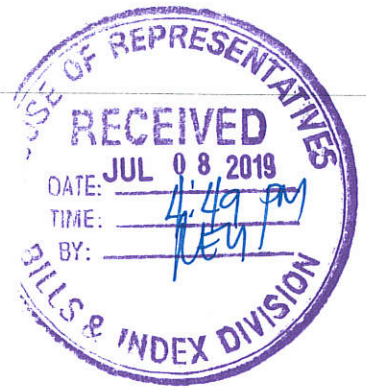


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

House Bill No. **1620**



Introduced by HON. ALETA C. SUAREZ

EXPLANATORY NOTE

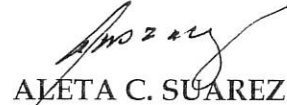
The barangay officials are at the front line of public service. Punong barangays maintain public order in the barangay, preside over sessions of the Sangguniang Barangay, and administer the operations of the Katarungang Pambarangay. Members of the Lupong Tagapamayapa hear and mediate disputes at the barangay level, thereby maintaining peace and order. Barangay Tanods enforce all barangay ordinances and take part in the maintenance of peace and order within the barangay. Given these functions, barangay officials are responsible for the peaceful and productive community we live in.

However, under the present Local Government Code, barangay officials, including Barangay Tanods and members of the Lupong Tagapamayapa, are only entitled to honoraria, allowances, and other emoluments authorized by law or ordinance. These officials have no fixed monthly salaries. Moreover, they are not entitled to any benefits under the Government Service Insurance System (GSIS) aside from burial benefits. Thus, some barangay officials serve their entire lives, giving so much to the community but receiving very little in return. It is but just and equitable that we recognize the contributions of these public servants by amending the internal revenue allotment (IRA) by increasing it to forty-one percent (41%), one percent (1%) of which shall be solely dedicated to the Barangay Retirement Funds for the retirement of barangay officials, whether elected or appointed, including the barangay tanods, health workers, day care workers, and members of the Lupon. Section 393 of the Local Government Code is also amended to provide a retirement pay for these barangay workers equivalent to one year honorarium upon retirement.

This bill, as re-filed, is a consolidation of the bills of Representatives Benitez, Bagatsing, Yap (S), Acharon, Colmenares, Zarate, Yap (A), Macapagal-Arroyo, Arroyo, Suarez, Biazon, Belmonte (JC), Abayon, Briones, Geron, Acedillo, Alejano, Fortuno, Sy-Alvarado, Escudero, Gullas Jr., Teodoro, Rodriguez (R), Rodriguez (M), Villarice, Deloso-

Montalla, Mendoza (ML), Haresco Jr., Collantes, Oaminal, Bello (S), Pagdilao, Loyola, Castello, Umali (R), Primicias-Agabas, Alvarez (M), Suansing, Guiao, Mangudadatu, Villar, Leonardia, Gerona-Robredo, Bag-ao, Banal, Acosta-Alba, Gatchalian, Andaya Jr., Uy (J), Abu, Aliping, Dalog, Lagdameo, Mendoza (J), Nuno, Paez, Paquiz, Pichay, Salimbangon, Teves, Paduano, Tejada, Romulo, Leonen-Pizaro, Seneres, Cortuna, and Almonte which was deliberated upon by the Committees on Local Government and Appropriations of the House of Representatives during the 16th Congress.

In view of the foregoing, the approval of this bill is earnestly sought.


ALETA C. SUAREZ
Representative
3rd District, Quezon Province

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
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House Bill No. **1620**

Introduced by HON. ALETA C. SUAREZ

1 AN ACT AMENDING SECTIONS 284 AND 393 OF REPUBLIC ACT NO. 7160,
2 OTHERWISE KNOWN AS THE "LOCAL GOVERNMENT CODE OF 1991"

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

4 **SECTION 1.** Section 284 of Republic Act No. 7160, otherwise known as the Local
5 Government Code of 1991, is hereby amended to read as follows:

6 "Section 284. Allotment of Internal Revenue Taxes - **LOCAL GOVERNMENT**
7 **UNITS SHALL HAVE A FORTY-ONE PERCENT (41%) SHARE IN THE NATIONAL**
8 **INTERNAL REVENUE TAXES BASED ON THE COLLECTION OF THE THIRD**
9 **FISCAL YEAR PRECEDING THE CURRENT FISCAL YEAR, PROVIDED THAT ONE**
10 **PERCENT (1%) FROM THE ABOVE-MENTIONED FORTY-ONE PERCENT (41%)**
11 **SHALL ACCRUE TO THE SPECIAL ACCOUNT SOLELY DEDICATED TO THE**
12 **BARANGAY RETIREMENT FUND FOR THE RETIREMENT PAY OF BARANGAY**
13 **OFFICIALS, WHETHER ELECTED OR APPOINTED, INCLUDING BARANGAY**
14 **TANODS, HEALTH WORKERS, DAY CARE WORKERS, AND MEMBERS OF THE**
15 **LUPON TAGAPAMAYAPA."**

16 Provided, That in the event that the national government incurs an unmanageable public
17 sector deficit, the President of the Philippines is hereby authorized, upon the
18 recommendation of the Secretary of Finance, Secretary of Interior and Local Government,
19 and Secretary of Budget and Management, and subject to consultation with the presiding
20 officers of both Houses of Congress and the presidents of the Liga, to make the necessary
21 adjustments in the internal revenue allotment of local government units but in no case shall
22 the allotment be less than thirty percent (30%) of the collection of national internal revenue
23 taxes of the third fiscal year preceding the current fiscal year: Provided , further, That in

1 the first year of the effectivity of this Code, the local government units shall, in addition to
2 the thirty percent (30%) internal revenue allotment which shall include the cost of devolved
3 functions for essential public services, be entitled to receive the amount equivalent to the
4 cost of devolved personal services.

5 **SEC. 2.** Section 393 of the Local Government Code is hereby amended to read as
6 follows:

7 "Section 393. Benefits of Barangay Officials. - (a) x x x

8 (b) x x x

9 (c) x x x

10 (d) x x x

11 (e) **ALL BARANGAY OFFICIALS, WHETHER ELECTED OR APPOINTED,**
12 **INCLUDING TANODS, HEALTH WORKERS, DAY CARE WORKERS, AND**
13 **MEMBERS OF THE LUPON SHALL BE ENTITLED TO A LUMP SUM RETIREMENT**
14 **PAY EQUIVALENT TO ONE YEAR HONORARIUM, BUT NOT EXCEEDING ONE**
15 **HUNDRED THOUSAND PESOS (PHP100,000.00) WHICH SHALL BE TAKEN FROM**
16 **THE BARANGAY RETIREMENT FUND UNDER SECTION 284, PROVIDED THE**
17 **RETIREE IS AT LEAST SIXTY (60) YEARS OF AGE WITH A MINIMUM OF NINE (9)**
18 **YEARS IN SERVICE AT THE TIME OF RETIREMENT."**

19 **SEC. 3. *Separability Clause.*** - If any provision of this Act is declared
20 unconstitutional or invalid, the other parts or provisions hereof which are not affected shall
21 continue to be in full force and effect.

22 **SEC. 4. *Repealing Clause.*** - All laws, orders, issuances, circulars, rules and
23 regulations or parts thereof which are inconsistent with the provisions of this Act are
24 hereby repealed or modified accordingly.

25 **SEC. 5. *Effectivity*** - This Act shall take effect fifteen (15) days after its publication
26 in the Official Gazette or in any two (2) newspapers of general circulation in the
27 Philippines.

28 Approved.