

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

THIRTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 2533

INTRODUCED BY HONORABLE DR. REY B. AQUINO

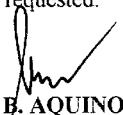
EXPLANATORY NOTE

The present Labor Code of the Philippines requires that an employee who has rendered at least one (1) year of service must be granted by his employer a service incentive leave of five (5) days with pay. In ordinary parlance, service incentive leave is really vacation leave. However, the Labor Code is silent as to instances where employees get ill. Some companies even consider sick employees as absent (therefore, without pay). As it is now, the grant of sick leave benefits depends on voluntary employer policy or collective bargaining.

The proposed bill seeks to be specific as to altogether delete service incentive leave and, in lieu thereof, provide for both vacation and sick leave benefits to private sector employees, and make the said benefits mandatory independent of the employer's policy and the collective bargaining agreement.

The grant of vacation and sick leave benefits is foreseen to give employees, not only additional salary or bounty, but also to afford them needed rest and to acquire new vitality, thus making them more efficient and effective in terms of their work performance.

Toward this end, approval of this bill is earnestly requested.


DR. REY B. AQUINO
Congressman,
Third District of Pampanga



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**AN ACT PROVIDING FOR VACATION AND SICK LEAVE BENEFITS TO
PRIVATE SECTOR EMPLOYEES, AMENDING FOR THIS PURPOSE
PRESIDENTIAL DECREE 442 OTHERWISE KNOWN AS THE LABOR CODE
OF THE PHILIPPINES.**

SECTION 1. *Title.*- This Act shall be known as the "Vacation and Sick Leave Benefits Act of 2004".

SECTION 2. Article 95 of P.D. 442 is hereby amended to read as follows:

'Article 95. [RIGHT TO SERVICE INCENTIVE LEAVE]. *RIGHT TO
VACATION AND SICK LEAVE*

"a.) Every employee who has rendered at least one year service shall be entitled to a yearly [service incentive leave of five days with pay] *VACATION LEAVE OF FIVE DAYS AND SICK LEAVE OF ALSO FIVE DAYS WITH PAY.*

"b.) X X X.

"c.) X X X.

SECTION 3. *Repealing Clause.* - All laws, decrees, executive orders, rules and regulations or parts thereof contrary to, or inconsistent with this Act are hereby modified or repealed accordingly.

SECTION 4. *Effectivity.* - This Act shall take effect upon its approval.

APPROVED,