

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

Twentieth Congress
First Regular Session

House Bill No. 9809



Introduced by Representative Timothy Joseph Cayton

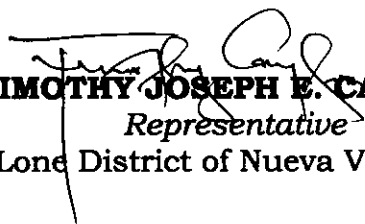
EXPLANATORY NOTE

The 1987 Constitution, in Articles II and XIII, recognizes the vital role of public servants and mandates the State to guarantee just and humane conditions of work, equitable compensation, and the protection of all workers from occupational risks. Local government employees who daily perform duties involving exposure to physical, biological, chemical, environmental, and personal safety hazards are among the most undercompensated public servants in the country.

The COVID-19 pandemic brought this inequity into sharp relief. The arbitrary exclusion of these workers from hazard pay solely on the basis of their contractual status is neither constitutionally defensible nor consistent with basic principles of just compensation.

This bill, the Local Government Employees Hazard Pay Act of 2026, addresses the gap by: (a) establishing a tiered hazard pay rate structure calibrated to actual risk severity; (b) mandating the promulgation of a national occupational hazard classification list to ensure legal certainty and consistent application across all LGUs; (c) operationalizing the supplementary fiscal mechanism for lower-income LGUs to prevent the statute from becoming an unfunded mandate; (d) expressly preserving the more favorable entitlements of public health workers under R.A. 7305; and (e) addressing the legal status of job-order and contract-of-service workers as beneficiaries without affecting the existing doctrine on their employment classification.

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


ATTY. TIMOTHY JOSEPH E. CAYTON, PhD.
Representative
Lone District of Nueva Vizcaya

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**AN ACT MANDATING HAZARD PAY FOR LOCAL GOVERNMENT
EMPLOYEES EXPOSED TO OCCUPATIONAL RISKS REGARDLESS OF
EMPLOYMENT STATUS, ESTABLISHING A NATIONAL OCCUPATIONAL
HAZARD CLASSIFICATION FRAMEWORK, AND APPROPRIATING FUNDS
THEREFOR**

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

SECTION 1. Short Title. This Act shall be known as the "*Local Government
Employees Hazard Pay Act of 2026*."

SECTION 2. Declaration of Policy. It is hereby declared the policy of the
State to protect and promote the welfare of all public servants, with special
regard for those who are regularly exposed to occupational risks and
hazards in the course of their duties. The State shall ensure the grant of just
and equitable additional compensation, commensurate with the degree and
nature of risk, to local government employees whose work entails inherent
danger to their health and safety, regardless of employment status.

SECTION 3. Definition of Terms. For purposes of this Act, the following
terms shall mean:

- a) Hazard Pay refers to the additional compensation granted to
qualified local government employees for the performance of duties
that expose them to imminent danger, difficulty, and health risks
which are over and above the usual risks in public service.
- b) High-Risk Work refers to duties that regularly and directly expose
an employee to:
 - (1) Physical hazards such as dangerous machinery, vehicular
traffic, unstable structures, or working at significant heights;
 - (2) Chemical hazards such as toxic, corrosive, or flammable
substances requiring direct handling or proximity;

(3) Biological hazards such as infectious agents, human or animal remains, human or animal waste, or demonstrably contaminated environments; or

(4) Situations involving direct and recurring threat to personal safety or life due to the nature of the work environment, including disaster response operations and direct engagement in peace and order enforcement.

c) Moderate-Risk Work refers to duties that regularly expose an employee to:

(1) Environmental hazards such as extreme weather conditions, sustained pollution exposure, or prolonged work in unsanitary outdoor environments; or

(2) Indirect or incidental exposure to physical, chemical, or biological hazards not rising to the level of direct and regular contact, as determined in the National Hazard Classification List.

d) National Hazard Classification List refers to the list of qualifying hazardous local government occupational categories, classified by risk level, jointly prepared and periodically updated by the Department of the Interior and Local Government, the Department of Budget and Management, and the Civil Service Commission pursuant to Section 8 of this Act.

e) Employment Status refers to any form of engagement with an LGU, including permanent, temporary, casual, contractual, contract of service, or job order positions.

f) Basic Monthly Salary refers to the standard monthly remuneration of the employee, exclusive of allowances and other benefits. For job-order and contract-of-service workers, the equivalent monthly rate as stated in their contract of engagement shall serve as the base for purposes of this Act.

SECTION 4. *Grant of Hazard Pay.* All local government employees whose work assignments are included in the National Hazard Classification List, or are otherwise determined by the concerned LGU to entail inherent risk or danger consistent with the definitions in Section 3, shall be entitled to Hazard Pay regardless of their Employment Status. The grant of Hazard Pay shall be based on the actual nature of the work assignment and not on the employment arrangement of the worker.

SECTION 5. *Amount of Hazard Pay.* The amount of Hazard Pay shall be as follows:

a) Employees engaged in High-Risk Work shall receive Hazard Pay equivalent to not less than twenty-five percent (25%) of their basic monthly salary.

b) Employees engaged in Moderate-Risk Work shall receive Hazard Pay equivalent to not less than fifteen percent (15%) of their basic monthly salary.

Hazard Pay shall be paid monthly together with the employee's regular compensation. LGUs may prescribe higher rates at their discretion, consistent with their fiscal capacity and the applicable compensation framework.

SECTION 6. *Conditions for Entitlement.* The grant of Hazard Pay shall be based on the actual services rendered by the qualified employee under hazardous conditions and shall be pro-rated accordingly. It shall not be considered as part of the employee's basic salary for purposes of computing other benefits, except for mandatory contributions to the Government Service Insurance System (GSIS) and the Home Development Mutual Fund (Pag-ibig Fund), where applicable. For job-order and contract-of-service workers, the inclusion of Hazard Pay shall not be construed as recognition of regular or permanent employment status, nor as altering the nature of the engagement under existing Civil Service Commission regulations.

SECTION 7. *Preservation of Existing Entitlements.* Nothing in this Act shall be construed to diminish, reduce, or repeal the hazard pay entitlements of public health workers under Republic Act No. 7305 (Magna Carta of Public Health Workers) and other existing laws providing for hazard compensation at rates more favorable than those prescribed herein. Where a public health worker qualifies for Hazard Pay under both this Act and R.A. 7305, the higher rate shall apply.

SECTION 8. *National Occupational Hazard Classification Framework.* Within ninety (90) days from the effectivity of this Act, the Department of the Interior and Local Government, in coordination with the Department of Budget and Management, the Civil Service Commission, and the Department of Labor and Employment, shall jointly prepare and publish the National Hazard Classification List, which shall:

- a) Enumerate the occupational categories of LGU employees qualifying as High-Risk Work and Moderate-Risk Work under Section 3;
- b) Provide objective and verifiable criteria for LGUs to classify positions not explicitly enumerated in the List;
- c) Be reviewed and updated every three (3) years, or as circumstances may require;
- d) Be made publicly accessible through the official websites of DILG, DBM, and CSC.

LGUs may include additional positions in their local hazard classification subject to the guidelines and criteria established in the National Hazard Classification List and subject to DBM regional office review.

SECTION 9. *Appropriations.* The funding for the continuous grant of Hazard Pay under this Act shall be sourced from the annual General Fund of the respective LGUs and shall be incorporated in their annual budgets beginning the fiscal year following the effectivity of this Act.

The National Government, through the Department of Budget and Management, shall establish a Hazard Pay Supplementary Assistance Fund (HPSAF) to provide financial assistance to LGUs of the Fourth Income Class and below that demonstrate insufficient fiscal capacity to fully implement the grant of Hazard Pay. The HPSAF shall be annually appropriated under the General Appropriations Act and shall cover not more than fifty percent (50%) of the qualifying LGU's total hazard pay obligations under this Act. The DBM shall issue the implementing guidelines for the HPSAF within sixty (60) days from the effectivity of the IRR.

SECTION 10. *Implementing Rules and Regulations.* The Department of the Interior and Local Government, in coordination with the Department of Budget and Management, the Civil Service Commission, and the Department of Labor and Employment, shall jointly promulgate the Implementing Rules and Regulations of this Act within ninety (90) days from its effectivity. The IRR shall include, among others, the National Hazard Classification List, the procedure for LGU classification of unlisted positions, the mechanism for the HPSAF, and an administrative appeals process for classification disputes.

SECTION 11. *Monitoring and Reporting.* All LGUs shall submit an annual report to the DILG on: (a) the number of employees receiving Hazard Pay by risk category and employment status; (b) the total annual expenditure for Hazard Pay; and (c) any changes to their local hazard classification. The DILG shall consolidate these reports and submit a comprehensive assessment to the appropriate committees of the Senate and the House of Representatives three (3) years after the effectivity of this Act, and every three (3) years thereafter.

SECTION 12. *Separability Clause.* If any provision of this Act is declared unconstitutional or invalid by a competent court, the remaining provisions not affected thereby shall remain in full force and effect.

SECTION 13. *Repealing Clause.* All laws, acts, presidential decrees, executive orders, administrative orders, rules, and regulations inconsistent with the provisions of this Act are hereby deemed amended, modified, or repealed accordingly; provided, that Republic Act No. 7305 and any other law providing hazard pay to specific categories of workers at rates higher than those prescribed herein shall not be repealed or diminished by the operation of this Act.

SECTION 14. *Effectivity.* This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,