



Republic of the Philippines
DEPARTMENT OF ENERGY
(Kagawaran ng Enerhiya)

Department Order No. DD2019-12-0022

DEPARTMENT OF ENERGY
POLICIES AND GUIDELINES ON THE APPROVAL OF OVERTIME SERVICES
AND GRANTING OF OVERTIME PAY

BACKGROUND

WHEREAS, Memorandum Order (MO) No. 228, approved by then President Corazon C. Aquino on March 29, 1989, authorized the rendition and payment of overtime services of government employees;

WHEREAS, to implement MO No.228, the Department of Budget and Management (DBM) issued National Budget Circular No. 410 dated 28 April 1989, as amended by Budget Circular No. 10 dated March 29, 1996;

WHEREAS, Administrative Order AO No.6 s. 2017, dated 19 September 2017, repealed AO. No.103, s.2004, but directed the continued adoption of austerity measures in government;

WHEREAS, under Section 1(d) of Administrative Order (AO) No.103 dated 31 August 2004, Compensatory Time-Off (CTO) was implemented as an alternative to Overtime Pay. Pursuant to said AO, the Civil Service Commission (CSC) and the DBM issued Joint Circulars (JCs) No. 2, s.2004, dated 4 October 2004, and No.2-A, s. 2005 dated 1 July 2005 prescribing the guidelines for availment of the CTO;

WHEREAS, 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;

WHEREAS, DBM and CSC Joint Circular No. 2, s. 2015 dated 25 November 2015, or the Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees stipulates, among others, the general policies on overtime services, priority activities that may warrant rendition of overtime services, and the payment of overtime services.

NOW, THEREFORE, the Department of Energy adopts and promulgates the following Policies and Guidelines on the Approval of Overtime Service and Granting of Overtime Pay.

PURPOSE

This Department Order is hereby issued to prescribe the policies and guidelines on the approval of overtime services, and granting of overtime payments in the Department of Energy.

GENERAL POLICIES

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 or the same will cause the following:
 - 1.1. Financial loss to the government and its instrumentalities;
 - 1.2. Embarrass the government due to its inability to meet its commitments; and
 - 1.3. Negate the purpose for which the work or activity was conceived.
2. As a general rule, the remuneration for overtime services shall be through Compensatory Time-Off (CTO).
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.

PRIORITY ACTIVITIES THAT MAY WARRANT OVERTIME SERVICES

4. The priority activities that may warrant rendition of overtime services may include the following:
 - 4.1. Implementation of special or priority programs and project 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 the 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.

AUTHORITY

5. The Agency Head is authorized to approve the rendition of overtime services and granted the following flexibilities, subject to conditions and limitations prescribed by law:
 - 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.

ELIGIBLE TO RENDER OVERTIME WORK

6. 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 service with pay.
7. Incumbent positions of Division Chiefs or equivalent level and below, designated as Officer-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.

INELIGIBLE TO RENDER OVERTIME WORK

8. The following government officials and employees are not authorized to render overtime services:
 - 8.1. Civilian personnel holding positions higher than division chief or equivalent levels;
 - 8.2. Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules and regulations; and
 - 8.3. Those who are on travel status.

PERIOD OF OVERTIME SERVICES

9. The period of overtime service in a workday for a full-time employee shall include:
 - 9.1. Those rendered beyond the normal 8 work hours on scheduled workdays or 40 hours a week, and those rendered on rest day or scheduled days off, holidays, and special non-working days, both exclusive of time for lunch and rest.
 - 9.2. 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 of the prescribed work hours in a workday, and on rest days or scheduled days off, holidays, and special non-working days.

PROCEDURES

10. Requests for authority to render overtime services shall be made by the employee on as a "need basis", at most, two (2) months prior to the rendition of overtime work.
11. The authority shall be recommended by the Division Chief for endorsement by the concerned Director, Assistant Secretary, Undersecretary, or the Head Executive Assistant, as the case may be, and approved by the Secretary.
12. The Request for Approval to Render Overtime Work (RAROW) Form shall be filled-out for this purpose.
13. The Secretary shall evaluate the merits of the request to render overtime work and shall either approve or disapprove the request as he or she deems it necessary or otherwise.
14. Employees who have rendered overtime services shall submit his or her Accomplishment Report to Accounting Division upon completion of overtime work, to be certified correct by the Division Chief/Unit Head and approved by the concerned Assistant Secretary or Undersecretary.

LIMITATIONS ON OVERTIME SERVICES AND OVERTIME PAY

15. Only employees who arrive on or before the start of the workday (those who are not tardy) shall be allowed to render overtime work with pay, provided that at least two (2) hours of overtime services were rendered.
16. For employees who are on Official Business in the morning, he or she must time-out in the afternoon before his or her overtime service commences. Likewise, the time-in for the morning will be considered at 9:00 AM.

18. An employee who has incurred undertime and/or tardiness for a given day shall not be allowed to claim overtime pay for the said day.
19. No overtime work shall be allowed beyond 10:00 PM, except for highly meritorious cases as may be approved by the concerned Undersecretary or the Secretary. Drivers are exempted from this provision.
20. No overtime work with pay shall be allowed for employees on field work.
21. A one-hour break shall be observed between the normal 8-hour work and the overtime service rendered. Example, for an employee who rendered the normal work from 8:00 AM to 5:00 PM, his or her overtime service shall commence an hour after time-out, or at 6:00 PM.
22. A one-hour break shall be observed every three (3) hours of continuous overtime service.
23. Overtime work shall not, in any event, be used to offset undertime.
24. Only a minimum of four (4) hours and a maximum of twelve (12) hours of overtime service on a rest day or scheduled day off, holiday or special non-working day, shall be compensated through overtime pay. Any overtime less than four (4) hours or in excess of twelve (12) hours shall be compensated through CTO.
25. Rendering overnight overtime service shall be resorted only when extremely necessary. No employee shall be allowed to render overnight service for more than two (2) consecutive nights, for health reasons and to ensure employee productivity.
26. The maximum number of hours of overtime work that may be rendered shall be limited to 40 hours per month, per employee.
27. In instances where overtime work is extremely necessary to extend beyond the limit of 40 hours per month, overtime work may be so rendered; provided, that compensation shall not exceed 50% of an employee's basic monthly salary.
28. All those who render overtime, except drivers, are required to use the bundy clock for the time-in and time-out for the overtime services rendered.
29. The endorsement of the concerned official (Director/Assistant Secretary/Undersecretary) and approval of the concerned official (Secretary) shall be secured if the employee shall render more than 40 hours overtime work in a particular month.
30. The total Overtime Pay of an employee in a year shall not exceed 50% of his or her total basic salary for the year.

31. 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.

OVERTIME SERVICES FOR DRIVERS

32. Drivers will choose a regular time schedule, e.g. 7:00 AM to 4:00 PM or 7:30 AM to 4:30 PM, etc. This may be changed, as necessary on a quarterly basis.
33. Length of overtime before the official time is for a maximum of two (2) hours per day unless otherwise required, i.e. official has a very early local or foreign travel and has to leave at 4:00 AM or earlier.
34. When the official they serve are on official travel, drivers are required to use the bundy clock.

PAYMENT OF OVERTIME SERVICES


35. The Financial Service shall be responsible for the payment of approved and valid overtime services subject to existing government accounting laws and procedures.
36. Fund source shall likewise be determined by the Financial Service, which must be in accordance with existing budgeting policies and regulations.
37. Documents related to overtime payments shall be signed by the person who has authority or supervision of the personnel claiming necessary overtime payments.
38. The Financial Service shall use existing and updated formula in the computation of overtime pay pursuant to relevant issuances, circulars, and memoranda.

REPEALING CLAUSE

All Department Order, memoranda, and other issuances inconsistent with these Policies and Guidelines on Overtime Service and Overtime Pay are hereby modified, amended, and superseded accordingly.

EFFECTIVITY

This Department Order shall take effect immediately upon its issuance and shall remain in full force and effect until sooner modified or revoked by the Secretary or any competent authority.


ALFONSO G. CUSI
Secretary
Date: **DEC 19 2019**

