

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



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**SENATE**  
S. No. 441

RECEIVED BY. 

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Introduced by Senator MARK A. VILLAR

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**AN ACT**  
**PROVIDING ALL BARANGAY OFFICIALS, INCLUDING BARANGAY TANODS,**  
**AND MEMBERS OF THE LUPON NG TAGAPAMAYAPA, A LUMP SUM**  
**GRATUITY PAY AND OTHER BENEFITS, AMENDING FOR THE PURPOSE**  
**SECTION 393 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE**  
**KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991**

EXPLANATORY NOTE

The 1987 Constitution mandates, "*The Congress shall enact a local government code which shall provide for a more responsive and accountable local government structure instituted through a system of decentralization with effective mechanisms of recall, initiative, and referendum, allocate among the different local government units their powers, responsibilities, and resources, and provide for the qualifications, election, appointment and removal, term, salaries, powers and functions and duties of local officials, and all other matters relating to the organization and operation of the local units.*" (Article X, Section 3)

The barangay is the smallest administrative division in our country. It is empowered and mobilized to deliver basic services, and serves as the primary planning and implementing unit of government policies, plans, programs, projects, and activities in

the community. It is the frontline unit for combating poverty and addressing basic social services like health and education.

However, despite the potential opportunities for governance and development at the grassroots level, the barangay attracts a low appreciation. It has become a microcosm of the national political environment.

It is high time that the barangay is given encouragement in the form of benefits. At the same time, these benefits will act as catalysts that may curb corruption. Hopefully, this Act will contribute in the empowerment of the barangay as dynamic and proactive units.

Furthermore, this measure aims to reward those barangay officials, for their many years of exemplary service, and to acknowledge the vital role that barangay officials and workers play in nation building.

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



**MARK A. VILLAR**  
Senator

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**SECTION 393 OF REPUBLIC ACT NO. 7160, AS AMENDED, OTHERWISE**  
**KNOWN AS THE LOCAL GOVERNMENT CODE OF 1991**

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

1 Section 1. Section 393 of Republic Act No. 7160 otherwise known as the Local  
2 Government Code of 1991, as amended, is hereby amended as follows:

3 "Section 393. *Benefits of Barangay Officials.* –

4 (a) Barangay officials, including barangay tanods and members of the  
5 lupong tagapamayapa, shall receive honoraria, allowances, and such  
6 other emoluments as may be authorized by law or barangay, municipal  
7 or city ordinance in accordance with the provisions of this Code, but in  
8 no case shall it be less than [~~One thousand pesos (P1,000.00)] **THREE**~~

9 **THOUSAND PESOS (P3,000.00)** per month for the punong barangay  
10 and [~~Six hundred pesos (P600.00)] **TWO THOUSAND PESOS**~~

11 **(P2,000.00)** per month for the sangguniang barangay members,  
12 barangay treasurer, and barangay secretary: Provided, however, That

1 the annual appropriations for personal services shall be subject to the  
2 budgetary limitations prescribed under Title Five, Book II of this Code;

3 (b) The punong barangay, the sangguniang barangay members, the  
4 barangay treasurer, and the barangay secretary shall also:

5 **(1)** Be entitled to Christmas bonus of at least [~~One thousand pesos~~  
6 ~~(P1,000.00)~~] **THREE THOUSAND PESOS (P3,000.00)** each, the  
7 funds for which shall be taken from the general fund of the  
8 barangay or from such other funds appropriated by the national  
9 government for the purpose;

10 **(2)** Be entitled, during their incumbency, to insurance coverage which  
11 shall include, but shall not be limited to temporary and permanent  
12 disability, double indemnity, accident insurance, death and burial  
13 benefits, in accordance with Republic Act Numbered Sixty-nine  
14 hundred forty-two (R.A. No. 6942), entitled "An Act Increasing the  
15 Insurance Benefits of Local Government Officials and Providing  
16 Funds Therefor";

17 **(3)** Be entitled to free medical care including subsistence, medicines,  
18 and medical attendance in any government hospital or institution:  
19 Provided, That such hospital care shall include surgery or surgical  
20 expenses, medicines, X-rays, laboratory fees, and other hospital  
21 expenses;

22 In case of extreme urgency where there is no available government  
23 hospital or institution, the barangay official attendance to the  
24 nearest private clinic, hospital or institution and the expenses not  
25 exceeding Five thousand pesos (P5,000.00) that may be incurred  
26 therein shall be chargeable against the funds of the barangay  
27 concerned;

28 **BARANGAY OFFICIALS SHALL ALSO BE ENTITLED TO TEN**  
29 **PERCENT (10%) DISCOUNT, AND EXEMPTION FROM**  
30 **VALUE-ADDED TAX (VAT), IF APPLICABLE, ON SALE OF**  
31 **GOODS AND SERVICES FROM ALL ESTABLISHMENTS,**  
32 **PARTICULARLY ON THE PURCHASE OF MEDICINES, AND**

1           **SUCH ESSENTIAL MEDICAL SUPPLIES, ACCESSORIES AND**  
2           **EQUIPMENT TO BE DETERMINED BY THE DEPARTMENT OF**  
3           **HEALTH (DOH), AND ON THE PROFESSIONAL FEES OF**  
4           **ATTENDING PHYSICIAN OR PHYSICIANS IN ALL PRIVATE**  
5           **HOSPITALS, MEDICAL FACILITIES, OUTPATIENT CLINICS**  
6           **AND HEALTH HOME CARE SERVICES;**

7           **(4)** Be exempted during their incumbency from paying tuition and  
8           matriculation fees for their legitimate dependent children attending  
9           state colleges or universities. He may likewise avail of such  
10          educational benefits in a state college or university located within  
11          the province or city to which the barangay belongs; and

12          **(5)** Be entitled to appropriate civil service eligibility on the basis of the  
13          number of years of service to the barangay, pursuant to the rules  
14          and regulations issued by the Civil Service Commission.

15          **(6) BE ENTITLED TO A LUMP SUM GRATUITY PAY EQUIVALENT**  
16          **TO ONE (1) YEAR HONORARIUM, BUT IN NO CASE SHALL**  
17          **EXCEED ONE HUNDRED THOUSAND PESOS (P100,000.00)**  
18          **TO BE TAKEN FROM THE BARANGAY RETIREMENT FUND:**  
19          **PROVIDED, HOWEVER, THAT A RETIREE IS AT LEAST SIXTY**  
20          **(60) YEARS OF AGE WITH A MINIMUM OF NINE (9) YEARS**  
21          **IN SERVICE AT THE TIME OF RETIREMENT.**

22          **AS USED IN THIS SUB-SECTION, THE TERM "RETIREE"**  
23          **SHALL INCLUDE ALL BARANGAY OFFICIALS, INCLUDING**  
24          **BARANGAY TANODS AND MEMBERS OF THE LUPON NG**  
25          **TAGAPAMAYAPA.**

26          **(7) BE ENTITLED TO A FRANKING PRIVILEGE FOR THIS**  
27          **PURPOSE, BARANGAY OFFICIALS SHALL BE EXEMPT FROM**  
28          **THE PAYMENT OF POSTAGE ON ANY MAIL MATTER TO BE**  
29          **SENT TO GOVERNMENT AGENCIES, PUBLIC OFFICIALS AND**  
30          **PRIVATE INDIVIDUALS IN THE PERFORMANCE OF**  
31          **OFFICIAL FUNCTIONS.**

1                   **(8) BE ENTITLED TO TWENTY PERCENT (20%) DISCOUNT IN**  
2                   **TRANSPORTATION FARE AND HOTEL ACCOMODATION**  
3                   **CHARGE.**

4                   (c) Elective barangay officials shall have preference in appointments to  
5                   any government position or in any government-owned or controlled  
6                   corporations, including their subsidiaries, after their tenure of office,  
7                   subject to the requisite qualifications and the provisions of the  
8                   immediately preceding paragraph.

9                   (d) All duly appointed members of the barangay tanod brigades, or their  
10                  equivalent, which shall number not more than twenty (20) in each  
11                  barangay, shall be granted insurance, **FREE TUITION AND**  
12                  **MATRICULATION FEES FOR THEIR LEGITIMATE DEPENDENT**  
13                  **CHILDREN ATTENDING STATE COLLEGES AND UNIVERSITIES** or  
14                  other benefits during their incumbency, chargeable to the barangay or  
15                  the city or municipal government to which the barangay belongs.”

16                  *Sec. 2. Barangay Retirement Fund.* – The Barangay Retirement Fund (BRF) is  
17                  hereby created, which shall be used to fund the retirement of barangay officials and  
18                  workers mentioned in this Act. The amount equivalent to one percent (1%) of the  
19                  share of the local government under Section 284 of the Local Government Code of  
20                  1991, as amended, shall be used for this purpose.

21                  The Department of Budget and Management (DBM), in coordination with the  
22                  Department of Interior and Local Government (DILG) shall administer and ensure  
23                  the appropriate disbursement of the Fund.

24                  *Sec 3. Implementing Rules and Regulations.* – The DBM and the DILG, in  
25                  coordination with local government units and other relevant offices or agencies, shall  
26                  issue the implementing rules and regulations to implement this Act within ninety  
27                  (90) days after its effectivity.

1           Sec 4. *Appropriations.* – The amount necessary for the implementation of this  
2 Act shall be charged to the funds of the implementing agencies.

3           Sec 5. *Separability Clause.* – If any portion or provision of this Act is declared  
4 unconstitutional, the remainder of this Act or any provision not affected thereby shall  
5 remain in force and effect.

6           Sec 6. *Repealing Clause.* – Any law, presidential decree or issuance, executive  
7 order, letter of instruction, rule or regulation inconsistent with the provisions of this  
8 Act is hereby repealed or modified accordingly.

9           Sec 7. *Effectivity.* – This Act shall take effect fifteen (15) days following its  
10 complete publication in a newspaper of general circulation.

Approved,