



15 February 2024

MEMORANDUM CIRCULAR NO. 29
Series of 2024

T O: All Permanent, Casual and Contractual Administrative Staff

**R E: Internal Policies and Guidelines on Overtime Services and Overtime Pay
for VSU Administrative Staff**

Pursuant to the Civil Service Commission (CSC) and Department of Budget and Management (DBM) Joint Circular No. 02, s. 2015 dated November 25, 2015 with subject "*Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees*" government agency heads are granted the flexibility to authorize overtime services and its payment thereof.

This office hereby issues this circular to prescribe the internal policies and guidelines on the rendition of overtime services and the corresponding remuneration, either through Compensatory Time Off (CTO) or Overtime Pay.

1.0. General Policies on Overtime Services:

- 1.1. 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 the noncompletion 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.
- 1.2. 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.
- 1.3. 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.

2.0. Priority Activities That May Warrant Rendition of Overtime Services

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

- 2.1. Implementation of special or priority programs and projects embodied in the planning with specific dates of completion;
- 2.2. Enrolment and graduation exercises;

- 2.3. ISO, AACCUP and other accreditation activities;
- 2.4. Relief, rehabilitation, reconstruction, and other work or services during calamities and disasters;
- 2.5. Seasonal work, such as but not limited to, preparation of budgets and annual reports, and HR reports in order to meet scheduled deadlines by regulatory agencies;
- 2.6. 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;
- 2.7. Actual driving services rendered by drivers when on official travel during weekends and holidays, and those services rendered when on official travel outside Leyte Island during weekdays.
- 2.9. Emergency medical services and security services.
- 2.8. Such other activities as are needed to meet performance targets or deliver services to the public as may be determined by the agency head.

3.0. VSU Employees Who May be Authorized to Render Overtime Services with Pay or Compensation

- 3.1. Only appointive and salaried VSU 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.
- 3.2. 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.

4.0. VSU Officials and Employees Who are Not Authorized to Render Overtime Services with Pay or Compensation

The following VSU officials and employees are not authorized to render overtimes services:

- 4.1. Personnel holding positions higher than division chief or equivalent levels;
- 4.2. Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules, and regulations;
- 4.3. Those who are on official travel status;
- 4.4. Those heads of administrative offices/units such as Division chief, Director, etc. who avail the Compensatory Day Off (CDO) of ten (10) days per year.

5.0. Period of Overtime Services

- 5.1. 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 VSU 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, flexible work hours is allowed, subject to the approval of the University President.
- 5.2. The period of overtime service in a workday for a full-time employee shall include:
 - 5.2.1. 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;
 - 5.2.2. Those rendered beyond the prescribed work hours in a shift of 8 hours or more on scheduled workdays, and those rendered on rest days or scheduled days off, holidays, and special non-working days.
 - 5.2.3. For the purpose of computing the OT, the work week starts on Sunday and ends on Saturday.

6.0. Payment for Overtime Services

- 6.1. 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.
- 6.2. The number of work hours of overtime service rendered on a scheduled workday, **N1**, and those rendered on a rest day or scheduled day off, holiday, or special non-working day, **N2**, shall be computed.
- 6.3. 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:

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

- 6.4. 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.
- 6.5. The total Overtime Pay, for a month for an employee on full-time employment, **OT Pay**, shall be computed based on the following formula:

$$OT \text{ Pay} = 1.25 (HR) (N1 \text{ Total}) + 1.5 (HR) (N2 \text{ Total})$$

To simply the formula:

$$OT \text{ Pay} = HR [1.25 (N1 \text{ Total}) + 1.5 (N2 \text{ Total})]$$

7.0. Limitations on Overtime Services and Overtime Pay

- 7.1. Only employees who did not incur more than 4 hours of tardiness and undertime or did not file a leave within the work week shall be allowed to render overtime work with pay, provided that at least 2 hours of overtime services are rendered. This is to ensure that employees are not rendering OT services for the primary reason to finish their backlog due to their absences, tardiness or undertime on regular days.
- 7.2. 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.
- 7.3. 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.
- 7.4. The period of overtime services shall not be used to offset undertime.
- 7.5. Only a maximum of 8 hours of overtime services on a rest day or scheduled day off, holiday, or special non-working day, shall be compensated through Overtime Pay. Meanwhile, only a maximum of 4 hours of overtime services shall be rendered on a scheduled workday. Any excess over the maximum hours shall be compensated through CTO.
- 7.6. Since the total amount of Overtime Pay to be spent shall not exceed 5% of the total Personnel Services (PS) budget or a given year as prescribed by the abovementioned JC, the total Overtime Pay of an employee in a year shall not exceed 25 % of his/her total basic salary for the year or forty (40) hours a month. Other overtime work hours shall be compensated through CTO.
- 7.6. Claims for overtime pay will be granted subject to the submission of the following pertinent documents:
 - Permit to render overtime services prior to actual render of overtime work except for emergency medical and security services and/or during calamities. The permit should indicate the time period that employees are permitted work overtime (e.g., Weekdays: 5:00pm to 10:00pm; Weekends and Holidays: 8:00am to 5:00pm).
 - Duly attested eDATS-generated Daily Time Record (DTR) by the direct supervisor and received by the HRMO.
 - Duly approved accomplishment report by the direct supervisor.

This circular supersedes previous issuance on Overtime Services and Overtime Pay.

For your guidance and compliance.



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