved by the CSC.

9.0 Effectivity

This Circular shall take effect immediately.



KARINA CONSTANTINO-DAVID
Chairperson
Civil Service Commission



EMILIA T. BONCODIN
Secretary
Department of Budget
and Management

Certificate of COC Earned

This certificate entitles Mr./Ms. _____ to
_____ of Compensatory Overtime Credits.
(number of hrs.)

Head of Office

Date Issued: _____

Valid Until: _____

Front

No. of Hours of Earned COCs/Beginning Balance	Date of CTO	Used COCs	Remaining COCs	Remarks

Approved by:

Head of Office

Date

Claimed:

HRMO

Date

Back



Civil Service Commission Regional Office VIII

OFFICE OF THE DIRECTOR IV
Date and Time Received: 29 AUG 2023 4:45
Date and Time Released:
Signature: [Signature]

FETALVERO, Evelyn R.
Re: Compensatory Overtime Credits;
CSC-DBM Joint Circular No. 2,
s. 2015
(Query)
O0820007323
Legal Opinion No.: 23-080
x-----x

RECEIVED
PERSONNEL DIVISION
8/29/23 11:37am
OFFICE NEW

16 August 2023

DIRECTOR IV IMELDA C. LACERAS

Department of Budget and Management
Region VIII – Eastern Visayas
Brgy. 77 Marasbaras, Tacloban City

Dear Director Laceras:

We are respectfully referring to your end the Letter dated 25 July 2023 of Director IV Evelyn R. Fetalvero, of the Department of Education Region VIII – Eastern Visayas, Palo, Leyte, which reads, thus:

“xxx

This is a query on Joint Circular No. 2, s. 2015 issued by the CSC and DBM re: Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees.

Under 7.3 of said Circular, government officials and employees who are on official travel are not authorized to claim overtime pay. However, officials and employees can claim for travel allowance and reimbursement of their expenses as authorized while on official travel whether or not it is a working day.

In view thereof, is it proper to grant Compensatory Overtime Certificate (COC) in lieu of overtime pay to employees who opt not to claim for travel allowance and/or per diem while on official travel on a holiday or non-working day?

xxx”

CSC-DBM Joint Circular No. 2, s. 2015 [Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees] provides, thus:

“xxx

3.0 General Policies on Overtime Pay

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.

xxx

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

xxx

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;

xxx" [emphasis supplied]

This Office opines that travel allowance is granted to cover the expenses incurred while on official travel. Conversely, Compensatory Overtime Credit (COC) is earned for the services rendered beyond regular working hours, and/or those rendered on weekends, Holidays, or scheduled days off without the benefit of overtime. As such, waiving of travel allowance does not have an effect on the eligibility to earn COC and availment of Compensatory Time-Off (CTO).

Nonetheless, considering that the subject inquiry involves the Joint Circular of CSC and DBM, we deemed it proper to secure the stand of that Office on the matter.

Thank you.

Very truly yours,

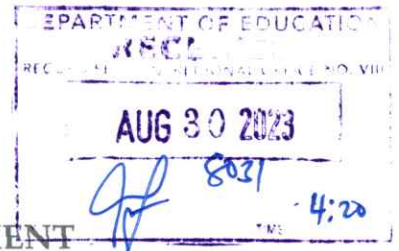


ATTY. MARILYN E. TALDO
Director IV

Copy for:
DIRECTOR EVELYN R. FETALVERO
Regional Director
Department of Education
Region VIII - Eastern Visayas
Palo, Leyte



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
REGION VIII



August 25, 2023

DR. EVELYN R. FETALVERO, CESO IV

Regional Director
DepEd Regional Office No. VIII
Candahug, Palo, Leyte



Dear **Director Fetalvero**:

This refers to your letter¹ dated July 25, 2023 inquiring on whether it is proper to grant Compensatory Overtime Certificate (COC) in lieu of overtime pay to employees who opt not to claim for travel allowance and/or per diem while on official travel on a holiday or non-working day.

Please be informed that Civil Service Commission (CSC)-DBM Joint Circular (JC) No. 2, series of 2004² dated October 4, 2004 was issued to grant non-monetary remuneration for overtime services rendered.

In particular, Section 4.0 clearly defines Compensatory Overtime Credit (COC) as 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.

On the other hand, CSC-DBM JC No. 2, s. of 2015³ dated November 25, 2015 was issued to provide policies and guidelines on overtime services and overtime pay for government employees.

Moreover, Section 3.2 of CSC-DBM JC No. 2, s. 2015 provides that:

"As a general rule, the remuneration for overtime services shall be through [compensatory time-off] (CTO), in accordance with the guidelines under the CSC-DBM Joint Circulars No. 2, s. 2004⁴ and No. 2-A, s. 2005⁵."

With regard to the grant of travel allowance and/or per diem, Section 72, Chapter 7, Book VI of Executive Order (EO) No. 292⁶ dated July 25, 1987, states that:

¹ Received by this Office on July 27, 2023

² Non-monetary Remuneration for Overtime Services Rendered

³ Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees

⁴ Non-monetary Remuneration for Overtime Services Rendered

⁵ Amendments to CSC-DBM Joint Circular (JC) No. 2, s. 2004 re: Non-Monetary Remuneration for Overtime Services Rendered

⁶ Instituting the Administrative Code of 1987

"When a government official or employee is **authorized to travel on official business** outside of his permanent station, he **shall be entitled to per diems to cover his board and lodging in accordance with his schedule:** xxx" (Emphasis Supplied)

Relatedly, CSC Regional Office VIII rendered the following opinion through letter⁷ dated August 16, 2023 on the same subject query you have forwarded to their Office, to wit:

"This Office opines that travel allowance is granted to cover the expenses incurred while on official travel. Conversely, Compensatory Overtime Credit (COC) is earned for the services rendered beyond regular working hours, and/or those rendered on weekends, Holidays, or scheduled days off without the benefit of overtime. As such, **waiving of travel allowance does not have an effect on the eligibility to earn COC and availment of Compensatory Time-Off (CTO).**" (Emphasis Supplied)

We concur with the above opinion of CSC RO VIII considering that the availment of the said benefits have different purpose and policies as cited earlier.

We hope to have provided sufficient guidance on the matter.

For information.

Very truly yours,


IMELDA C. LACERAS, CESO III
Regional Director

Copy Furnish: **Atty. Marilyn E. Taldo**
Director IV - CSC Regional Office VIII

ANH/LNL/jcb
DMS Ref. Nos. 2023-RO-8-0101698-E and 2023-RO-8-0114161-E

⁷ Received by this Office on August 24, 2023