

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

SEVENTEENTH CONGRESS  
First Regular Session

House Bill No. 2213

HOUSE OF REPRESENTATIVES

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Introduced by Representative GLORIA MACAPAGAL ARROYO

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**AN ACT**  
**PROVIDING INCENTIVES TO ALL BARANGAY OFFICIALS, INCLUDING BARANGAY**  
**TANODS AND MEMBERS OF THE LUPONG TAGAPAMAYAPA, AND BARANGAY**  
**EMPLOYEES AND FOR OTHER PURPOSES**


**EXPLANATORY NOTE**

The measure seeks to give additional incentives to Barangay Captains, Councilors, Secretary, Treasurers, including Tanods, Members of the LupongTagapamayapa and all Barangay employees.

Our Barangay Officials are the frontliners. They make democracy at the grassroots level. Most important of the benefits given the Barangay officials and Barangay employees is the exemption from income tax of their salaries wages and other emoluments, such as honoraria and allowances, including any benefits that they may receive from government on account of their work or employment. Added to this are some equally important benefits: a) benefit under the GSIS; b) coverage under existing medical health service programs of government under existing laws and c) free legal representation.

This measure therefore seeks to give due recognition to the important job being performed by these grassroots workers as well as to acknowledge the vital roles being played by the smallest government unit and political subdivision called the Barangay.

In view of the foregoing, approval of the measure is urgently requested.

  
**GLORIA MACAPAGAL ARROYO**  
2nd District, Pampanga

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EMPLOYEES AND FOR OTHER PURPOSES

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. *Short Title.* – This Act shall be known as the "Barangay Incentives Act of 2016."

SEC. 2. *Declaration of Policy.* – It is the declared policy of the State to promote and enhance the efficiency and responsiveness of barangay officials and employees, the government workers who make democracy work at the grassroots levels in the smallest territorial and political subdivision of the government which is the barangay. To achieve this objective, the State shall adopt measures and provide such incentives not only to help ensure the faithful performance of the duties and functions of barangay officials and employees but also to raise their quality of life.

SEC. 3. *Tax Exemption.* – All amounts received by barangay officials, including Barangay Tanods and members of the LupongTagapamayapa, hereinafter particularly referred to as "barangay officials and barangay employees", as salaries, wages, compensation, remuneration and other emoluments, such as honoraria and allowances shall be exempt from income taxation. Gross benefits received by such officials and employees, of whatever kind of character, shall likewise be exempt from taxation.

SEC. 4. *Exemption from Capital Gains and Transfer Taxes.* – The sale, exchange or disposition of real property by barangay officials and barangay employees shall be exempt from capital gains and other national taxes as long as the proceeds of such sale, exchange or disposition shall be directly and exclusively used by such officials and employees to acquire a house and lot, not exceeding 500 square meters for family dwelling. The acquisition of such house and lot for family dwelling purposes shall likewise be exempt from any national or local taxes and fees in connection with the transfer and registration of such property in the name of the barangay official or barangay employee concerned.

SEC. 5. *GSIS Benefits Coverage.* – All barangay officials and employees shall be considered members of the Government Service Insurance System (GSIS) and shall be covered with life insurance and social security protection, including retirement, disability, separation and unemployment benefits and such other benefits as may extend by the GSIS, subject to limitations provided by law.

The GSIS shall make special provisions in order to facilitate the inclusion of barangay officials and barangay employees, in the benefit coverage of GSIS.

SEC. 6. *Health Benefits.* – Government medical and health insurance programs under existing laws shall include in their coverage free basic health services and medicine to barangay officials and employees.

SEC. 7. *Legal Representation.* – Barangay officials and barangay employees who maybe involved as party litigants in administrative or criminal cases filed in connection with the performance of their official duties shall, as a member of right, be entitled to the free legal services of the Public Attorney's Office (PAO) who shall facilitate the legal representation of such officials and employees by a counsel.

Such benefit of legal representation shall include an exemption from payment of docket and other lawful fees, and of transcripts of stenographic notes which the court may order to furnish the barangay officials and employees.

SEC. 8. *Implementing Rules and Regulations.* – Within six (6) months from the effectivity of this Act, the Department of Interior and Local Government, in coordination and consultation with the Department of Justice, the Department of Health, the Government Service Insurance System and other agencies concerned, shall promulgate such rules or guidelines as maybe necessary for the proper implementation of this Act.

SEC. 9. *Separability Clause.* – If any provisions, or part hereof, is held invalid or unconstitutional, the remainder of the law of the provision not otherwise affected shall remain valid and subsisting.

SEC.10. *Repealing Clause.* – All laws, decrees, executive orders, rules and regulations inconsistent with this Act are hereby repealed, amended or modified accordingly.

SEC. 11. *Effectivity Clause.* – This Act shall take effect fifteen (15) days following its complete publication in the Official Gazette or in two (2) newspapers of general circulation.

*Approved,*