

**[DBM BUDGET CIRCULAR NO. 2002-2, MARCH 26,
2002, March 26, 2002]**

**PRESCRIBING GUIDELINES, RULES AND REGULATIONS FOR THE
COMPUTATION OF SALARIES, WAGES, AND OTHER
COMPENSATION FOR THE MONTHS OF APRIL AND MAY 2002 IN
RELATION TO ADMINISTRATIVE ORDER (AO) NO. 32**

1.0 Purpose

This Circular is issued to prescribe the guidelines, rules and regulations for the adjustment/computation of salaries, wages, overtime pay, Personnel Economic Relief Allowance (PERA), Additional Compensation (ADCOM) and other allowances paid on monthly/daily basis of government employees upon implementation of AO No. 32, Providing for the Adjusted Official Working Hours in all Departments, Bureaus, Offices and Other Agencies under the Executive Branch of the Government, Including Government-Owned or Controlled Corporations, During the Months of April and May of the Year 2002.

2.0 Coverage

2.1 These guidelines, rules and regulations shall apply to all employees under the Executive Branch of the government, GOCCs, GFIs and local water districts (LWDs) which will opt to adopt the adjusted working hours.

2.2 The Legislative and Judicial Branches of the Government, Constitutional Commissions, Subsidiaries of GOCCs/GFIs, and local government units (LGUs) are encouraged to adopt the adjusted official working hours and the provisions of this Circular at their own discretion.

3.0 Exemption

These guidelines, rules and regulations shall not apply to the following:

3.1 all uniformed personnel of the Armed Forces of the Philippines, of the Department of the Interior and Local Government and of the Philippine Coast Guard;

3.2 employees of government hospitals and health centers and other government agencies involved in providing health, safety, police, security, protection and other emergency services;

3.3 government employees who work in any of the three (3) shifts per day in agencies which provide 24 hours service a day; and

3.4 individuals whose services are hired not as part of the regular workforce and such hiring bears no employee-employer relationship like consultants and experts,

contract workers hired on piecework basis (pakiao workers), student laborers and apprentices, and others similarly situated.

4.0 Salaries/Wages

4.1 Annex A^[1] and Annex B^[2] shall be used as references in determining daily or hourly salary/wage rates of civilian employees of national government agencies, GOCCs, GFIs and LWDs.

4.2 The monthly rates contained in the Salary Schedule under National Budget Circular No. 474, dated June 15, 2001, and their corresponding hourly rates shall not change. Only the daily rates shall change in view of the change in the number of working hours per day.

4.3 In accordance with Republic Act No. 6758, the monthly rate in the salary schedule shall be divided by 22 working days a month to get the daily rate. The daily rate thus derived shall be divided by 8 hours per day to get the hourly rate. The hourly rates shall be multiplied by 10 hours to get the daily rate for April and May 2002.

4.4 The daily rate of government employees regardless of status who opt to adopt AO No. 32 are as shown in Annex A.

4.5 The total wage per month for a daily paid employee shall not exceed the authorized monthly rate.

4.6 These daily rates are applicable only for April and May 2002.

4.7 These daily rates shall not be used in computing Retirement Gratuity/Terminal Leave Benefits.

5.0 Overtime (OT) Services With Pay

5.1 To encourage and promote domestic tourism as intended by AO No. 32, overtime work should be avoided except when absolutely necessary as may be determined by the agency head who may further issue related additional guidelines.

5.2 In accordance with Budget Circular (BC) No. 10, dated March 29, 1996, overtime services, if any, shall be paid at plus 25% of the hourly rate except for holidays and previously established rest days. Annex B shows the hourly rates.

6.0 Personnel Economic Relief Allowance (PERA), Additional Compensation (ADCOM) and Other Allowances Paid on a Monthly or Daily Basis

The PERA, ADCOM and other allowances of a government employee paid on a daily basis, part-time basis or for a fraction of a working day shall be computed as follows:

PERA or ADCOM or Allowance = Monthly Rate x no. of hours worked during the month

176 hours