

Malacañang
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 308

**ALLOWING CERTAIN BARANGAY OFFICIALS TO BECOME MEMBERS OF
THE PAG-IBIG FUND ON A VOLUNTARY BASIS**

WHEREAS, the Government recognizes that shelter is a basic need for which low and middle income families require assistance and support;

WHEREAS, the Government has approved a six-year National Shelter Program which aims at providing increased levels of such assistance on a nationwide basis;

WHEREAS, Section 2 (a) of Executive Order No. 90, provides that:

“(a) Home Development Mutual Fund – The Home Development Mutual Fund will continue to administer provident fund contributions collected from member employees and employers, utilizing funds not required for provident benefits for housing loans for members, and in addition, will be charged with the development of saving schemes for home acquisition by private and government employees.”

WHEREAS, Section 1 of Republic Act No. 7742 (An Act Amending Presidential Decree No. 1752, as amended), provides that:

“Section 1. Section 4 of Presidential Decree No. 1752, as amended, which was repealed by Executive Order No. 90, is hereby reinstated, with amendments, to read as follows:

‘SEC. 4. *Fund Coverage.* – Coverage of the Fund shall be mandatory upon all employees covered by the Social Security System and the Government Service Insurance System, and their respective employers: *Provided, however,* That coverage of the employees whose Monthly Compensation is less than Four thousand pesos (P4,000.00) shall be voluntary: *Provided, further,* That upon membership with the Fund, their employers shall contribute an amount in accordance with Section 5 of this Act.”




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WHEREAS, Barangay Chairman and their respective Barangay Councilors govern the basic political units of our local governments, and receive honoraria as their compensation for public service;

WHEREAS, Joint Circular No. 1 s. 2004 of the Civil Service Commission and the Department of Budget and Management recognize the leave privileges of barangay officials, and the honorarium received in accordance with law and Local Budget Circular No. 63 dated October 22, 1996 is treated as fixed salary;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Honoraria Treated as Salary. – For purposes of Republic Act No. 7742, the honoraria of Barangay Chairmen, Barangay Council Members, including Chairmen of the Sanggunian Kabataan (SK), barangay secretaries and treasurers shall be considered as salary.

SECTION 2. Employees' Contribution. – Pursuant to the six-year National Shelter Program of the Government, the membership contribution to the Home Development Mutual Fund of all Barangay Chairmen, Barangay Council Members, including the SK Chairmen, barangay secretaries and treasurers who have applied and qualified as members on a voluntary basis shall be deducted by their respective barangays from the monthly honoraria they receive in accordance with the provisions of Republic Act No. 7742 and its Implementing Rules and Regulations.

SECTION 3. Employers' Contribution. – The employers' counterpart contribution shall be provided and sourced from local funds of the respective barangays having such Pag-IBIG Fund members duly appropriated for said purpose by the respective sangguniang barangays concerned, in accordance with the provisions of Republic Act No. 7742 and its Implementing Rules and Regulations, but in no case to exceed the personal services cap in accordance with Section 325 (a) of the Local Government Code.

SECTION 4. Applicability of RA 7742. – All pertinent provisions of Republic Act No. 7742 and its Implementing Rules and Regulations shall apply to the Barangay Chairmen and Barangay Council Members, including SK Chairmen, barangay secretaries and treasurers who have become members of the Pag-IBIG Fund on a voluntary basis, granting them rights and privileges as provided for under the law.



SECTION 5. Repealing Clause. – All orders, rules or regulations, or any part thereof, inconsistent with any provision of this Executive Order are hereby repealed or modified accordingly.

SECTION 6. Effectivity. – This Executive Order shall take effect immediately.

DONE in the City of Manila, this 23rd day of April, in the year of Our Lord, two thousand and four.

Gloria Arago



By the President:

Alberto G. Romulo

ALBERTO G. ROMULO
Executive Secretary



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