

BY THE PRESIDENT OF THE PHILIPPINES

MEMORANDUM ORDER NO. 227

AMENDING MEMORANDUM ORDER NO. 228, PRESCRIBING
GUIDELINES GOVERNING THE RENDITION AND PAYMENT OF
OVERTIME SERVICES OF GOVERNMENT PERSONNEL

WHEREAS, Item 2(c) of Memorandum Order No. 228 dated March 29, 1989 provides that the funding source for overtime pay shall be out of savings from personal services appropriation of the agencies concerned;

WHEREAS, savings from Personal Services (PS) come usually from salary lapses arising from unfilled/vacant positions;

WHEREAS, Section 67 of the General Provisions of Republic Act No. 7663, CY 1994 GAA prohibits the release of funds for unfilled positions but instead earmarks the said funds to be used for the increase of salaries and wages of all national government personnel, including uniformed personnel of the Armed Forces of the Philippines, Philippine National Police, Bureau of Fire Protection, Bureau of Jail Management and Penology and the Philippine Public Safety College;

WHEREAS, the rendition of overtime is necessary and indispensable where the work or activity has to be completed on a fixed date and the scheduled date of completion cannot be met within regular work days and hours; or the prolonged delay in, or non-completion of the work or activity (a) causes financial loss to the government due to its inability to meet its commitments; (b) embarrasses the government due to its inability to meet its commitments; or (c) negates the purpose for which the work or activity was conceived;

WHEREAS, there is a need to update and rationalize the existing rules and policies on overtime and other related matters in view of the prohibition under Section 67 of the General Provisions of R.A. No. 7663.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Item 2(c) of Memorandum Order No. 228 is hereby amended to read as follows:

"(c) The funding source for overtime pay shall be out of savings from personal services and/or current operating expenditures appropriation of the agencies concerned, provided that all mandatory expenses as authorized by law shall have been fully taken care of first. Total overtime payments made in a given calendar year shall not exceed five (5%) percent of the agency/office actual expenditures for current operating expenditures."



SEC. 2. The Department of Budget and Management in consultation with the Commission on Audit shall issue the necessary rules and regulations to implement this Memorandum Order.


SEC. 3. The provisions of Memorandum Order No. 228 and its implementing rules and regulations not affected hereby shall remain in full force and effect.

SEC. 4. This Order shall take effect retroactively on January 1, 1994.

DONE in the City of Manila, this **26th** day of August, in the year of Our Lord, nineteen hundred and ninety four.



By the President:


TEOFISTO T. GUINGONA, JR.
Executive Secretary

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Date



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