



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



EIGHTEENTH CONGRESS
First Regular Session

House Bill No. 856

Introduced by **DIWA Party-list Representative Hon. Michael Edgar Y. Aglipay**

EXPLANATORY NOTE

The 1987 Constitution mandates, "The Congress shall enact a local government code which shall provide for a more responsive and accountable local government structure through a system of decentralization with effective mechanisms of recall, initiative, and referendum, allocate among the different local government units their powers, responsibilities, and resources, and provide for the qualifications, election, appointment and removal, term, salaries, powers and functions and duties of local officials and all other matters relating to the organization and operation of the local units." (Article X, Section 3)

The barangay is the smallest administrative division in our country. It is empowered and mobilized to deliver basic services, and serves as the primary planning and implementing unit of government policies, plans, programs, projects, and activities in the community. It is the frontline unit for combating poverty and addressing basic social services like health and education.

However, despite the potential opportunities for governance and development at the grassroots level, the barangay attracts a low appreciation. It has become a microcosm of the national political environment. The usual programs, activities, and projects have superficial impact on the community's economy. Corruption in the form of kickbacks laces the said programs, activities, and projects.

It is high time that the barangay official and workers are given encouragement in the form of benefits. At the same time, these benefits will act as catalysts that may curb corruption. Hopefully, this Act will contribute in the empowerment of the barangay as dynamic and proactive units.

This bill, a re-filing of House Bill 4985 of DIWA Party-list filed during the 17th Congress, seeks to amend specific provisions of the Republic Act No. 7160, otherwise known

as the Local Government Code of 1991, in order to provide barangay officials retirement benefits

In view of the foregoing, the passage of this bills is earnestly sought.



MICHAEL EDGAR Y. AGLIPAY
Representative, DIWA Party-list



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House Bill No. **856**

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AN ACT
PROVIDING ALL BARANGAY OFFICIALS, INCLUDING BARANGAY
TANODS, AND MEMBERS OF THE LUPON NG TAGAPAMAYAPA, A LUMP SUM
GRATUITY PAY EQUIVALENT TO ONE HUNDRED THOUSAND PESOS
(PHP100,000.00), AND OTHER NON-MONETARY BENEFITS, AMENDING FOR
THE PURPOSE SECTION 393 OF REPUBLIC ACT NO. 7160, AS AMENDED,
OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991

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

SECTION 1. Section 393 of Republic Act No. 7160, as amended, otherwise known as the Local Government Code of 1991 is hereby amended to read as follows:

“SECTION 393.2. Benefits of Barangay Officials. – (a) Barangay Officials, including barangay tanods and members of the lupong tagapamayapa, shall receive honoraria, allowances, and such other emoluments as may be authorized by law or barangay, municipal or city ordinance in accordance with the provisions of this Code, but in no case shall it be less than One thousand pesos (P1,000.00) per month for the punong barangay and Six hundred pesos (P600.00) per month for the sangguniang barangay members, and barangay treasurer, and barangay secretary: Provided, however, That the annual appropriations for personal services shall be subject to the budgetary limitations prescribed under Title Five, Book II of this Code.

(a) The punong barangay, the sangguniang barangay members, the barangay treasurer, and the barangay secretary shall also:

(2) Be entitled to Christmas bonus of at least One thousand pesos (P1,000.00) each, the funds for which shall not be limited to temporary and permanent disability, double indemnity, accident insurance, death and burial benefits, in accordance with

Republic Act No. 6942 entitled, "An Act Increasing the Insurance Benefits of Local Government Officials and Providing Funds Therefor."

(3) Be entitled to free medical care, including subsistence, medicines, and medical assistance in any government hospital or institution: Provided, That such hospital care shall include surgery or surgical expenses, medicines, X-rays, laboratory fees, and other hospital expenses;

In case of extreme urgency where there is no available government hospital or institution, the barangay official concerned may submit himself for immediate attendance to the nearest private clinic, hospital or institution and the expenses not exceeding Five thousand pesos (P5,000.00) that may be incurred therein shall be chargeable against the funds of the barangay concerned.

BARANGAY OFFICIALS SHALL ALSO BE ENTITLED TO TEN PERCENT (10%) DISCOUNT, AND EXEMPTION FROM VALUE-ADDED TAX (VAT), IF APPLICABLE, ON THE SALE OF GOODS AND SERVICES FROM ALL ESTABLISHMENTS, PARTICULARLY ON THE PURCHASE OF MEDICINES, AND BE DETERMINED BY THE DEPARTMENT OF HEALTH (DOH), AND ON THE PROFESSIONAL FEES OF ATTENDING PHYSICIAN OR PHYSICIANS IN ALL PRIVATE HOSPITALS, MEDICAL FACILITIES, OUTPATIENT CLINICS AND HEALTH HOME CARE SERVICES;

(4) Be exempted, during their incumbency, from paying tuition and matriculation fees for their legitimate dependent children attending state college or universities. He may likewise avail of such educational benefits in a state college or university located within the province or city to which the barangay belongs; [and]

(5) Be entitled to appropriate civil service eligibility on the basis of the number of years of service to the barangay, pursuant to the rules and regulations issued by the Civil Service Commission[.];

(6) BE ENTITLED TO A LUMP SUM GRATUITY PAY EQUIVALENT TO ONE (1) YEAR HONORARIUM, BUT IN NO CASE SHALL EXCEED ONE HUNDRED THOUSAND PESOS (P100,000.00) TO BE TAKEN FROM THE BARANGAY RETIREMENT FUND: PROVIDED, HOWEVER, THAT A RETIREE IS AT LEAST SIXTY (60) YEARS OF AGE WITH A MINIMUM OF NINE (9) YEARS IN SERVICE AT THE TIME OF THE RETIREMENT;

AS USED IN THIS SUB-SECTION, THE TERM "RETIREE" SHALL INCLUDE ALL BARANGAY OFFICIALS, INCLUDING BARANGAY TANODS AND MEMBERS OF THE LUPON NG TAGAPAMAYAPA;

(7) BE ENTITLED TO A FRANKING PRIVILEGE FOR THIS PURPOSE, BARANGAY OFFICIALS SHALL BE EXEMPT FROM THE PAYMENT OF POSTAGE ON ANY MAIL MATTER TO BE SENT TO GOVERNMENT AGENCIES, PUBLIC OFFICIALS AND PRIVATE INDIVIDUALS IN THE PERFORMANCE OF OFFICIAL FUNCTIONS; AND

(8) BE ENTITLED TO TWENTY PERCENT (20%) DISCOUNT IN TRANSPORTATION, AND HOTEL ACCOMODATION CHARGE.

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SEC. 2. 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 workers mentioned in this Act. The amount equivalent to one percent (1%) of the share of the national government under section 248 of the Local Government Code of 1991, as amended, shall be used for this purpose.

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

SEC. 3. Rules and Regulations. – The Department of Budget and Management (DBM), in coordination with this Act are hereby amended, repealed or modified accordingly.

SEC. 4. Repealing Clause. –All laws, executive orders, issuances, rules and regulations inconsistent with this Act are hereby amended, repealed or modified accordingly.

SEC. 5. Effectivity Clause. – This Act shall take effect fifteen (15) days after its publication in any newspaper of general circulation.

Approved,