

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SEVENTEENTH CONGRESS
First Regular Session

House Bill No. 2463

HOUSE OF REPRESENTATIVES	
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INTRODUCED BY REPRESENTATIVE ARTHUR C. YAP

EXPLANATORY NOTE

Under Section 81 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, the compensation of local officials and employees shall be determined by the local *sanggunian* concerned. The same law lays down the limitations and conditions in the grant of any increase in their compensation. This provision is based on the principle that local officials and employees must be properly compensated.

However, while much depends on the availability of local government funds to sustain such increase in the special allowance of local government officials and employees, there is no denying that many of our civil servants are teetering in the brink of economic difficulties with the soaring pricing of basic commodities and services. Under the circumstances, additional allowances to boost the purchasing power of local government officials and employees is justified.

For the foregoing reason, the immediate passage of this proposed measure, previously filed as House Bill No. 198 in the Sixteenth Congress by the undersigned, is earnestly urged.



ARTHUR C. YAP
Representative

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AN ACT
GRANTING ADDITIONAL COMPENSATION IN THE
FORM OF SPECIAL ALLOWANCES FOR ALL LOCAL
GOVERNMENT OFFICIALS AND EMPLOYEES AND
FOR OTHER PURPOSES

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

1 **SECTION 1. *Declaration of Policy.*** - It is hereby declared the
2 policy of the State to maintain and keep a roster of qualified, committed and
3 efficient local government officials and employees by providing them
4 with incentives commensurate to their positions and functions.

5 **SECTION 2. *Grant of Special Allowances.*** - To carry out the
6 declared policy of this Act, all local government official and employees shall
7 be granted special allowances in amounts to be determined by the local
8 *sanggunian* concerned in consultation with the Secretary of the Department
9 of Budget and Management (DBM).

10 The grant of special allowances shall be in such amounts and up to the
11 extent only that can be supported by the funding source specified in Section
12 3 hereof: *Provided*, that the said special allowance shall not exceed one

1 hundred percent (100%) of the basic salary of the local government officials
2 and employees concerned, as provided in Republic Act No. 6758, otherwise
3 known as the Salary Standardization Law, as amended : *Provided further*,
4 that said special allowances shall not cause to exceed the limitations on
5 budgetary allocations for personal services provided under Title V, Book II
6 of Republic Act No. 7160, otherwise known as the Local Government Code
7 of 1991.

8 **SECTION 3. *Funding Source.*** - The amount necessary to
9 implement the additional compensation in the form of special allowances
10 granted under this Act shall be sourced from the collections of the real
11 property taxes of the concerned local government units which shall be made
12 available for payment of benefits herein provided.

13 **SECTION 4. *Effects of Subsequent Salary Increases.*** - Upon
14 implementation of any subsequent increases in the salary rates provided
15 under Republic Act No. 6758, as amended, all special allowances granted
16 under this Act to all local government officials and employees shall be
17 considered as an implementation of the said salary increases as may be
18 provided by law. The special allowance equivalent to the increase in the
19 basic salary as may be provided by law shall be converted as part of basic
20 salary: *Provided*, That the amounts converted as basic salary shall be funded
21 from the regular appropriations of the local government units concerned.
22 Any excess in the allowances granted under this Act not converted as basic
23 salary shall continue to be granted as such and shall continue to be funded
24 under Section 3 of this Act.

1 **SECTION 5. *Implementing Rules and Regulations.*** -The DBM

2 shall issue the necessary rules and regulations for the effective
3 implementation of this Act not later
4 than ninety (90) days from approval hereof.

5 **SECTION 6. *Separability Clause.*** - If any provision of this Act, or

6 any parts thereof, is declared unconstitutional, the same shall not affect the
7 validity and effectivity of the other portions.

8 **SECTION 7. *Repealing Clause.*** - All laws, executive orders,

9 presidential decrees, proclamations, rules, regulations, issuances and
10 enactments of parts thereof inconsistent with this Act are hereby repealed or
11 modified accordingly.

12 **SECTION 8. *Effectivity.*** - This Act shall take effect fifteen (15) days

13 from its complete publication in the Official Gazette or in a newspaper of
14 general circulation in the Philippines, whichever comes earlier.

APPROVED.