

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



HOUSE OF REPRESENTATIVES

H. B. No. 2186

Introduced by Representative Ralph G. Recto

AN ACT

PROVIDING FOR A MAGNA CARTA FOR BARANGAY OFFICIALS, PERSONNEL AND VOLUNTEER WORKERS, PROVIDING FUNDS THEREFOR FROM THE ADDITIONAL LOCAL GOVERNMENT SHARE IN THE NATIONAL TAXES, AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Barangay officials and volunteer workers, due to their proximity to the people, are the front-line civil servants and primary public service providers on matters concerning public health, public order and safety, environmental protection, alternative dispute resolution, and even disaster risk reduction and management. As such, the national government depends considerably on the capability of barangay officials, personnel and volunteer workers, especially in remote areas of the country, in coordinating and implementing various government interventions at the grassroots level.

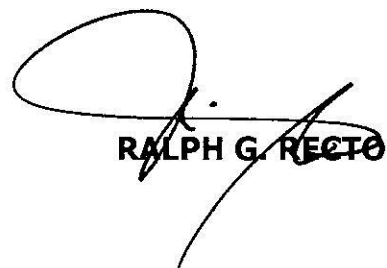
Despite the Herculean task the national government has imposed on the barangay government, however, the national government has yet to provide barangay officials, personnel and volunteer workers with a compensation scheme that is commensurate with the role they perform in the delivery of social services. Barangay officials, personnel and volunteer workers are ranked the lowest among all civil servants in terms of remuneration, benefits and privileges enjoyed and received.

This bill is endorsed in recognition of the significant contribution of barangay officials and volunteer workers in nation-building. This bill mandates the creation of a distinct Position Classification and Compensation Scheme for Barangay Officials, Personnel and Volunteer Workers that will govern the dispensation of salaries, honoraria and other benefits and allowances to the manpower complement of the barangay government. It directs the membership of barangay officials, personnel and volunteer workers to the Social Insurance Program of the Government Service Insurance System, the National Health Insurance Program of the Philippine Health Insurance Corporation, and the Mandatory Membership Program of the Home Development Mutual Fund to ensure that barangay officials, personnel and volunteer workers are covered against insurable financial risks.

Moreover, the bill provides additional benefits to qualified barangay officials, personnel and volunteer workers such as hazard allowances, death and burial benefits, and legal indemnification. To finance this undertaking, this bill shall source funding from the additional proceeds arising from the share of local government units in the national taxes collected by the Bureau of Customs in accordance with the decision of the Supreme Court in *Mandanas vs. Executive Secretary*, G.R. No. 199802 dated July 3, 2018.

These interventions are made with the intention of creating a motivated, competent corps of frontline public service providers through the promotion of the welfare of those who ensure the safety, security, amity and well-being of Filipino communities in times of peace and crisis.

In light of the foregoing, immediate passage of the bill is earnestly sought.



RALPH G. RECTO

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ADDITIONAL LOCAL GOVERNMENT SHARE IN THE NATIONAL TAXES, AND
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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

TITLE I

GENERAL PROVISIONS

Section 1. *Title.* – This Act shall be known as the “*Magna Carta for Barangay Officials, Personnel and Volunteer Workers.*”

Sec. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to empower government officials and personnel, and public volunteer workers especially at the grassroots level. In line with this policy and in cognizance of the crucial role of barangay officials and volunteer workers in nation-building, the State shall, through the recognition of their rights as civil servants and the provision of remuneration, benefits, allowances and other entitlements commensurate to the service they render to the country, ensure the promotion of the rights and welfare of barangay officials, personnel and volunteer workers and the faithful execution of their duties and functions.

Sec. 3. *Definition of Terms.* – For the purpose of this Act:

(a) *Barangay Elective Officials* shall refer to the following: the *Punong Barangay*; Members of the *Sangguniang Barangay*; Chairperson of the *Sangguniang Kabataan*; and Members of the *Sangguniang Kabataan*;

(b) *Barangay Appointive Officials* shall refer to the following: Barangay Secretary; Barangay Treasurer; Members of the *Lupong Tagapamayapa*; Secretary of the *Sangguniang Kabataan*; and Treasurer of the *Sangguniang Kabataan*;

(c) *Barangay Personnel* shall refer to other personnel of the barangay who perform regular functions in the maintenance of public order, protection and security of life and property, settlement of disputes, preservation of a desirable and balanced environment or delivery of basic social services within the jurisdiction of the barangay government who receives compensation in the form of salary or honorarium; and

(d) *Barangay Volunteer Workers* shall refer to individuals who have undergone basic training courses conducted by government agencies or non-government organizations and who voluntarily provide ancillary social services in a barangay under a memorandum of agreement between the volunteer worker and the barangay government concerned.

Sec. 4. *Coverage.* – This Act shall apply to all barangay officials, personnel, and volunteers as defined in Section 3 of this Act: *Provided*, That when the barangay official, personnel or volunteer worker receives a fixed salary by virtue of a permanent appointment in any other government office, by election to another public office or by employment in the private sector, their coverage under this Act shall automatically cease and they shall then be covered under the appropriate laws.

TITLE II

RIGHTS, PRIVILEGES AND ENTITLEMENTS OF BARANGAY OFFICIALS, PERSONNEL AND VOLUNTEER WORKERS

Sec. 5. Position Classification and Compensation Scheme for Barangay Officials, Personnel and Volunteer Workers. – Barangay officials, personnel and volunteer workers shall be entitled to salaries, benefits or allowances as compensation for services they rendered. The Department of Budget and Management (DBM) shall develop a standardized Position Classification and Compensation Scheme for Barangay Officials, Personnel, and Volunteer Workers, taking into consideration the educational

1 qualification and nature of work performed and the financial capability of barangays,
2 and subject to the minimum qualification standards and guidelines to be prescribed
3 by the Civil Service Commission (CSC). Such position classification and compensation
4 scheme shall conform with the following guidelines:

5 (a) The Position Classification and Compensation Scheme for Barangay
6 Officials and Personnel shall be comprised of three salary grades, namely:

7 i. Barangay Salary Grade I for barangay appointive officials and other
8 barangay personnel;

9 ii. Barangay Salary Grade II for barangay elective officials in the
10 *Sangguniang Barangay* and *Sangguniang Kabataan* with the exception of the
11 *Punong Barangay*; and

12 iii. Barangay Salary Grade III for *Punong Barangay*.

13 (b) The minimum salary for barangay officials and personnel shall be as
14 follows:

15	Barangay Salary Grade I	5,000
16	Barangay Salary Grade II	7,500
17	Barangay Salary Grade III	10,000

18 The minimum salary indicated herein may be increased to a maximum rate equivalent
19 to the first step of the following salary grade level and its corresponding salary being
20 implemented by the city or municipality where the barangay belongs:

21	Barangay Salary Grade I	Salary Grade 6
22	Barangay Salary Grade II	Salary Grade 10
23	Barangay Salary Grade III	Salary Grade 14

24 *Provided*, That no barangay official or personnel shall suffer any reduction, diminution
25 or withdrawal of salaries and benefits already enjoyed by the barangay official or
26 personnel concerned: *Provided, further*, That the grant of adjusted basic salary shall
27 be subject to limitations provided under Section 14 of this Act.

28 (c) Barangay volunteer workers shall be entitled to honoraria and other
29 benefits, incentives or allowances to be determined in accordance with this Act.

1 *Sec. 6. Membership of Barangay Officials and Personnel in the Government*
2 *Service Insurance System.* – The Government Service Insurance System (GSIS) shall
3 establish a social insurance program to provide life insurance and social protection to
4 barangay officials and personnel.

5 It shall be mandatory for barangay governments to pay the monthly
6 contributions to life insurance, retirement, and social protection coverage of their
7 respective barangay officials and personnel equivalent to twenty-one percent (21%)
8 of their average monthly compensation, which corresponds to the twelve percent
9 (12%) barangay government contribution and the nine percent (9%) employee
10 contribution to be subsidized by the barangay government.

11 Barangay governments shall include in its annual appropriations the amounts
12 necessary for its share of contributions, plus any additional premiums that may be
13 required on account of the hazards or risks of the occupation of barangay officials and
14 personnel. The mode of collection and remittance of contributions, including penalties
15 for violations thereof, shall be in accordance with Republic Act No. 8291, otherwise
16 known as "*The Government Service Insurance System Act of 1997.*"

17 *Sec. 7. Enrolment of Barangay Officials and Personnel in the National Health*
18 *Insurance Program of the Philippine Health Insurance Corporation.* – The Philippine
19 Health Insurance Corporation (PhilHealth) shall enroll barangay officials and personnel
20 into the National Health Insurance Program in accordance with existing laws, rules
21 and regulations.

22 Barangay governments shall include in its annual appropriations the amounts
23 necessary for its share of contributions. The amount of contributions due from
24 barangay officials and personnel and barangay governments, mode of collection and
25 remittance of contributions, including penalties for violations thereof, shall be in
26 accordance with Republic Act No. 7875, as amended, otherwise known as the
27 "*National Health Insurance Act of 1995.*"

28 *Sec. 8. Membership of Barangay Officials and Personnel in the Mandatory*
29 *Membership Program of the Home Development Mutual Fund.* – Barangay officials and
30 personnel shall be covered under the mutual provident savings system of the Home
31 Development Mutual Fund (PagIBIG Fund).

1 Barangay governments shall include in its annual appropriations the amounts
2 necessary for its share of contributions. The amount of contributions due from
3 barangay officials and personnel and barangay governments, mode of collection and
4 remittance of contributions, including penalties for violations thereof, shall be in
5 accordance with Republic Act No. 9679, otherwise known as the "*Home Development*
6 *Mutual Fund Law of 2009.*"

7 Sec. 9. *Hazard Allowance.* – Barangay officials, personnel and volunteer
8 workers who render service in areas declared under state of calamity or emergency
9 shall be entitled to a hazard allowance equivalent to ten percent (10%) of their
10 monthly salary or honoraria, whichever is applicable, until such declaration has been
11 lifted by a competent authority.

12 Sec. 10. *Death and Burial Benefits.* – In the event of death of barangay officials,
13 personnel, and volunteer workers during their incumbency, their respective legal
14 beneficiaries shall be entitled to the following death and burial benefits:

15 (a) Barangay Salary Grade I – Five thousand pesos (P5,000.00);

16 (b) Barangay Salary Grade II – Fifteen thousand pesos (P15,000.00); and

17 (c) Barangay Salary Grade III – Twenty-five thousand pesos (P25,000.00)

18 In addition to the death benefits herein provided, a burial benefit of Two
19 thousand pesos (P2,000.00) shall be paid to the beneficiaries of barangay officials,
20 personnel and volunteer workers within twenty-four (24) hours after written notice
21 and satisfactory proof of death.

22 In case the death of a barangay official, personnel or volunteer worker occurred
23 by reason, or on the occasion of the performance of their official duties and functions,
24 the legal beneficiaries of the barangay officials, personnel, or volunteer worker
25 concerned shall be entitled to twice the death and burial indemnity provided herein.

26 Sec. 11. *Civil Service Eligibility.* – Qualified barangay officials, personnel and
27 volunteer workers shall be conferred with the appropriate civil service eligibility in
28 accordance with existing laws, rules and regulations.

29 Sec. 12. *Legal Indemnification.* – Barangay officials and personnel shall be
30 entitled to an equitable legal indemnification package in the form of legal assistance
31 and other forms of legal protection and indemnification for all legal costs and expenses
32 reasonably incurred in any administrative, civil, or criminal action, suit or proceeding

1 to which they have been made a party by reason of the performance of their official
2 functions or duties, unless they are finally adjudged in such action or proceeding to
3 be guilty of an offense.

4 Sec. 13. *Employment Preference in Agencies and Instrumentalities of*
5 *Government.* – Qualified barangay personnel and volunteer workers shall be accorded
6 with preferential treatment in employment with national government agencies, local
7 government units (LGUs), or government-owned or -controlled corporations, subject
8 to the minimum standards and guidelines prescribed by the CSC, and in accordance
9 with existing laws, rules and regulations.

10 **TITLE III**

11 **FINAL PROVISIONS**

12 Sec. 14. *Limitation on Personnel Services Appropriation for Barangays.* – The
13 budget ceiling for annual personnel services appropriations of fifty-five percent (55%)
14 of the total annual income actually realized from local sources during the next
15 preceding fiscal year, as provided in Section 331(b) of Republic Act No. 7160, as
16 amended, otherwise known as the "*Local Government Code of 1991*," shall apply.

17 Sec. 15. *Barangay Miscellaneous Personnel Benefits Trust Fund.* – Any
18 unexpended balance from the local government share from the national taxes
19 collected by the Bureau of Customs (BOC) as provided in Section 17 of this Act after
20 the payment of salaries, honoraria to barangay officials, personnel and volunteer
21 workers as provided in Section 5 of this Act, and remittance of mandatory
22 contributions to GSIS, PhilHealth and PagIBIG Fund as provided in Sections 6, 7, and
23 8 of this Act, respectively, shall constitute a trust fund to be known as the "Barangay
24 Miscellaneous Personnel Benefits Trust Fund" and shall be administered by the DBM.
25 The Barangay Miscellaneous Personnel Benefits Fund, including any interest income
26 that may accrue therein, shall be set aside and earmarked by Congress for the
27 following purposes:

28 (a) Provision of additional insurance premiums that may be required on
29 account of the exposure of barangay officials and personnel to hazards or risks of their
30 occupation in accordance with Section 6 of this Act;

31 (b) Provision of Hazard Allowance for barangay officials, personnel and
32 volunteer workers in accordance with Section 9 of this Act;

1 (c) Provision of Death and Burial Benefits for barangay officials, personnel and
2 volunteer workers in accordance with Section 10 of this Act;

3 (d) Provision of Legal Indemnification Package for qualified barangay officials,
4 personnel and volunteer workers in accordance with Section 12 of this Act; and

5 (e) Provision of other allowances and benefits for barangay officials, personnel
6 and volunteer workers in accordance with the provisions of this Act: *Provided, That*
7 the DILG shall, upon the approval of the DBM and in accordance with existing laws,
8 rules and regulations, identify the benefit and allowances that may be provided to
9 barangay officials, personnel and volunteer workers and the corresponding amount
10 thereof: *Provided, further, That* the grant of other allowances and benefits shall be
11 subject to limitations provided under Section 14 of this Act.

12 *Sec. 16. Registry System for Barangay Officials, Personnel and Volunteer*
13 *Workers.* – The Department of the Interior and Local Government (DILG) shall
14 develop, maintain and update a registry system for barangay officials, personnel and
15 volunteer workers to effectively implement the provisions of this Act. The registry
16 system shall be the basis for the release of appropriations for the payment of salaries
17 and honoraria to barangay officials, personnel and volunteer workers as provided in
18 Section 5 of this Act, and the remittance of mandatory contributions to GSIS,
19 PhilHealth and PagIBIG Fund as provided in Sections 6, 7, and 8 of this Act,
20 respectively.

21 *Sec. 17. Appropriations.* – The amount necessary for the implementation of the
22 provisions of this Act shall be sourced from the share of LGUs from the national taxes
23 collected by the BOC based on the collection of the third fiscal year preceding the
24 current fiscal year: *Provided, That* in the event that such amount is insufficient to
25 effectively implement the provisions of this Act or when the amount exceeds the
26 limitations on Personnel Services as provided in Section 14 of this Act, the
27 *Sangguniang Barangay* concerned shall formulate a mechanism to prioritize and adjust
28 the compensation package provided under this Act: *Provided, further, that* such
29 mechanism shall allocate the provision for salaries, honoraria, benefits or allowances
30 proportionally and uniformly across all barangay salary grades in the barangay
31 government concerned.

1 Sec. 18. *Implementing Rules and Regulations.* – Within thirty (30) days from
2 the effectivity of this Act, the DILG shall, in coordination with the DBM, Department
3 of Finance, CSC, *Liga ng mga Barangay*, and other government agencies concerned,
4 promulgate the necessary implementing rules and regulations for the effective
5 implementation of this Act.

6 Sec. 19. *Separability Clause.* – If any provision, section or part of this Act shall
7 be declared unconstitutional or invalid, such judgment shall not affect, invalidate or
8 impair any other provisions, sections or parts hereof.

9 Sec. 20. *Repealing Clause.* – All laws, acts, decrees, executive orders,
10 issuances, and rules and regulations or parts thereof which are contrary to and
11 inconsistent with this Act are hereby repealed, amended or modified accordingly.

12 Sec. 21. *Effectivity.* – This Act shall take effect fifteen (15) days following its
13 publication in at least two (2) newspapers of general circulation or in the *Official*
14 *Gazette*.

Approved,