

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL NO. 2645**



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**INTRODUCED BY HONORABLE CHERYL P. DELOSO-MONTALLA**

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**AN ACT  
ESTABLISHING THE MAGNA CARTA FOR BARANGAYS  
AND FOR OTHER PURPOSES**

**EXPLANATORY NOTE**

The barangay is the smallest territorial and political subdivision of government. As the basic political unit, the barangay serves as the primary planning and implementing unit of government programs, projects and activities. It is also the forum in which the collective views of the people in the community may be crystallized and considered. The dynamics in the affairs of the barangay is defined by its officials and employees who are the front liners in the efficient and effective delivery of basic social services. In addition to the heavy burden and the intricacies of running the affairs of the barangay, the barangay officials and employees, most especially in times of disaster, are at the risk in maintaining peace and order and in keeping the balance of the dynamic social order. These risks often pose danger to lives and limbs of the barangay officials and employees who serve on meager honoraria or on voluntary basis.

It is in recognition of the significant role of the barangay and of the more than 120,000 barangay officials and employees all over the country who make the basic government unit – the barangay – operative, that this bill is being filed. The intent of this bill include:

1. That barangay officials be considered as regular government employees with fixed salaries, allowances, insurance, medical and dental coverage, retirement benefits and other fringe benefits to which a regular government employee is entitled to;
2. Basic priorities such as regular supply of clean and potable water, public transportation, schools, health centers and Barangay halls, should be provided every barangay;
3. Automatic release of share from national taxes;
4. Transfer of funds to barangay for the maintenance of roads and bridges;
5. Mandatory share of barangays in taxes, fees and other charges;
6. Priority in employment.

It is in this light that this bill is being filed and its immediate passage is earnestly sought.

  
**CHERYL P. DELOSO MONTALLA**  
Representative  
2<sup>nd</sup> District, Zambales

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**TO ESTABLISHING THE MAGNA CARTA FOR BARANGAYS**  
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*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 “*Magna Carta for Barangays*”.

**SECTION 2. *Declaration of Policy.*** - The State recognizes the role of the barangay officials and employees in making democracy work in the smallest territorial and political unit of government which is the barangay. Anent this, it is hereby declared the policy of the State to promote and enhance efficiency and responsiveness of barangay officials and employees by adopting measures and incentive schemes that shall foster and ensure the faithful performance of their functions and duties as well as improve their quality of lives.

It is also declared the policy of the State to promote, develop and improve the general welfare of barangay residents, raise the economic and social status of barangay officials, grant every barangay, the basic facilities for decent, healthy and comfortable living therein and provide new measures that will insure its enjoyment of local autonomy to ensure the effective performance of its role as the primary planning and implementing unit of government programs, projects and activities, and as a forum in which the collective views of the people in the community may be crystallized and considered.

**SECTION 3. *Barangays Officials and Employees Defined.*** - For all intents and purposes of this Act, Barangay Officials shall mean and include the Punong Barangay, Barangay Kagawad, Barangay Secretary and Treasurer, Sangguniang Kabataan (SK) Chairman, in his/her capacity as *ex-officio* member of the Sangguniang Barangay.

Employees shall include Barangay Tanods, Barangay Health Workers and all other employees of the barangay whose positions were or will be created by the barangay as are necessary for the effective and efficient delivery of the basic social services afforded by the it.

As defined in this Act, the word “employee” shall be used only for the purpose of availment of benefits herein included and shall preclude those that are or may be defined in any other law, decree, rule, regulation or issuance relating to employer-employee relationship.

**CHAPTER I**

**BARANGAY OFFICIALS AS REGULAR  
GOVERNMENT EMPLOYEES**

**SECTION. 4. *The Barangay Officials as Regular Government Employees.*** – The Punong Barangay, Sangguniang Barangay members, the Sangguniang Kabataan Chairman, the Barangay Secretary and Barangay Treasurer in all barangays are hereby declared regular government



employees, and as such are entitled to fixed salaries, allowances, insurance, medical and dental coverage, retirement benefits and such other fringe benefits to which a regular government employee may be entitled to.

**SECTION. 5. *Salaries of Barangay Officials.*** - As soon as the appropriate steps and measures are undertaken by each city or municipality in coordination with the individual barangay involved on matters relating to the sources of fund and the corresponding appropriation ordinance, which in no case shall be later than six (6) months from the approval hereof, all barangay officials mentioned in paragraph 4 hereof, shall be entitled to the following fixed salaries:

- (a) Punong Barangay - An amount equivalent to the salary of a sangguniang bayan member of his municipality.
- (b) Six Sangguniang Barangay Members - An amount equivalent to eighty percent (80%) of the salary of a sangguniang bayan member of his municipality.
- (c) Sangguniang Kabataan Chairman, Barangay Secretary, Barangay Treasurer - For each, an amount equivalent to seventy-five percent (75%) of the salary of a sangguniang bayan member of his municipality.

## **CHAPTER II**

### **INCENTIVES AND BENEFITS OF BARANGAY OFFICIALS AND EMPLOYEES**

**SECTION 6. *Incentives and Benefits of Barangay Officials and Employees.*** - All barangay officials and employees are hereby entitled to the following benefits:

- a. *Inclusion in the GSIS Coverage.* All barangay officials and employees including the members of the Lupong Tagapamayapa, upon assumption into office and during the entire course of their incumbency, shall automatically be covered with life insurance, social security protection, disability, separation, unemployment, retirement, death, burial and such other benefits as may be extended by the Government Service Insurance System (GSIS). *Provided, that,* the GSIS shall make special provisions in order to facilitate the inclusion of all barangay officials and employees in its benefit coverage. *Provided, further,* that, their inclusion shall be subject to limitations provided by law.
- b. *Inclusion in the coverage of the Philippine Health Insurance Corporation (PHIC).* All barangay officials and employees including the Lupong Tagapamayapa shall, upon assumption into office and during their term or tenure, be enrolled into the National Health Insurance Program for the purpose of availing adequate package of personal health services that shall include but not limited to in- and out-patient hospital care, emergency and transfer services and other supplementary health benefits that may be provided by the PHIC.
- c. *Legal Representation.* All barangay officials and employees including the members of the Lupong Tagapamayapa who may be involved as party litigants in administrative or criminal cases filed in connection with the discharge of their official duties shall be entitled to free legal services. The Public Attorney's Office shall forthwith facilitate the legal representation of a barangay official or employee by counsel upon receipt of an official request for legal representation by the said barangay official or employee.
- d. *Tax exemption.* All amounts received by barangay officials and employees such as salaries, wages, compensation, remuneration and any other emoluments such as honoraria and allowances shall be exempt from income taxation. Gross benefits received by such officials and employees, of whatever kind, nature or character, shall likewise be exempt from taxation.



The sale, exchange or disposition of real property by barangay officials and employees including the members of the Lupong Tagapamayapa shall also be exempt from capital gains and other local and national taxes and fees. *Provided*, that, such sale, exchange or disposition shall be directly and exclusively used by such official or employee for the acquisition of a house and lot for family dwelling, the lot area of which shall not exceed 200 square meters. The acquisition of such house and lot for family dwelling shall likewise be exempt from national or local taxes and fees in connection with the transfer and registration of such property in the name of the barangay official or employee concerned.

- e. *Hazard Pay*. The Punong Barangay, members of the Sangguniang Barangay, Barangay Tanods and Barangay Health Workers shall be granted a hazard pay equivalent to one (1) thousand pesos a month during their term or tenure of office.
- f. *Total or Permanent Incapacity or Disability*. In the event of total or permanent disability in connection with the discharge of their official duties and functions, the Punong Barangay, members of the Sangguniang Barangay, Barangay Tanods and Barangay Health Workers shall be entitled to five (5) thousand pesos as disability benefit.
- g. *Death and Burial Benefits*. In the event of death of a barangay official or employee in connection with the discharge of his/her official duty or function, he/she shall be entitled to ten (10) thousand pesos as burial assistance.

**SECTION 7. *Barangay Retirement Fund Created*.** - There is hereby created a Barangay Retirement Fund (BRF) which shall be used to fund the retirement of barangay officials and employees mentioned in this Act. The amount equivalent to one (1) percent of the share of the national government under Section 284 of the Local Government Code of 1991 (RA 7160), as amended shall be used for this purpose.

The Department of Interior and Local Government (DILG) shall administer and ensure the appropriate disbursement of the BRF.

**SECTION 8. *Disqualification from Availment of Benefits*.** - No benefit shall be given to a barangay official or employee or his/her beneficiaries when the injury, sickness, disability or death is a result or caused by:

- a. His/her habitual drunkenness, intoxication or drug addiction;
- b. His/her willful intention to injure or kill himself or another;
- c. His/her unauthorized absence or abandonment of post.

### CHAPTER III

#### BASIC PRIORITIES IN THE BARANGAY

**SECTION. 9. *Drinking Water for Every Barangay*.** - It is the right of every barangay to have a regular supply of clean and potable water. To attain this goal, every city or municipality, as the case may be, is hereby required to construct and/or maintain at least one deep well with pumping device for drawing drinking water to supply the needs of every one thousand residents for each barangay within its jurisdiction.

**SECTION. 10. *Transportation for Every Barangay*.** - It is also the right of every barangay to have public transportation available at least once a day. For this purpose, every municipality or city, as the case may be, should make such necessary representations before the appropriate government agencies to require public utility companies operating within its jurisdiction to provide the minimum means of transportation in every barangay.



**SECTION. 11. *Schools, Health Centers and Barangay Halls for the Barangays.*** - Every barangay is entitled to have at least one elementary school, provided that there shall be at least one high school for every five (5) kilometers from the barangay center. It shall also be the right of every barangay to have one health center and one barangay hall.

## **CHAPTER IV**

### **MEASURES TO ASSURE THE ENJOYMENT OF LOCAL AUTONOMY**

**SECTION. 11. *Automatic Release of share from National Taxes.*** - It shall be the duty of the National Treasury to remit automatically to the barangays every end of the calendar year their just share from the national taxes.

**SECTION. 12. *Transfer of Funds to Barangay for the Maintenance of Roads and Bridges.*** - All public funds appropriated from the national treasury for the maintenance of barangay roads and bridges and other similar constructions shall be transferred or remitted directly to the general fund of every barangay for their proper disposition by the barangay officials.

**SECTION. 13. *Mandatory Share of Barangays in All Taxes, Fees or Other Charges.*** - Twenty-five percent (25%) of all taxes collected on real property located within the barangay shall be considered barangay funds and shall be allocated in accordance with existing laws. In addition thereto, each barangay shall be entitled to ten percent (10%) from all other forms of taxes, fees, penalties, compromises or other charges collected from persons residing in the barangay or entities whose office and/or manufacturing plant is located within the barangay.

**SECTION. 14. *Equitable Share of the Barangay from the Proceeds of the Utilization and Development of National Wealth.*** - For the exploitation, utilization and development of natural resources within its territory, Every barangay shall be entitled to an equitable share of the proceeds derived from.

The amount of barangay share shall be determined by the city or municipality concerned after consultations with the concessionaires, the municipal or city officials and barangay officials, taking into account the extent of the exposure of the barangay residents to pollution, flood and ecological imbalance: *Provided, however,* That this equitable sharing rate for each barangay shall be resolved by all parties concerned not later than six (6) months from the approval of this Act.

Revenues derived from this source shall also from part of the general fund of the barangay.

## **CHAPTER V**

### **SUNDRY MATTERS**

**SECTION. 15. *Scholarship Grant.*** - Every barangay shall sponsor at least one scholarship grant every year leading to any Bachelor's degree to be awarded by a committee of five persons appointed by the Sangguniang Barangay with the approval of the Punong Barangay after competitive examinations are given to applicants who should be bona fide residents of the barangay. The grant shall include tuition fees and all other school fees, reasonable allowances for schoolbooks, supplies and transportation and other expenses as the barangay may deem appropriate.

**SECTION. 16. *Priority in Employment.*** - Residents in every barangay shall have the priority in the hiring of workers and laborers to be needed in any government construction or development projects within the barangay.

**SECTION. 17. *Cooperative Enterprise.*** - Cooperative enterprises in the barangay shall be encouraged and every barangay is directed to give full assistance for the establishment and



organization of said enterprises and to take every possible effort to make cooperative undertakings a way of life in the barangay.

## CHAPTER VI

### ADMINISTRATION AND ENFORCEMENT

**SECTION. 18. *Implementing Rules and Regulations.*** - Within 120 days from the effectivity of this Act, the Department of Interior and Local Government (DILG), Department of Health, Department of Justice, GSIS, PHIC and other concerned government agencies, shall come up with rules and regulations that shall govern the implementation of this Act and shall review the same every five (5) years or as frequently as may be necessary.

**SECTION. 19. *Budgetary Estimates.*** - The Secretary of Department of Interior and Local Government shall submit to the Congress the necessary budgetary estimates to implement the provisions of this Act concerning the allowances, insurance, medical, dental and retirement benefits and other fringe benefits of barangay officials, the basic priorities in the barangays and the barangay scholarship grant.

The fund necessary to carry out the provisions of this Act shall be included in the annual General Appropriations Act. The fund shall be managed by a body whose members shall include the Secretary of the DILG who shall head the body, a representative of the GSIS and PHIC, the chairmen of the Senate and House Committees on Local Government, the President of the National Liga ng mga Barangay and a representative of the Commission on Audit.

**SECTION. 20. *Penal Provision.*** - Any person who shall willfully interfere with, restrain or coerce any barangay official or barangay resident in the exercise of his or their rights guaranteed by this Act or who shall in any other manner commit any act to defeat any of the provisions of this Act shall, upon conviction, be punished by a fine of not less than five hundred pesos nor more than two thousand pesos, or by imprisonment or six months and one day, or both, subject to the discretion of the court. If the offender is a public official, the court shall order his dismissal from the government service.

## CHAPTER VII

### FINAL PROVISIONS

**SECTION 21. *Separability Clause.*** - If any provision or the application of any provision of this Act is declared unconstitutional, there remaining provisions not affected thereby shall remain in full force and effect.

**SECTION 22. *Repealing Clause.*** - All laws, rules, regulations, decrees, executive orders and other issuances or parts thereof which are inconsistent with this Act are hereby repealed, modified or amended accordingly.

**SECTION 23. *Effectivity.*** - This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of national circulation.

***Approved,***