



MEMORANDUM
Order no. 02

SUBJECT : UPDATED GUIDELINES ON OVERTIME SERVICES AND OVERTIME PAY

With reference to Memorandum no.30 Series of 2014, this serves as an updated guidelines covering the requests to render overtime submitted to DAR Central Office. This is to provide and maintain standard rules and regulations in the grant of authority to render overtime services with pay or compensation. The following policies and guidelines are hereby prescribed:

I. General Policies

1. As provided for under Section 5, Rule XVII of the Omnibus Rules implementing Book V of EO 292 or the 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.
2. The rendition of overtime services shall be authorized only when extremely necessary, in the exigency of the service.
3. As a general rule, the remuneration for overtime services shall be through compensatory time off (CTO)¹, in accordance with the guidelines under CSC DBM Joint Circulars No. 2, s. 2004 and No. 2A s. 2005.
4. 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 operation of the Office.
5. Further, general policies on overtime services, priority activities that may warrant rendition of overtime services and the payment are stipulated under DBM and CSC Joint Circular No. 2, s. 2015 otherwise known as Guidelines on Overtime Services and Overtime Pay for Government Employees.

II. Priority Activities that May Warrant Rendition of Overtime Services

1. Preparation of financial and accountability reports required by oversight agencies such as but not limited to the Commission on Audit, Department of Budget and Management and Civil Service Commission.
2. Implementation of special or priority projects embodied in Presidential directives with specific dates of completion.
3. Other urgent works that cannot be finished during office hours due to either limited number of personnel to do the same or equally important additional workload that must be attended on.

¹ AO. No. 103, August 31, 2004 | CSC and DBM JCs no. 2 s.2004 and 2-A s.2005

4. Services rendered by drivers, and selected immediate staff of officials when they are required to keep the same working hours as these officials.
5. Such other activities needed to meet performance targets or deliver services to the public as may be determined by the Secretary.

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

1. DAR employees holding the position of Division Chief or equivalent level and below, may be authorized to render overtime services with pay or compensation.
2. Incumbents of positions of Division Chiefs or equivalent level and below, designated as OIC 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 offices.
3. However, the following are not authorized to render overtime service with pay:
 - a. Those who are granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing rules and regulations.
 - b. Those who are on travel status.

IV. Period of Overtime Services

The period of overtime services in a workday for a full-time employee shall include:

- a. 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.
- b. Those rendered by drivers and selected immediate staff of officials who are required to keep the same work hours as these officials, which are beyond 8 work hours in a work day, Saturdays and Sundays, and holidays.

V. Authority to render overtime with pay or compensation and its limitations.

1. The authority to render overtime services shall be requested by the Division Chief and submitted for the approval of the concerned approving official or Undersecretary for DARCO, to the Regional Director for DARRO, and the PARPO II for DARPO, in compliance with GMO 3, s. 2023.
2. A Special Order authorizing the overtime will be issued by the concerned approving official containing the following:
 - a. Name and position of the regular personnel authorized to render overtime.
 - b. Specific purpose and expected output or work deliverables.
 - c. Specific period of overtime covered which should not be more than three months.

3. Those employees who are granted exemption from registering in the Biometrics authorized by respective Sector Heads, and whose names were previously submitted or as may be later submitted by the concerned Sector Head to FMAO for recording purposes, may be allowed to render overtime services with pay; **provided**, that the concerned Sector Head shall prepare, and issue certified daily time record (DTR) for those subject personnel.
4. Employees under work-from-home are not entitled to a Compensatory Time Off credit (Overtime Pay).
5. Only employees who arrive on or before the start of the workday² shall be allowed to render overtime work with pay, provided that at least 2 hours of overtime services are rendered.
6. No overtime work shall be allowed beyond 10PM on weekdays, and 5PM on weekends. However, in extremely exceptional cases and when time is of the essence, overtime may be allowed beyond the said time limit subject to valid justification of concerned Division Chief, and approval of Undersecretary concerned.
7. Contract of Service/Job Order/Consultants are ineligible to receive overtime pay for additional services. Consequently, they are discouraged from working overtime.

VI. Funding Source

1. The funding source for overtime pay shall be subject to the availability of funds and shall be charged against the savings from Personnel Services (PS) of respective Central and Field Offices.
2. Finance Management Service (FMS) of Central Office and its equivalent in the field offices shall ensure the monitoring that total overtime pay does not exceed 5% of the total PS budget of respective Central and Field offices.
3. The total overtime pay of an employee in a year shall not exceed 50% of his/her total basic salary for the year.

VII. Payment of overtime services

1. The disbursement of overtime compensation is contingent upon the availability of funds for the current fiscal year.
2. Overtime service remuneration will be calculated in accordance with Item 9.0 of COA and DBM Joint Circular No. 2 s.2015.

² A work day shall be equivalent to the required 8 hours of work per day which may start from 7:00AM to 9:30AM and end at 4:00PM to 6:30PM, except on Mondays when the official work day ends not later than 5:00PM.


3. In adherence to COA Circular 2023-004 dated June 14, 2023, the following documentary requirements shall be attached to the claim.
- a. Overtime authority stating the necessity and urgency of the work to be done, names of personnel, the purpose of expected outputs, specific period of such services and the manner of compensating the same – compensatory time off or paid in cash.
 - b. Overtime Work Program
 - c. Quantified Overtime Accomplishments duly signed by the employee and supervisor.
 - d. Certificate of service or duly approved DTR (Form 48), or the generated DTR by the Biometrics Machine or Finger Scan Facility in offices (central, region, province) where use of such biometrics machine is implemented.

VIII. Effectivity

This Memorandum Order shall take effect immediately and revokes previous orders/issuances inconsistent with it.

Diliman, Quezon City. 27 March, 2024.


CONRADO M. ESTRELLA III

Secretary 

Department of Agrarian Reform

Office of the Secretary



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