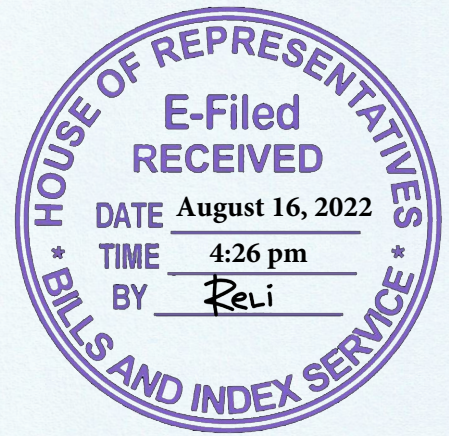


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3701



Introduced by REP. REX GATCHALIAN

AN ACT
STRENGTHENING THE BARANGAY AS THE BASIC LOCAL GOVERNMENT UNIT
BY INCREASING ITS CAPACITY TO DELIVER SERVICES, PROVIDING SALARY
GRADES, RETIREMENT BENEFITS, OTHER ENTITLEMENTS OF CERTAIN
BARANGAY OFFICIALS, AND OTHER PURPOSES, AMENDING FOR THIS
PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991, AND OTHER RELATED LAWS

EXPLANATORY NOTE

Under the Local Government Code of 1991 (LGC), barangays are considered as the primary planning and implementing unit of government policies, plans, programs, projects, and activities in the community. It also serves as a forum where the collective views of the people may be expressed, crystallized and considered, and where disputes among constituents may be amicably settled.

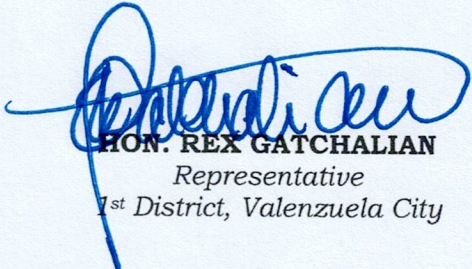
Barangays are the most basic territorial and political subdivision of the country, and they play a crucial role in nation building. It is the national government's partner to address challenges at the grassroots level and is vital for the effective and efficient delivery basic needs to the community. It is a microcosm of the government, which by itself, is authorized to enact laws, enforce them, as well as exercise judicial functions with its katarungang pambarangay duties, and enforce peace and order through its tanods.

It is without a doubt that the barangay officials' role in the delivery of public services are expansive. However, the herculean task the national government has imbued them with is not commensurate with the benefits and privileges provided by the LGC. Barangay officials, compared to other civil servants, receive among the

lowest remuneration, benefits and other privileges. If we are to effectively give to the local government units the self-sufficiency and autonomy envisioned by the Constitution, we must be able to provide the environment and conditions conducive to a productive leadership.

This bill will mandate the creation of positions, classifications, regularization, and a compensation scheme for the Punong Barangay, Sangguniang Barangay members, Barangay Treasurer and Barangay Secretary and the provision of honoraria and allowances to the members of the Lupon Tagapamayapa and Barangay Tanods. Moreover, a barangay gratuity fund will be created which shall be used to fund the government's share in the retirement gratuity of barangay tanods and members of the Lupon ng Tagapamayapa.

In view of the foregoing, approval of this bill is earnestly sought.



HON. REX GATCHALIAN
Representative
1st District, Valenzuela City

Republic of the Philippines
HOUSE OF REPRESENTATIVES

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BARANGAY OFFICIALS, AND OTHER PURPOSES, AMENDING FOR THIS
PURPOSE REPUBLIC ACT NO. 7160, OTHERWISE KNOWN AS THE LOCAL
GOVERNMENT CODE OF 1991, AND OTHER RELATED LAWS

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

1 SECTION 1. A new Section 389-A shall be inserted in Republic Act No. 7160,
2 otherwise known as the "*Local Government Code of 1991*" (RA 7160) to read as
3 follows:
4

5 **"SECTION 389-A. COMPENSATION AND BENEFITS OF THE PUNONG**
6 **BARANGAY. - THE PUNONG BARANGAY SHALL BE CONSIDERED A**
7 **REGULAR GOVERNMENT EMPLOYEE, ENTITLED TO THE FIXED**
8 **RATE OF AT LEAST SALARY GRADE TWELVE (SG-12) UNDER THE**
9 **SALARY STANDARDIZATION LAW, AS AMENDED, AND SHALL**
10 **HENCEFORTH BE ENTITLED TO ALL THE BENEFITS PROVIDED BY**
11 **THE GOVERNMENT WHICH SHALL INCLUDE BUT NOT LIMITED TO**
12 **SALARIES, ALLOWANCES, BENEFITS AND INCENTIVES**
13 **APPLICABLE TO ALL GOVERNMENT PERSONNEL."**
14

15 SEC. 2. A new Section 391-A shall be inserted in RA 7160 to read as follows:
16

17 **"SECTION 391-A. COMPENSATION AND BENEFITS OF THE**
18 **MEMBERS OF THE SANGGUNIANG BARANGAY. - THE MEMBERS**
19 **OF THE SANGGUNIANG BARANGAY SHALL BE CONSIDERED AS**
20 **REGULAR GOVERNMENT EMPLOYEES, ENTITLED TO THE FIXED**

1 RATE OF AT LEAST SALARY GRADE TEN (SG-10) UNDER THE
2 SALARY STANDARDIZATION LAW, AS AMENDED, AND SHALL
3 HENCEFORTH BE ENTITLED TO ALL THE BENEFITS PROVIDED BY
4 THE GOVERNMENT WHICH SHALL INCLUDE BUT NOT LIMITED TO
5 SALARIES, ALLOWANCES, BENEFITS AND INCENTIVES
6 APPLICABLE TO ALL GOVERNMENT PERSONNEL.”
7

8 SEC. 3. Section 393 of RA 7160 is hereby amended to read as follows:
9

10 Section 393. Benefits of [~~Barangay Officials~~] **MEMBERS OF THE**
11 **LUPON TAGAPAMAYAPA AND BARANGAY TANODS.** –
12

13 (a) [~~Barangay officials, including~~] Barangay tanods and members of the
14 lupong tagapamayapa, shall receive honoraria, allowances, and such
15 other emoluments as may be authorized by law or barangay, municipal
16 or city ordinance in accordance with the provisions of this Code, but in
17 no case shall it be less than [~~One~~] **TWO** thousand pesos [~~(P1,000.00)]~~
18 **(P2,000.00)** per month [~~for the punong barangay and Six hundred~~
19 ~~pesos (P600.00) per month for the sangguniang barangay members,~~
20 ~~barangay treasurer, and barangay secretary]~~: Provided, however, That
21 the annual appropriations for personal services shall be subject to the
22 budgetary limitations prescribed under Title Five, Book II of this Code;
23

24 (b) [~~The punong barangay, the sangguniang barangay members, the~~
25 ~~barangay treasurer, and the barangay secretary]~~ **THE BARANGAY**
26 **TANODS AND MEMBERS OF THE LUPON TAGAPAMAYAPA** shall
27 also:
28

29 (1) Be entitled to Christmas bonus of [~~at least One thousand pesos~~
30 ~~(P1,000.00 each)~~] **TWO THOUSAND PESOS (P2,000.00)**, the
31 funds for which shall be taken from the general fund of the
32 barangay or from such other funds appropriated by the
33 national government for the purpose;

34 (2) xxx
35

36 (d) xxx

1
2 (E) BE ENTITLED TO A LUMP SUM RETIREMENT GRATUITY PAY
3 EQUIVALENT TO ONE (1) YEAR HONORARIUM TO BE TAKEN FROM
4 THE BARANGAY RETIREMENT GRATUITY FUND, AS MENTIONED
5 IN SECTION 9 OF THIS ACT: *PROVIDED, HOWEVER*, THAT A
6 RETIREE IS AT LEAST SIXTY (60) YEARS OF AGE WITH A MINIMUM
7 OF NINE (9) YEARS IN SERVICE AT THE TIME OF THE
8 RETIREMENT;
9

10 SEC. 4. A new Sec. 394-A shall be inserted in RA 7160 to read as follows:
11

12 **"SECTION 394-A. COMPENSATION AND TERM OF OFFICE OF THE**
13 **BARANGAY SECRETARY. – THE BARANGAY SECRETARY SHALL BE**
14 **CONSIDERED AS A REGULAR GOVERNMENT EMPLOYEE AND**
15 **ENTITLED TO THE FIXED RATE OF AT LEAST SALARY GRADE**
16 **EIGHT (SG-8) UNDER THE SALARY STANDARDIZATION LAW, AS**
17 **AMENDED.**
18

19 **THE BARANGAY SECRETARY SHALL BE COTERMINUS WITH THE**
20 **APPOINTING AUTHORITY UNLESS SOONER REMOVED FOR CAUSE,**
21 **FOUND TO HAVE FAILED FROM THE DISCHARGE OF HIS OR HER**
22 **DUTIES, OR HAS COMMITTED ABUSE OF AUTHORITY AS**
23 **STIPULATED IN EXISTING LAWS PERTAINING TO THE CONDUCT**
24 **OF PUBLIC OFFICIALS, THROUGH A MAJORITY VOTE OF ALL THE**
25 **MEMBERS OF THE SANGGUNIAN BARANGAY IN A REGULAR OR**
26 **SPECIAL ASSEMBLY CALLED FOR THE PURPOSE."**
27

28 SEC. 5. Section 395 of RA 7160 is hereby amended to read as follows:
29

30 Sec. 395. Barangay Treasurer: Appointment, Qualifications, Powers and
31 Duties. - (a) The barangay treasurer shall be appointed by the punong
32 barangay with the concurrence of the majority of all the sangguniang
33 barangay members. [~~The appointment of the barangay treasurer shall~~
34 ~~not be subject to attestation by the Civil Service Commission.~~]
35

36 (b) xxx

1 SEC. 6. A new Sec. 395-A shall be inserted in RA 7160 to read as follows:
2

3 **SECTION 395-A. COMPENSATION AND TERM OF OFFICE OF**
4 **BARANGAY TREASURER. - THE BARANGAY TREASURER SHALL BE**
5 **CONSIDERED AS A REGULAR GOVERNMENT EMPLOYEE AND**
6 **ENTITLED TO THE FIXED RATE OF AT LEAST SALARY GRADE 8**
7 **UNDER THE SALARY STANDARDIZATION LAW.**
8

9 **THE BARANGAY TREASURER SHALL BE COTERMINUS WITH THE**
10 **APPOINTING AUTHORITY UNLESS SOONER REMOVED FOR CAUSE,**
11 **FOUND TO HAVE FAILED FROM THE DISCHARGE OF HIS OR HER**
12 **DUTIES, OR HAS COMMITTED ABUSE OF AUTHORITY AS**
13 **STIPULATED IN EXISTING LAWS PERTAINING TO THE CONDUCT**
14 **OF PUBLIC OFFICIALS, THROUGH A MAJORITY VOTE OF ALL THE**
15 **MEMBERS OF THE SANGGUNIANG BARANGAY IN A REGULAR OR**
16 **SPECIAL ASSEMBLY CALLED FOR THE PURPOSE.**
17

18 SEC. 7. ***Creation of Barangay Retirement Gratuity Fund (BRGF).*** – The
19 Barangay Retirement Gratuity Fund is hereby created which shall be used to fund
20 the government's share in the retirement gratuity of barangay tanods and members
21 of the Lupon ng Tagapamayapa, as mentioned in this Act. The amount equivalent to
22 one percent (1%) of the share of the national government under Section 284 of the
23 Local Government Code of 1991, as amended, shall be earmarked, set-aside and
24 used for this purpose.
25

26 The Department of the Interior and Local Government (DILG) shall administer
27 and ensure the appropriate disbursement of the fund.
28

29 SEC. 8. ***Capacity Development and Enhancement Program for***
30 ***Barangay Officials.*** – The DILG, through the Local Government Academy (LGA),
31 shall develop capacity development and enhancement programs for the Punong
32 Barangays, Members of the Sangguniang Barangay, Barangay Secretaries, Barangay
33 Treasurers, Barangay Tanods, and Members of the Lupon Tagapamayapa.
34

35 The Department of Finance (DOF), through the Bureau of Local Government
36 Finance (BLGF), shall assist in the development of programs for Barangay

1 Treasurers, and the Department of Justice (DOJ) shall assist in the development of
2 programs for for Barangay Tanods and Members of the Lupon Tagapamayapa.

3
4 The Programs shall develop comprehensive training manuals, and based
5 thereon, conduct the trainings necessary and appropriate to ensure the
6 professionalization of the aforementioned barangay officials, for the efficient delivery
7 of services at the barangay level.

8
9 SEC. 9. ***Income Classification of Barangays.*** – The DOF, through the
10 BLGF, shall formulate an income classification of barangays based on locally
11 generated average annual income for the last two (2) consecutive years based on
12 2000 constant prices. The average annual income shall include the income accruing
13 to the general fund, exclusive of special funds, transfers and non-recurring income.

14
15 Based on this income classification, the DILG and the Department of Budget
16 and Management (DBM) shall issue the necessary rules and regulations on the
17 annual appropriations for the newly created salary grades, honoraria and allowances
18 of the identified officials under this Act.

19
20 SEC. 10. ***Implementing Rules and Regulations (IRR).*** – The DBM, in
21 coordination with the Government Service Insurance System (GSIS), the DILG, the
22 DOJ, and the DOF shall issue the necessary rules and regulations to implement this
23 Act.

24
25 SEC. 11. ***Funding Source.*** – The amount necessary for the implementation
26 of this Act shall be charged against the respective funds of both the Barangay and
27 the City or Municipality which it is part of. Local government units which do not have
28 adequate or sufficient funds shall be assisted by the National Government.

29
30 SEC. 12. ***Applicability Clause.*** – The provisions of this Act shall be
31 applicable to the barangay elected and appointed officials identified under this Act,
32 after the next barangay elections following the approval of the enactment of this Act.

33
34 SEC. 13. ***Separability Clause.*** – If any provision or part of this Act is held
35 invalid or unconstitutional, the remaining parts or provisions not affected shall
36 remain in full force and effect.

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SEC. 14. **Repealing Clause.** – All laws, executive orders, presidential decrees or issuances, letter of instruction, administrative orders, rules, and regulations as well as local ordinances contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 15. **Effectivity Clause.** – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,