



Republic of the Philippines
DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT
DILG-NAPOLCOM Center, EDSA corner Quezon Avenue, West Triangle, Quezon City
<http://www.dilg.gov.ph>



June 7, 2016

CIRCULAR
NO. 2016 - 08

**TO : ALL DILG PERSONNEL
CENTRAL AND REGIONAL OFFICES**

**SUBJECT : GUIDELINES ON NON-MONETARY REMUNERATION
FOR OVERTIME SERVICES RENDERED**

1.0 PURPOSE

To provide a uniform policy on the availment of Compensatory Overtime Credit (COC) and Compensatory Time-Off (CTO) in offsetting services rendered beyond the regular working hours or days or scheduled days off to include services rendered on attendance to activities organized by the Department or other government agencies, as authorized by Department Order pursuant to CSC-DBM Joint Circular No. 2, series of 2004 and CSC-DBM Joint Circular No. 1, series of 2015.

2.0 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.

3.0 COVERAGE AND EXEMPTION

3.1 These rules and regulations 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.

3.2 This Circular does not cover the following government personnel:

3.2.1 those occupying positions whose ranks are higher than chiefs of division chief

3.2.2 those appointed to positions in the Career Executive Service

4.0 GUIDELINES

4.1 Employees are required to render forty (40) hours of work in a week, subject to work schedule adopted by the agency. In the exigency of the service, employees may be required to render services beyond regular working hours.

4.2 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.

4.3 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 the superiors; and
- k. such other activities as may be determined by the head of agency

4.4 Computation of COCs

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

- 4.4.1 For overtime services rendered on weekdays or scheduled work days:

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

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

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

4.5 Accrual and Use of COCs

- 4.5.1 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

- 4.5.2 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. (*Amended by CSC-DBM Joint Circular No. 2-A, s. 2005*)

4.6 Limitation on the Use of COCs

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

- 4.6.2 The COCs earned cannot be converted into cash, hence, are non-commutative.

- 4.6.3 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.

4.7 Effect on Personnel Movement

- 4.7.1 In cases of resignation, retirement, or separation from the service, the unutilized COCs are deemed forfeited.
- 4.7.2 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 monetary equivalent thereof.
- 4.7.3 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.

4.8 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.

4.9 Availment of CTO

- 4.9.1 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.
- 4.9.2 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.
- 4.9.3 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.

5.0 PROCEDURES

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

- 5.1 The authorized official/Head of Office issues a Department/Office Order authorizing the rendition of overtime services and indicating the tasks to be completed and the expected time of completion.
- 5.2 The employee renders overtime services as stipulated in the Office Order
- 5.3 The designated attendance/administrative officer 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.
- 5.4 The Head of Office issues the Certificate of COCs, specifying the number of COCs earned in a month.
- 5.5 The employee requests approval from the Head of Office on the schedule of CTO.
- 5.6 The employee avails of the CTO.
- 5.7 The designated attendance/administrative officer submits to the Personnel Section/Division, as attachment to the monthly daily time record (DTR), a copy of the summary of COC together with the Department/Office Order authorizing the rendition of overtime services.

6.0 DUTIES AND RESPONSIBILITIES

- 6.1 Heads of Offices
 - 6.1.1 Authorize employees to render services beyond regular working hours in accordance with these guidelines and the rules and regulations on overtime service.
 - 6.1.2 Grant Certificate of COC Earned, concurrently setting safeguard measures to prevent any form of fraud and/or duplicity.
 - 6.1.3 Approve/disapprove schedule of CTO as requested by the employee, without compromising the delivery of services to clientele.
 - 6.1.4 Ensure proper implementation of these guidelines. Act accordingly should violations or irregularities be committed.
- 6.2 Employees
 - 6.2.1 Observe properly the procedures in earning of COC and availing of CTO

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

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

6.3 Personnel Section/Division


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

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

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

7.0 EFFECTIVITY

This Circular takes effect immediately.


ATTY. EDWIN R. ENRILE
Undersecretary



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APPLICATION FOR AVAILMENT OF COMPENSATORY TIME-OFF (CTO)

<p>Name _____</p> <p>Signature _____</p> <p>Position _____</p> <p>Office/Division _____</p> <p>Date of Filing _____</p> <p>No. of working hours applied for _____</p> <p>Inclusive Date/s _____</p> <p>CERTIFICATION OF COMPENSATORY CREDITS (COC)</p> <p>as of _____, 20____.</p> <p style="padding-left: 40px;">[Month]</p> <p>Number of hours earned: _____</p> <p>CERTIFIED BY:</p> <p>_____</p> <p style="text-align: center;">[Authorized Official/Head of Office]</p> <p>Prepared by: _____</p> <p style="text-align: center;">[Designated Admin/Attendance Officer]</p> <p>Date Issued: _____</p> <p>Valid Until: _____</p>	<p>ACTION ON APPLICATION</p> <p><input type="checkbox"/> Approved for _____ day/s</p> <p><input type="checkbox"/> Disapproved due to _____</p> <p>_____</p> <p style="text-align: center;">[Authorized Official/Head of Office]</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. The CTO may be availed of in blocks of four (4) or eight (8) hours. 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. 3. The employee must first obtain approval from the head of office/authorized official regarding the schedule of availment of CTO. 4. Attach supporting document (e.g., Department Order, Approved Request for Authority to render Overtime Services)
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Total No. of Hours of Earned COCs <i>(including COCs earned in previous month/s)</i>	Date of CTO	Used COCs	Remaining COCs	Remarks

<p>Prepared by: _____</p> <p style="text-align: center;">Designated Admin/Attendance Officer</p> <p>_____</p> <p style="text-align: center;">Date</p>	<p>Received by: _____</p> <p style="text-align: center;">Personnel Section/Division</p> <p>_____</p> <p style="text-align: center;">Date</p>
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