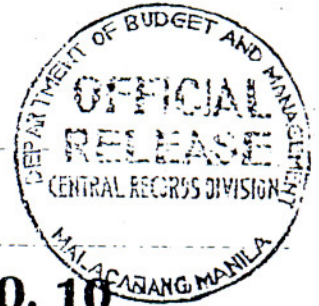




REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
MALACANANG, MANILA



BUDGET CIRCULAR

NO. 10

March 29, 1996

TO : HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF NATIONAL GOVERNMENT, INCLUDING STATE UNIVERSITIES AND COLLEGES, GOVERNMENT-OWNED AND/OR -CONTROLLED CORPORATIONS AND GOVERNMENT FINANCIAL INSTITUTIONS, LOCAL GOVERNMENT UNITS AND ALL OTHERS CONCERNED

SUBJECT : PRESCRIBING AND UPDATING THE GUIDELINES AND PROCEDURES ON THE RENDITION OF OVERTIME SERVICES WITH PAY OF GOVERNMENT PERSONNEL

1.0 Purpose

This Circular is being issued to prescribe and update the rules and regulations on the payment of authorized overtime services of government personnel.

2.0 Policy on Overtime

2.1 Overtime work should be avoided by adequate planning of work activities. It should not be resorted to in the performance of regular routine work and activities, except in cases when unforeseen events and emergency situations will result in any of the following:

- 2.1.1 cause financial loss to the government or its instrumentalities;
- 2.1.2 embarrass the government due to its inability to meet its commitments; or
- 2.1.3 negate the purposes for which the work or activity was conceived.

3.0 Coverage

3.1 This Circular shall cover:

- 3.1.1 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.



"Tulong-tulong sa pagsulong!"

- 3.1.2 Incumbents of positions of chief of division and below who are designated to a position in the Career Executive Service (CES).

4.0 Exemption

- 4.1 The following government personnel are not covered by this Circular:

- 4.1.1 Department Secretaries;
- 4.1.2 Department Undersecretaries;
- 4.1.3 Department Assistant Secretaries;
- 4.1.4 Bureau Directors and Regional Directors;
- 4.1.5 Assistant Bureau Directors and Assistant Regional Directors;
- 4.1.6 Department Service Chiefs and Assistant Department Service Chiefs;
- 4.1.7 Positions of equivalent category as those above-mentioned in State Universities and Colleges (SUCs), Local Government Units (LGUs) and in Government-owned and/or -Controlled Corporations (GOCCs) and Government Financial Institutions (GFIs);
- 4.1.8 Incumbents of intermediate positions which have been allowed and created in-between the above enumerated positions in the existing organizational structure/staffing pattern of government agencies, SUCs, LGUs, GOCCs and GFIs;
- 4.1.9 Elective officials; and
- 4.1.10 Other appointive officials whose equivalent rank is higher than a chief of division.

5.0 Computation of Overtime Services With Pay

- 5.1 Overtime Services shall include:

- 5.1.1 those rendered beyond eight (8) work hours of a regular work day;
- 5.1.2 those rendered on rest days, such as Saturdays and Sundays; and
- 5.1.3 those rendered on Holidays or non-working days.

- 5.2 Personnel rendering overtime services shall be entitled to overtime pay by the hour which shall be based on his/her actual hourly rate, computed as follows:

$$\text{Actual Hourly Rate (H.R.)} = \frac{\text{Actual Salary Per Month}}{22 \times 8}$$

- 5.3 Overtime pay shall be computed as follows:

- A. For ordinary working days: Plus 25% of the hourly rate ($0.25 \times \text{H.R.}$).

$$\text{Overtime Pay} = 1.25 \times \text{H.R.} \times \text{No. of Hours Rendered}$$

- B. For rest days and holidays: Plus 50% of the hourly rate ($0.50 \times \text{H.R.}$).

$$\text{Overtime Pay} = 1.50 \times \text{H.R.} \times \text{No. of Hours Rendered}$$

- 5.4 The total overtime pay of the employee for the year shall not exceed fifty percent (50%) of his annual basic salary.

- 5.5 Overtime Pay for contractual personnel shall be based on the rate exclusive of the 20% premium.

6.0 Conformance with CSC Rules

Authority to render overtime service shall be subject to Civil Service Commission (CSC) rules, particularly on Rule XVII. Government Office Hours.

7.0 Meal Allowance

Meal allowance as a form of payment of overtime services shall no longer be allowed.

8.0 Funding Source

- 8.1 Agencies are hereby authorized to pay overtime services out of the following sources:

8.1.1 The amounts specifically appropriated in the agency budget for overtime pay;

8.1.2 Savings from released allotments for current operating expenditures subject to the following limitations:

8.1.2.1 All authorized mandatory expenses shall have been paid first; and

8.1.2.2 Total overtime payments in a given calendar year shall not exceed five percent (5%) of the total salaries of authorized positions of the agency.

8.2 Agencies are hereby authorized to use savings from released allotments for current operating expenditures for the payment of overtime services without need for prior authority from the Department of Budget and Management, provided, that the conditions set under Section 8.1.2 hereof are fully satisfied.

8.3 In the case of government-owned and/or -controlled corporations, including government financial institutions, local government units and project personnel, funding shall be sourced from their respective corporate, local and project funds.

9.0 Resolution of Issues

Issues and conflicts arising from the implementation of this Circular, and cases not covered by the provisions herein shall be submitted to the DBM for resolution.

10.0 Repealing Clause

Provision(s) of existing circulars, guidelines and other issuances which are inconsistent with the provisions of this Circular are hereby rescinded/repealed and/or modified accordingly.

11.0 Effectivity

This Circular shall take effect on April 1, 1996.


SALVADOR M. ENRIQUEZ, JR.
Secretary