

	JOHN HAY MANAGEMENT CORPORATION	Document Code	2019-0520-001
	POLICY ON OVERTIME SERVICES AND OVERTIME PAY	Revision Number	1
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1.0 POLICY

The John Hay Management Corporation (JHMC) shall authorize the rendition of overtime services only when extremely necessary, such as when a particular work or activity cannot be completed within the regular work hours and that non-completion of the same will:

- a) cause financial loss to the JHMC;
- b) embarrass the JHMC due to its inability to meet its commitments; or
- c) negate the purposes for which the work or activity was conceived.
- d) cause escalation of hazards to public safety due to fortuitous events

2.0 OBJECTIVE

To provide policies and guidelines on overtime services and overtime pay in accordance with the following legal bases:

- a. Executive Order No. 150, series of 2021 [Approving the Compensation and Position Classification (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203, s. 2016, and for other purposes.]
- b. CPCS Implementing Guidelines No. 2021-01 (Implementing Guidelines of Executive Order No. 150, s. 2021)
- c. CSC-DBM Joint Circular No. 2, series of 2004 (non-monetary remuneration for overtime services rendered)
- d. CSC-DBM Joint Circular No. 2-A, series of 2005 (Amendments to CSC-DBM Joint Circular and No. 2, series of 2004)
- e. CSC-DBM Joint Circular No. 2, series of 2015, renumbered to No. 1, series of 2015 (Policies and Guidelines on Overtime Services and Overtime Pay for Government Employees)
- f. Other applicable laws, rules and regulations.


3.0 PRIORITY ACTIVITIES THAT MAY WARRANT RENDITION OF OVERTIME SERVICES.

The priority activities that warrant rendition of necessary overtime services shall include, but not limited to, the following:

- 3.1 Implementation of special or priority programs and projects embodied in Presidential directives with specific dates of completion;
- 3.2 Completion of infrastructure and other projects with set deadlines when due to unforeseen events the deadline cannot be met without resorting to overtime work;

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- 3.3 Essential public services during emergency or critical situations that would require immediate or quick response;
- 3.4 Relief, rehabilitation, reconstruction, and other work or services during calamities and disasters;
- 3.5 Seasonal work, such as but not limited to, preparation of budgets and annual reports, in order to meet scheduled deadlines;
- 3.6 Preparation of financial and accountability reports required by oversight agencies such as the COA, DOF, GCG, BCDA, etc;
- 3.7 Services rendered by drivers and other immediate staff of officials when they are required to keep the same working hours as these officials; and
- 3.8 Such other activities needed to meet performance targets or deliver services to the public.

4.0 WHO REQUESTS FOR THE RENDITION OF OVERTIME SERVICES

The department or office heads shall request for the rendition of overtime services subject to the following conditions and limitations:

- 4.1 Determination of the priority activities that may warrant rendition of overtime services and the timing and duration thereof;
- 4.2 Determination of the personnel who may be authorized to render overtime services; and
- 4.3 Determination of the number of hours of overtime services

5.0 PERSONNEL WHO MAY BE AUTHORIZED TO RENDER OVERTIME SERVICES WITH PAY OR COMPENSATION

- 5.1 Personnel holding regular, project-based and fixed-term positions with Job Grade 12 and below and/or its equivalent, may be authorized to render overtime services with pay or compensation.
- 5.2 Incumbents of positions with Job Grade 12 and below who are designated as Officers-in-Charge of higher level positions, may also be

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authorized to render overtime services as they are still bound to observe the prescribed work hours.

6.0 PERSONNEL WHO ARE NOT AUTHORIZED TO RENDER OVERTIME SERVICES WITH PAY OR COMPENSATION

The following are not authorized to render overtimes services:

- 6.1 Personnel holding positions higher than Job Grade 12;
- 6.2 Those granted other forms of allowances or benefits for services rendered beyond the prescribed work hours under existing laws, rules, and regulations; and
- 6.3 Those who are on travel status, except drivers who are in the performance of their duties and responsibilities.

7.0 PERIOD OF OVERTIME SERVICES

- 7.1 **All personnel** 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 lunch time. 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, unless Saturday or Sunday is a scheduled workday and holidays (As provided under Section 5, Rule XVII of the Omnibus Rules Implementing Book V of Executive Order No. 292, "Administrative Code of 1987"), subject to the provisions of the Policy which allows flexible work hours.
- 7.2 The period of overtime service in a workday shall include:
 - 7.2.1 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 lunch time and rest;
 - 7.2.2 Those rendered beyond the prescribed work hours in a shift of 8 hours or more, such as those under the Safety and Security Department (SSD), on scheduled workdays, and those rendered on rest days or scheduled days off, holidays, and special non-working days.

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7.2.3 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 or the prescribed work hours in a workday, and on rest days or scheduled days off, holidays, and special non-working days.

8.0 PAYMENT FOR OVERTIME SERVICES

As a general rule, overtime services shall be compensated through Compensatory Time- Off (CTO). The cash payment for overtime services may be authorized only in exceptional cases when the application of CTO for all overtime hours would adversely affect the operations of the Corporation, which shall be determined by the President and Chief Executive Officer (PCEO).

8.1 COMPENSATION OF OVERTIME SERVICES THROUGH CTO

8.1.1 The Compensatory Overtime Credit (COC) is expressed in the number of hours, computed as follows:

8.1.1.1 For overtime services rendered on scheduled work days:

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

8.1.1.2 For overtime services rendered on rest days or holidays:

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

8.1.2 A personnel 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 (120) hours.

8.1.3 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.

8.1.4 The COCs shall be considered as official time for the following:

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8.1.4.1 Compliance with compensation rules relative to the entitlement to PERA, additional compensation, year-end benefits, and other benefits received on a regular basis; and

8.1.4.2 Computation of service hours for entitlement to sick and vacation leave credits, and step increment due to length of service.

8.1.5 The following are the limitations on the use of COCs:

8.1.5.1 The COCs earned cannot be converted to cash, hence, are non-commutative.

8.1.5.2 The COCs will not be added to the regular leave credits of the personnel. Hence, it is not part of the accumulated leave credits that is paid out to the personnel.

8.1.6 Effect of the COCs on Personnel Movement

8.1.6.1 In cases of resignation, retirement, or separation from the service, the unutilized COCs are deemed forfeited.

8.1.6.2 In case of detail, secondment or transfer to another government agency, the COCs earned in JHMC cannot be transferred to another government agency, nor could the personnel receive the monetary equivalent thereof;

8.1.6.3 In case of promotion, the personnel will retain his/her accrued COCs, except when promoted to a position of JG 13 or higher.

8.1.7 Availment of CTO

8.1.7.1 The CTO may be availed in blocks of four (4) hours or eight (8) hours. When JHMC adopts a flexible work arrangement, JHMC should make parallel adjustments in the availment of blocks, tantamount to either half or full day leave from work.

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8.7.1.2 The personnel may use the CTO continuously up to a maximum of five (5) consecutive days per single availment, or on a staggered basis within the calendar year.

8.2 COMPENSATION OF OVERTIME SERVICES THROUGH CASH

8.2.1 The compensation for overtime services shall be based on the hourly rate of the personnel and to the applicable premium on the hourly rate, depending on the day that such overtime service was rendered.

8.2.2 The number of work hours of overtime service rendered on a scheduled workday (N1), and those rendered on a rest day, holiday, or special non-working day (N2), shall be computed by taking into consideration the provisions under item 9.0 of this Policy.

8.2.3 The hourly rate (HR) of an employee, with a monthly salary (S), for 22 workdays in a month and 8 hours per workday, shall be computed by using the following formula:

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

8.2.4 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, holiday, or special non-working day.

8.2.5 The total Overtime Pay (OT), for a month for an employee on full-time employment, 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:

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

¹ Ibid

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9.0 LIMITATIONS ON OVERTIME SERVICES

- 9.1 Only personnel who arrive on or before the start of the workday shall be allowed to render overtime work with pay, provided that at least 2 hours of overtime services are rendered.
- 9.2 One-hour breaks shall be observed for breakfast (6:00 am to 7:00 am), lunch (12:00 noon to 1:00 pm), or supper (7:00 pm to 8:00 pm) and every 3 hours of continuous overtime service after supper, or as may be necessary.
- 9.3 Rendering overnight overtime service shall be resorted to only when extremely necessary. No personnel shall be allowed to render overnight service for more than 2 consecutive nights, for health reasons and to ensure personnel productivity.
- 9.4 The period of overtime services shall not be used to offset undertime.
- 9.5 Only a maximum of 12 hours of overtime services on a rest day, holiday, or special non-working day shall be compensated through overtime pay. Any excess over 12 hours shall be compensated through CTO.
- 9.6 The total Overtime Pay of a personnel in a year shall not exceed 50% of his/her total basic salary for the year. Subject to availability of budget.
- 9.7 The total amount of overtime pay to be spent by JHMC shall not exceed 5% of its total Personnel Services (PS) budget for regular employees.

Also, the total amount of overtime pay to be spent by the JHMC for project-based or fixed-term personnel shall not exceed 5% of the MOOE Budget, specifically that which is allotted for the salaries and wages of project-based and fixed-term personnel, for a given year.


Any grant of Overtime Pay in excess of the 5% limit shall be justified by the concerned department or office head, subject to approval of the JHMC Board in accordance with existing budgeting and accounting rules and regulations.

- 9.8 Considering the current Table of Organization of JHMC, the compensation for the overtime services rendered by the drivers,

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security personnel and the ticketing clerk shall be paid in cash as the application of CTO for them generally affects the operation of the JHMC.

10.0 PROCEDURES IN THE REQUEST OF OVERTIME SERVICES (Annex A of this Policy)

11.0 FUND SOURCES

Overtime Pay shall be charged against the JHMC's Corporate Operating Budget (COB).

12.0 RESPONSIBILITIES OF THE PCEO

12.1 Ensures implementation and monitoring of this Policy.

12.2 Reviews and approves recommendations for the compensation of overtime services through cash.

13.0 REPEALING CLAUSE

The Policy on Overtime with Document Code HRD-PM-01-2013 and other related guidelines are hereby repealed by this Policy.

JHMC shall adopt new laws, rules and regulations relative to this Policy.

14.0 EFFECTIVITY OF THIS POLICY AND IMPLEMENTING GUIDELINES

This Policy and implementing guidelines shall take effect upon approval of the Good Governance Commission for GOCC's (GCG).

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