



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

19th CONGRESS
3rd Regular Session

HOUSE BILL NO. **10851**



Introduced by Representative Loreto B. Acharon

EXPLANATORY NOTE

Executive Order No. 64, series of 2024 issued by His Excellency Ferdinand Romualdez Marcos, Jr. is a step in the right direction to attract and retain skilled human resources in the public sector by modernizing compensation structures of the bureaucracy, aligning salaries with private sector standards including introduction of additional benefits with the end in view of improving the quality of public services.

However, because of the general limitations imposed by law specifically Sec. 325 letter (g) under Book II, Title 5, Chapter III, Article 1 of Republic Act No. 7160 otherwise known as the “Local Government Code of 1991”, qualified employees of local government units are not accorded the same rights and privileges specific to the retroactive application of the current round of salary increases and adjustments provided for under pertinent sections of Executive Order No. 64, series of 2024.

This bill therefore seeks to amend Sec. 325 letter (g) of Republic Act No. 7160 otherwise known as the “Local Government Code of 1991”.

This representation believes that our local government employees deserved equal application of the executive order as long as the rule on PS limitations is strictly observed and complied with, under the guidance and direction of the Department of Budget and Management.

The men and women who make up our local government units in the provinces, cities, municipalities and barangays who are at the forefront of our whole-of-nation approach to deliver quality and efficient public services deserve no less thus the immediate passage and approval of this humble proposal is earnestly requested.


LORETO B. ACHARON



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AN ACT
PROVIDING FOR THE RETROACTIVE APPLICATION OF NATIONALLY MANDATED SALARY
INCREASES AND ADJUSTMENTS FOR LOCAL GOVERNMENT UNITS, AMENDING FOR THE
PURPOSE BOOK II, TITLE V, CHAPTER III, ARTICLE I, SECTION 325 (g) OF REPUBLIC ACT NO.
7160 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. Book II, Title 5, Chapter III, Article 1, Section 325(g) of Republic Act No. 7160 is hereby amended to read as follows:

xxx

Sec. 325. General Limitations. – The use of the provincial, city, and municipal funds shall be subject to the following limitations:

xxx

(g) The creation of new positions and salary increases or adjustments shall in no case be made retroactive, **EXCEPT WHEN ALLOWED BY LAW OR EXECUTIVE ORDER.**

xxx

SEC. 2. The Department of Budget and Management shall issue the necessary rules and regulations for the implementation of this Act.

SEC. 3. The retroactive effectivity of salary increases and adjustments under Executive Order No. 64, series of 2024 shall also apply to qualified employees of local government units in provinces, cities, municipalities and barangays.

SEC. 4. All laws, decrees, orders, rules and regulations contrary to this Act are hereby repealed or modified accordingly.

SEC. 5. This Act shall take effect upon approval.

APPROVED.