



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

TWENTIETH CONGRESS
First Regular Session



HOUSE BILL NO. 4501

Introduced by **Representative LEONEL "JHONG" D. CENIZA**

EXPLANATORY NOTE

This bill, in recognizing the long-standing lack of social protection and retirement benefits for barangay officials and workers who dedicate years of service at the community level, seeks to amend the Local Government Code to establish a dedicated Barangay Retirement Fund. By institutionalizing a clear and sustainable mechanism for retirement support, this measure addresses the systemic gaps that leave barangay officials—whether elected or appointed—without adequate security in their later years despite their indispensable role in governance and grassroots service delivery.

The barangay officials are at the front line of public service. Punong Barangays maintain public order in the barangay, preside over the sessions of the Sangguniang Barangay, and administer the operations of the Katarungang Pambarangay. Members of the Lupon Tagapamayapa hear and mediate disputes at the barangay level, thereby maintaining peace and order. Barangay tanods enforce all barangay ordinances and take part in ensuring the safety and security of the community. Given these functions, barangay officials carry the heavy responsibility of maintaining the peaceful and productive communities we live in.

However, under the present Local Government Code, barangay officials, including barangay tanods and members of the Lupon Tagapamayapa, are only entitled to honoraria, allowances, and such other emoluments as may be authorized by law or ordinance. These officials have no fixed monthly salaries. Moreover, they are not entitled to benefits under the Government Service Insurance System (GSIS) aside from burial benefits. Thus, many barangay officials serve their communities for decades, giving so much of their lives, but receiving very little in return.

This proposal has been filed as early as the Fifteenth Congress when the revenue share of local government units (LGUs) was still referred to as the Internal Revenue Allotment (IRA). Since then, and even with the landmark Mandanas-Garcia ruling of the Supreme Court that expanded the LGUs' share to cover all national taxes—now referred to as the National Tax Allotment (NTA)—little to no substantive improvements have been made in providing direct retirement benefits to barangay officials. Despite this fiscal expansion, barangay officials

remain without adequate retirement pay or social protection, leaving them vulnerable after years of service.

It is but just and equitable that we finally recognize the lifelong contributions of these public servants by ensuring a dedicated share of the NTA to fund their retirement. This bill proposes to amend Section 284 by increasing the LGUs' allotment to 41%, with 1% solely dedicated to the Barangay Retirement Fund. Section 393 is also amended to provide a lump-sum retirement pay for barangay officials equivalent to one year of honorarium, subject to reasonable conditions.

With the foregoing premises considered, the approval of this bill is earnestly sought.

LEONEL "HONG" D. CENIZA
Representative A.N.A.
Second District of Davao de Oro



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**AN ACT AMENDING SECTIONS 284 AND 393 OF REPUBLIC ACT NO. 7160,
OTHERWISE KNOWN AS "THE LOCAL GOVERNMENT CODE OF 1991"**

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

SECTION 1. This Act shall be known as the **"Barangay Pension Act of 2025."**

SECTION 2. Section 284 of Republic Act No. 7160, otherwise known as the Local Government Code of 1991, is hereby amended to read as follows:

["Section 284. Allotment of Internal Revenue Taxes. – Local Government units shall have a share in national internal revenue taxes based on the collection of the third fiscal year preceding the current fiscal year as follows:

- (a) On the first fiscal year of the effectivity of this Code, thirty percent (30%);
- (b) On the second year, thirty-five percent (35%); and
- (c) On the third year and thereafter, forty percent (40%).]

"Section 284. Allotment of National Taxes. – Local government units shall have a **forty-one percent (41%) share in the national taxes (hereinafter referred to as the National Tax Allotment [NTA], formerly known as the Internal Revenue Allotment [IRA])** collected in the third fiscal year preceding the current fiscal year. One percent (1%) of the foregoing forty-one percent (41 %) shall accrue to a special account solely dedicated to the **Barangay Retirement Fund**, which shall be used exclusively for the retirement pay of barangay officials, whether elected or appointed, including barangay tanods, barangay health workers, day care workers, and members of the Lupon Tagapamayapa."

Provided, That in the event the national government incurs an unmanageable public sector deficit, the President of the Philippines is hereby authorized, upon the recommendation of the Secretary of Finance, the Secretary of the Interior and Local Government, and the Secretary of

Budget and Management, and subject to consultation with the presiding officers of both Houses of Congress and the presidents of the respective "liga," to make the necessary adjustments in the National Tax Allotment of local government units. In no case, however, shall the allotment be less than thirty percent (30%) of the national taxes collected in the third fiscal year preceding the current fiscal year.

SECTION 3. Section 393 of Republic Act No. 7160 is hereby amended to read as follows:

"Section 393. Benefits of Barangay Officials. – (a)–(d) [*No change in existing paragraphs.*]

(a) x x x

(b) x x x

(c) x x x

(d) x x x

(e) All barangay officials, whether elected or appointed, including barangay tanods, barangay health workers, day care workers, and members of the Lupon Tagapamayapa, shall be entitled to a lump-sum retirement pay equivalent to one year of honorarium, but not exceeding One Hundred Thousand Pesos (₱100,000), which shall be taken from the Barangay Retirement Fund under Section 284: **Provided, That the retiree is at least sixty (60) years of age with a minimum of nine (9) years of service at the time of retirement.**"

SECTION 4. Separability Clause. – If any provision of this Act is declared unconstitutional or invalid, the other provisions not affected thereby shall remain in full force and effect.

SECTION 5. Repealing Clause. – All laws, orders, issuances, circulars, rules, and regulations or parts thereof inconsistent with the provisions of this Act are hereby amended, repealed, or modified accordingly.

SECTION 6. Section 5. Effectivity. – This Act shall take effect fifteen (15) days after its publication in at least two (2) newspapers of general circulation.

Approved,