

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

SIXTEENTH CONGRESS

Second Regular Session

House Bill No. 4721



Introduced by **Rep. EVELIO R. LEONARDIA**

EXPLANATORY NOTE

Existing laws in our jurisdiction are replete of social legislations especially for the workers in the private sectors, among others, and notably, the Labor Code of the Philippines.

It is however inappropriate that, while the Government provides for such protection to the workers in the private sector, the workers in the public sector especially those who had rendered their valuable time and services to the Local Government Units may have been overlooked in the grant on such protection, or there is a need to enact or amend more laws to reinforce the public workers' protection in the realm of social legislation.

Chapter III (Local and Other Special Funds), Section 309 of the Local Government Code (R.A. 7160) needs amendment by adding the provision of Special Severance Pay Fund, pursuant to Sec. 521 of said Code that it may be reviewed at least once every five (5) years and as often as it may be deemed necessary,

The Special Severance Pay Fund shall be mandated upon the Local Government Units to prioritize in their appropriation act the obligations entitled to their employees either, in the employment of whether, regular, co-terminus or otherwise, who had retired, resigned, or who had terminated their public services resulting to their entitlement to severance or termination pay, and to be paid thereby with dispatch.

Administrative penalty is likewise provided in the amendment inasmuch as it is a common or experiential knowledge that retired or co-terminus public employees whose public service was validly severed or those similarly situated, are neglected in their much needed separation pay, retirement pay, or in whatever form of severance pay entitled to them. They are made to wait endlessly if not hopelessly by the LGU, the Local Chief Executive or similar public officials who are indifferent and casually unmindful of the plight of these former public workers whose dependence for sustenance is their much needed severance pay.

Thus, the need of the subject amendment to avoid injustice to the plight of the said public employees, and to further augment the application of social legislation in the public sector.


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Lone District of Bacolod City

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AN ACT

AMENDING CHAPTER III (LOCAL AND OTHER SPECIAL FUNDS), SECTION 309 OF REPUBLIC ACT NO. 7160 OTHERWISE KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991 BY ADDING SECTION 309 (C) CREATING A SPECIAL TERMINAL PAY FUND AS A PRIORITY IN THE APPROPRIATION AND DISBURSEMENT BY THE LOCAL GOVERNMENT UNITS IN FAVOR OF THEIR PUBLIC EMPLOYEES WHO HAD LEGALLY TERMINATED THEIR SERVICE AND ENTITLED TO TERMINAL PAY.

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

SECTION 1. Chapter III (Local and Other Special Funds), Section 309 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

(C) *Special Severance Pay Fund* is hereby established and shall be included in the Budget Document to cover Obligations entitled to the public employees who had retired, resigned, or who had in whatever manner terminated their Public Services whether such employment is regular, co-terminus or otherwise. Such Obligations shall be acted with priority by the Sanggunian either in the general or supplemental appropriation within the period that such Obligations accrued or became due and payable. Provided further, that the Local Chief Executive shall immediately release and pay to the entitled employees their Severance Pay as duly appropriated from their Special Severance Pay Fund within sixty days (60) from the effectivity of such appropriation act. Any local official or any person or persons who violate this provision shall be held administratively liable under the sanction on neglect of duty.

SECTION 2. The terms used in this amendment - "Appropriation", "Budget Document" and "Obligations" are those defined in Title Five (V) (Local Fiscal Administration), Section 306 (b), 306 (c), and 306 (j) thereof.

SECTION 3. Separability Clause. - If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 4. Repealing Clause. - Any law, presidential decree or issuance, executive order, letter of instruction, administrative order, rule or regulation contrary to or inconsistent with any provision of this Act as hereby amended or modified accordingly.

SECTION 5. This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in two (2) newspapers of general circulation.

Approved.