

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

First Regular Session
House Bill No. 598



Introduced by Honorable **Danilo E. Suarez**

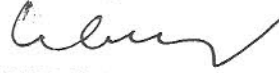
EXPLANATORY NOTE

The barangay officials are at the front line of public service. Punong barangays maintain public order in the barangay, preside over 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 also take part in the maintenance of peace and order within the barangay. Given these functions, barangay officials are responsible for the peaceful and productive community 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 other emoluments authorized by law or ordinance. These officials have no fixed monthly salaries. Moreover, they are not entitled to any benefits under the Government Service Insurance System (GSIS) aside from burial benefits. Thus, some barangay officials serve their entire lives, giving so much to the community, but receiving very little in return. It is but just and equitable that we recognize the contributions of these public servants by amending the internal revenue allotment (IRA) by increasing it to 41%, 1% of which shall be solely dedicated to the Barangay Retirement Funds for the retirement of barangay officials, whether elected or appointed, including the barangay tanods, health workers, day care workers and members of the lupon. Section 393 of the Local Government Code is also amended to provide a retirement pay for these barangay workers equivalent to one year honorarium upon retirement.

This bill, as re-filed, is a consolidation of the bills of Representatives Benitez, Bagatsing, Yap (S), Acharon, Colmenares, Zarate, Yap (A), Macapagal-Arroyo, Arroyo, Suarez, Biazon, Belmonte (JC), Abayon, Briones, Geron, Acedillo, Alejano, Fortuno, Sy-Alvarado, Escudero, Gullas, Jr., Teodoro, Rodriguez (R), Rodriguez (M), Villarice, Deloso-Montalla, Mendoza, (ML), Haresco Jr., Collantes, Oaminal, Bello (S), Pagdilao, Loyola, Castello, Umali (R), Primicias, Agabas, Alvarez (M), Suansing, Guiao, Mangudadatu, Villar, Leonardia, Gerona-Robredo, Bag-ao, Banal, Acosta-Alba, Gatchalian, Andaya Jr., Uy (J), Abu, Aliping, Dalog, Lagdameo, Mendoza (J), Nuno, Paez, Paquiz, Pichay, Salimbangon, Teves, Paduano, Tejada, Romulo, Leonen-Pizaro, Seneres, Cortuna and Almonte which was deliberated upon the House of Representatives' Committee on Local Government and Appropriations during the 16th Congress.

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



DANILO E. SUAREZ

Representative

3rd District, Province of Quezon

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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 it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled.

SECTION 1. 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 the national internal revenue taxes based on the collection of the third fiscal year preceding the current fiscal year as follows:

- (a) On the first 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 Internal Revenue Taxes. – **LOCAL GOVERNMENT UNITS SHALL HAVE A FORTY-ONE PERCENT (41%) SHARE IN THE NATIONAL INTERNAL REVENUE TAXES BASED ON THE COLLECTION OF THE THIRD FISCAL YEAR PRECEDING THE CURRENT FISCAL YEAR, PROVIDED THAT ONE PERCENT (1%) FROM THE ABOVEMENTIONED FORTY-ONE PERCENT (41%) SHALL ACCRUE TO A SPECIAL ACCOUNT SOLELY DEDICATED TO THE BARANGAY RETIREMENT FUND FOR THE RETIREMENT PAY OF BARANGAY OFFICIALS, WHETHER ELECTED OR APPOINTED, INCLUDING BARANGAY TANODS, HEALTH WORKERS, DAY CARE WORKERS AND MEMBERS OF THE LUPON TAGAPAMAYAPA.**”

Provided, That in the event that the national government incurs an unmanageable public sector deficit, the President of the Philippines is hereby authorized, upon the recommendation of Secretary of Finance, Secretary of Interior and Local Government and Secretary of Budget and Management, and subject to consultation with the presiding officers of both House of Congress and the presidents of the “liga”, to make the necessary adjustments in the internal revenue allotment of local government units but in no case shall the allotment be less than thirty percent (30%) of the collection of national internal revenue taxes of the third fiscal year preceding the current fiscal year: Provided, further, That in the first year of the effectivity of this Code, the local government units shall, in addition to the thirty percent (30%) internal revenue

allotment which shall include the cost of devolved functions for essential public services, be entitled to receive the amount equivalent to the cost of devolved personal services.

SECTION 2. Section 393 of the Local Government Code is hereby amended to read as follows:

"Section 393. Benefits of Barangay Officials. – (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 TANODS, HEALTH WORKERS, DAY CARE WORKERS, AND MEMBERS OF THE LUPON SHALL BE ENTITLED TO A LUMP SUM RETIREMENT PAY EQUIVALENT TO ONE YEAR HONORARIUM, BUT NOT EXCEEDING ONE HUNDRED THOUSAND PESOS (PhP 100,000) WHICH SHALL BE TAKEN FROM THE BARANGAY RETIREMENT FUND UNDER SECTION 284, PROVIDED THE RETIREE IS AT LEAST SIXTY (60) YEARS OF AGE WITH A MINIMUM OF NINE (9) YEARS IN SERVICE AT THE TIME OF RETIREMENT."

SECTION 3. Separability Clause. – If any provisions of this Act is declared unconstitutional or invalid, the other parts or provisions hereof which are not affected shall continue to be in full force and effect.

SECTION 4. Repealing Clause. – All laws, orders, issuances, circulars, rules and regulations or parts thereof which inconsistent with the provision of this Act are hereby repealed or modified accordingly.

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

Approved,