

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



**TWENTIETH CONGRESS**  
*First Regular Session*

**HOUSE BILL NO. 583**

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Introduced by **Representative Jaime R. Fresnedi**

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### **EXPLANATORY NOTE**

This bill seeks to align the benefits of *barangay* officials with the salary grades of government employees and to ensure fair compensation, retirement benefits, and professional development for *barangay* officials, including the *Punong Barangay*, members of the *Sangguniang Barangay*, *barangay tanods*, and members of the *Lupon Tagapamayapa*. This ensures that the *Punong Barangay* receives at least Salary Grade 12 (SG-12) (₱32,245) and members of the *Sangguniang Barangay* receive at least Salary Grade 10 (SG-10) (₱25,586), along with all applicable government benefits<sup>1</sup>. This move will professionalize their roles and ensures they are compensated fairly for their critical work in serving communities.

*Barangay* officials are currently compensated with honoraria rather than regular salaries. These honoraria, with a minimum of ₱1,000 per month for the *Punong Barangay* and ₱600 per month for *Sangguniang Barangay* members, the *Barangay* Secretary and the *Barangay* Treasurer, depending on the size and income of the *barangay*, are not enough to reflect the complexity and importance of their duties. These are insufficient to meet basic living expenses, especially considering the responsibilities these officials bear in managing local services, maintaining peace and order and providing critical social services to their communities. The current compensation structure is outdated and fails to recognize the evolving role of *barangay* officials in local governance, leaving them underpaid and underappreciated.

This proposed legislation also establishes a *Barangay* Retirement Gratuity Fund to provide retirement benefits for *barangay* tanods and members of the *Lupon Tagapamayapa*, addressing the lack of post-service security for *barangay* officials who have dedicated years of service to the government. This ensures that they are able to retire with dignity and security after their years of service.

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<sup>1</sup> Second Tranche Monthly Salary Schedule for Civilian Personnel of the National Government (Effective January 1, 2025)

Furthermore, the development of capacity development enhancement programs for barangay officials will provide them with necessary training in areas like financial management, leadership and public administration. This ensures *barangay* officials are equipped to serve our communities effectively and efficiently.

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



**JAIME R. FRESNEDI**  
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Lone District, Muntinlupa City

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**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 House of Representatives of the Philippines in Congress assembled:*

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

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

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

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

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

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

a) [*Barangay* officials, including] *Barangay tanods* and members of the *lupong tagapamayapa*, shall receive honoraria, allowances, and such other emoluments as may be authorized by law or *barangay*, municipal or city ordinance in accordance with the provisions of this Code, but in no case shall it be less than [One] **TWO** thousand pesos [(P1,000.00)] **(P2,000.00)** per month [for the *punong barangay* and Six hundred pesos (P600.00) per month for the *sangguniang barangay* members, *barangay* treasurer, and *barangay* secretary]; *Provided*, however, That the annual appropriations for personal services shall be subject to the 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. x x x

d) x x x

**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;**

SEC. 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 COTERMINOUS 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, THROUGH A MAJORITY VOTE OF ALL THE MEMBERS OF THE *SANGGUNIANG BARANGAY* IN A REGULAR OR SPECIAL ASSEMBLY CALLED FOR THE PURPOSE.”**

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

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

(b) x x x

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

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

**THE BARANGAY TREASURER SHALL BE COTERMINOUS 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, THROUGH A MAJORITY VOTE OF ALL THE MEMBERS OF THE SANGGUNIANG BARANGAY IN A REGULAR OR SPECIAL ASSEMBLY CALLED FOR THE PURPOSE.**

SEC. 7. *Creation of Barangay Retirement Gratuity Fund.* – The Barangay Retirement Gratuity Fund (BRGF) is hereby 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*, as mentioned in this Act. The amount equivalent to one percent (1%) of the share of the national government under Section 284 of the Local Government Code of 1991, as amended, shall be earmarked, set-aside and used for this purpose.

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

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

The Department of Finance (DOF), through the Bureau of Local Government Finance (BLGF), shall assist in the development of programs for *Barangay* Treasurers, and the Department of Justice (DOJ) shall assist in the development of programs for *Barangay Tanods* and Members of the *Lupon Tagapamayapa*.

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

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

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

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

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

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

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

SEC. 14. *Repealing Clause*. – All laws, decrees, ordinances, administrative order, rules and regulations, or any part thereof, which are inconsistent with this Act are repealed or amended accordingly.

SEC. 15. *Effectivity*. – This Act shall take effect fifteen (15) days after its publication in the Official Gazette and at least two (2) newspapers of national circulation.

Approved,