

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 137

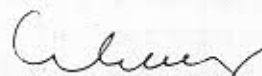
Introduced by HONORABLE DANILO E. SUAREZ

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 operation of the Katarungang Pambarangay. Members of the *Lupon Tagapamayapa* hear and mediate disputes at the barangay level, thereby maintaining peace and order in the barangay. Barangay tanods enforce all barangay ordinances and also 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) increasing it to 41%, 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.

With the foregoing premises considered, the approval of this bill is earnestly sought.


DANILO E. SUAREZ
Representative
Third District, Province of Quezon

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 137

Introduced by HONORABLE DANILO E. SUAREZ

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

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

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

["Section 284. Allotment of Internal Revenue Taxes. - Local government units shall
have a share in the national internal revenue taxes based on the collection of the third
fiscal year preceding the current fiscal year as follows:

- (a) On the first year of the effectivity of this Code, thirty percent (30%);
- (b) On the second year, thirty-five percent (35%); and
- (c) On the third year and thereafter, forty percent (40%).]

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

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

shall include the cost of devolved functions for essential public services, be entitled to receive the amount equivalent to the cost of devolved personal services.

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

"Section 393. *Benefits of Barangay Officials.* – (a) x x x

(b) x x x

(c) x x x

(d) x x x

(E) ALL BARANGAY OFFICIALS, WHETHER ELECTED OR APPOINTED INCLUDING TANODS, HEALTH WORKERS, DAY CARE WORKERS AND MEMBERS OF THE LUPON SHALL BE ENTITLED TO A LUMP SUM RETIREMENT PAY EQUIVALENT TO ONE YEAR HONORARIUM, BUT NOT EXCEEDING ONE HUNDRED THOUSAND PESOS (Php 100,000.00) WHICH SHALL BE TAKEN FROM THE BARANGAY RETIREMENT FUND UNDER SECTION 284, PROVIDED THE RETIREE IS AT LEAST SIXTY (60) YEARS OF AGE WITH A MINIMUM OF NINE (9) YEARS IN SERVICE AT THE TIME OF RETIREMENT."

SEC 3. *Repealing Clause* – All laws, orders, issuances, circulars, rules and regulations or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 4. *Separability Clause* – If any provision of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected shall continue to be in full force and effect.

SEC. 5. *Effectivity* – This Act shall take effect immediately following its publication in at least two (2) national papers of general circulation.

Approved,