



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

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 532

Introduced by **Representative EDUARDO R. RAMA JR.**

EXPLANATORY NOTE

The barangay serves as the most basic local government unit among those established under Republic Act 7160, otherwise known as the Local Government Code of 1991, as they primarily provide frontline services to the community. Barangays provide one of the most vital roles in public service within the apparatus of the state government, the aforementioned code provides that the barangay is the *"primary planning and implementing unit of government policies, plans, programs, projects, and activities in the community, as a forum wherein the collective views of people may be expressed, crystallized, and considered and where disputes may be amicably settled."* Undeniably, the governance of our barangays plays a crucial role in nation building.

Moreover, barangay officials provide a comprehensive understanding of their respective jurisdictions which contribute to the further development of responsive and updated government policy and initiatives. Furthermore, they serve as the "frontliners" in implementing government programs while risking their health and wellbeing by performing their roles as first responders during calamities and disasters. Despite the indispensable role that barangay officials play in our daily lives, they have not been granted the appropriate compensation, benefits, and incentives that they deserve based on the current cost of living.

This measure respectfully seeks to provide for the regularization and compensation scheme for the Punong Barangay, Sangguniang Barangay members, Barangay Treasurer and Barangay Secretary, and a provision of honoraria and allowances to the members of the Lupon Tagapamayapa and Barangay

Tanods. Additionally, 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.

This well-meaning and imperative legislative measure was originally filed in the 19th Congress by then Representative Rexlon "Rex" T. Gatchalian, who now serves as the Department of Social Welfare and Development (DSWD) Secretary.

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

A stylized handwritten signature in black ink, consisting of a large, sweeping 'R' followed by a horizontal line.

REP. EDUARDO R. RAMA JR.

2nd District, City of Cebu



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HOUSE BILL NO. 532

Introduced by Representative **EDUARDO R. RAMA JR.**

**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**

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, otherwise
2 known as the "Local Government Code of 1991" (RA 7160) to read as follows:

3
4 **"SECTION 389-A. COMPENSATION AND BENEFITS OF THE PUNONG**
5 **BARANGAY. – THE PUNONG BARANGAY SHALL BE CONSIDERED A**
6 **REGULAR GOVERNMENT EMPLOYEE, ENTITLED TO THE FIXED RATE OF**
7 **AT LEAST SALARY GRADE TWELVE (12-A) UNDER THE SALARY**
8 **STANDARDIZATION LAW, AS AMENDED, AND SHALL HENCEFORTH BE**
9 **ENTITLED TO ALL THE BENEFITS PROVIDED BY THE GOVERNMENT**
10 **WHICH SHALL INCLUDE BUT NOT LIMITED TO SALARIES,**

1 ALLOWANCES, BENEFITS AND INCENTIVES APPLICABLE TO ALL
2 GOVERNMENT PERSONNEL.”

3
4 SECTION. 2. A new Section 391-A shall be inserted in RA 7160 to read as follows:
5

6 “SECTION 391-A. COMPENSATION AND BENEFITS OF THE MEMBERS OF
7 THE SANGGUNIANG BARANGAY. – THE MEMBERS OF THE
8 SANGGUNIANG BARANGAY SHALL BE CONSIDERED AS REGULAR
9 GOVERNMENT EMPLOYEES, ENTITLED TO THE FIXED RATE OF AT
10 LEAST SALARY GRADE TEN (SG-10) UNDER THE SALARY
11 STANDARDIZATION LAW, AS AMENDED, AND SHALL HENCEFORTH BE
12 ENTITLED TO ALL THE BENEFITS PROVIDED BY THE GOVERNMENT
13 WHICH SHALL INCLUDE BUT NOT LIMITED TO SALARIES,
14 ALLOWANCES, BENEFITS AND INCENTIVES APPLICABLE TO ALL
15 GOVERNMENT PERSONNEL. “
16

17 SECTION. 3. Section 393 of RA 7160 is hereby amended to read as follows:
18

19 Section 393. Benefits of ~~{Barangay Officials}~~ MEMBERS OF THE LUPON
20 TAGAPAMAYAPA AND BARANGAY TANODS. –
21

22 (a) ~~{Barangay officials, including}~~ Barangay tanods and members of the lupong tagapamayapa,
23 shall receive honoraria, allowances, and such other emoluments as may be authorized by
24 law or barangay, municipal city or city ordinance in accordance with the provisions of this
25 Code, but in no case shall it be less than [One] **TWO** thousand pesos ~~[(P1,000.00)]~~
26 **(P2,000.000)** per month ~~{for the punong barangay and Six hundred pesos (P600.000) per~~
27 ~~month {for the punong barangay and Six hundred pesos (P600.00) per month for the~~
28 ~~sangguniang barangay members, barangay treasurer, and barangay secretary}~~. Provided,
29 however, That the annual appropriations for personal services shall be subject to the
30 budgetary limitations prescribed under Title Five, Book II of this Code;

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

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

(2) xxx

(d) xxx

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

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

“SECTION 394-A. COMPENSATION AND TERM OF OFFICE OF THE BARANGAY SECRETARY. – THE BARANGAY SECRETARY SHALL BE CONSIDERED AS A REGULAR GOVERNMENT EMPLOYEE AND ENTITLED TO THE FIXED RATE OF AT LEAST SALARY GRADE EIGHT (SG-8) UNDER THE SALARY STANDARDIZATION LAW, AS AMENDED.

THE BARANGAY SECRETARY SHALL BE COTERMINUS WITH THE APPOINTING AUTHORITY UNLESS SOONER REMOVED FOR CAUSE, FOUND TO HAVE FAILED FROM THE DISCHARGE OF HIS OR HER DUTIES, OR HAS COMMITTED ABUSE OF AUTHORITY AS STIPULATED IN EXISTING LAWS PERTAINING TO THE CONDUCT OF PUBLIC OFFICIALS,

1 **THROUGH A MAJORITY VOTE OF ALL THE MEMBERS OF THE**
2 **SANGGUNIANG BARANGAY IN A REGULAR OR SPECIAL ASSEMBLY**
3 **CALLED FOR THE PURPOSE.”**
4

5 **SECTION. 5.** Section 395 of RA 7160 is hereby amended to read as follows:
6

7 Sec. 395. Barangay Treasurer: Appointment, Qualifications, Powers and Duties. –

8 (a) The barangay treasurer shall be appointed by the punong barangay with the concurrence
9 of the majority of all the sangguniang barangay members. ~~{The appointment of the~~
10 ~~barangay treasurer shall not be subject to attestation by the Civil Service Commission.}~~

11 (b) xxx
12

13 **SECTION. 6.** A new Sec. 395-A shall be inserted in RA 7160 to read as follows:
14

15 **SECTION 395-A. COMPENSATION AND TERM OF OFFICE OF BARANGAY**
16 **TREASURER. – THE BARANGAY TREASURER SHALL BE CONSIDERED AS**
17 **A REGULAR GOVERNMENT EMPLOYEE AND ENTITLED TO THE FIXED**
18 **RATE OF AT LEAST SALARY GRADE 8 UNDER THE SALARY**
19 **STANDARDIZATION LAW.**
20

21 **THE BARANGAY TREASURER SHALL BE COTERMINUS WITH THE**
22 **APPOINTING AUTHORITY UNLESS SOONER REMOVED FOR CAUSE**
23 **FOUND TO HAVE FAILED FROM THE DISCHARGE OF HIS OR HER**
24 **DUTIES, OR HAS COMMITTED ABUSE OF AUTHORITY AS STIPULATED IN**
25 **EXISTING LAWS PERTAINING TO THE CONDUCT OF PUBLIC OFFICIALS,**
26 **THROUGH A MAJORITY VOTE OF ALL THE MEMBERS OF THE**
27 **SANGGUNIANG BARANGAY IN A REGULAR OR SPECIAL ASSEMBLY**
28 **CALLED FOR THE PURPOSE.**
29

30 **SECTION. 7. Creation of Barangay Retirement Gratuity Fund (BRGF).** – The Barangay
31 Retirement Gratuity Fund is hereby created which shall be used to fund the government’s share in the
32 retirement gratuity of barangay tanods and members of the Lupon ng Tagapamayapa, as mentioned

1 in this Act. This amount equivalent to one percent (1%) of the share of the national government under
2 Section 284 of the Local Government Code of 1991, as amended, shall be earmarked, set-aside and
3 used for this purpose.

4
5 The Department of the Interior and Local Government (DILG) shall administer and ensure
6 the appropriate disbursement of the fund.

7
8 **SECTION. 8. *Capacity Development and Enhancement Program for Barangay Officials.* –**

9 The DILG, through the Local Government Academy (LGA) shall develop capacity development and
10 enhancement programs for the Punong Barangays, Members of the Sangguniang Barangay, Barangay
11 Secretaries, Barangay Treasurers, Barangay Tanods, and Members of the Lupon Tagapamayapa.

12
13 The Department of Finance (DOF), through the Bureau of Local Government Finance
14 (BLGF), shall assist in the development of programs for Barangay Treasures, and the Department of
15 Justice (DOJ) shall assist in the development of programs for Barangay Tanods and Members of the
16 Lupon Tagapamayapa.

17
18 The Programs shall develop comprehensive training manuals, and based thereon, conduct the
19 trainings necessary and appropriate to ensure the professionalization of the aforementioned barangay
20 officials, for the efficient delivery of services at the barangay level.

21
22 **SECTION. 9. *Income Classification of Barangays.* –** The DOF, through the BLGF, shall
23 formulate an income classification of barangays based on locally generated average annual income for
24 the last two (2) consecutive years based on 2000 constant prices. The average annual income shall
25 include the income accruing to the general fund, exclusive of special funds, transfers and non-recurring
26 income.

27
28 Based on this income classification, the DILG and the Department of Budget and
29 Management (DBM) shall issue the necessary rules and regulations on the annual appropriations for
30 the newly created salary grades, honoraria and allowances of the identified officials under this Act.

1 **SECTION. 10. Implementing Rules and Regulations (IRR)** – The DBM, in coordination
2 with the Government Service Insurance System (GSIS), the DILG, the DOJ, and the DOF shall issue
3 the necessary rules and regulations to implement this Act.
4

5 **SECTION. 11. Funding Source.** – The amount necessary for the implementation of this
6 Act shall be charged against the respective funds of both the Barangay and the City or Municipality
7 which it is part of. Local government units which do not have adequate or sufficient funds shall be
8 assisted by the National Government.
9

10 **SECTION. 12. Applicability Clause.** – The provisions of this Act shall be applicable to the
11 barangay elected and appointed officials identified under this Act, after the next barangay elections
12 following the approval of this enactment of this Act.
13

14 **SECTION. 13. Separability Clause** – If any provision or part of this Act is held invalid or
15 unconstitutional, the remaining parts or provisions not affected shall remain in full force and effect.
16

17 **SECTION. 14. Repealing Clause.** – All laws, executive orders, presidential decrees or
18 issuances, letters of instruction, administrative orders, rules, and regulations as well as local ordinances
19 contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified
20 accordingly.
21

22 **SECTION. 15. Effectivity Clause.** – This Act shall take effect fifteen (15) days after its
23 publication in the Official Gazette or in a newspaper of general circulation.
24

25 Approved,