

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. **3233**



Introduced by **HON. MIGUEL LUIS R. VILLAFUERTE, HON. VINCENZO RENATO LUIGI R. VILLAFUERTE, HON. TSUYOSHI ANTHONY G. HORIBATA, AND HON. TERRY L. RIDON**

EXPLANATORY NOTE

Service leaves allow employees to afford the necessary rest and recharge. It also enables workers to attend to personal appointments, events, and emergencies that often result in stress and exhaustion if unmet. Further, some studies suggest that supportive leave policies and practices significantly improve employee well-being by reducing stress, preventing burnout, and promoting a healthier work-life balance.¹

Currently, the Labor Code allows workers with a minimum of one year of service to afford service leaves for five days annually. However, as we continuously encounter extreme weather events, including typhoons and extreme heat, that affect class suspensions and the safety of children and workers, it is imperative to adapt our policies to the changing needs of our workers so as not to compromise wellness with the financial repercussions of work absence. The promotion of workers' rights and welfare shall also be pursued in recognition of their fundamental role in economic growth and national development.

Section 18, Article II of the 1987 Constitution provides that "The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare." In accordance with this constitutional mandate, this proposed measure seeks to amend Article 95 of the Labor Code, as amended, to increase the service leave entitlement of workers from five to 10 days annually with pay, subject to certain conditions.

This bill was passed in third reading during the 17th, 18th, and 19th Congresses, showing the overwhelming support for the measure.

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


HON. MIGUEL LUIS R. VILLAFUERTE

¹ Kitwange, A., Habi, R. (2024) *The Impact of Leave Practices on Employees' Well-being and Organizational Performance: The Case of Morogoro Municipality, Tanzania*. <https://www.ijisrt.com/assets/upload/files/IJISRT24SEP321.pdf>

A stylized, cursive handwritten signature in black ink, featuring a large, sweeping loop at the top and a horizontal line at the bottom.

HON. VINCENZO RENATO LUIGI R. VILLAFUERTE

A handwritten signature in black ink, consisting of a large, flowing 'S' shape followed by a horizontal line and a small flourish.

HON. TSUYOSHI ANTHONY G. HORIBATA

A handwritten signature in blue ink, featuring a cursive 'T' followed by a series of loops and a horizontal line.

HON. TERRY L. RIDON

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HON. TERRY L. RIDON

**AN ACT INCREASING THE SERVICE INCENTIVE LEAVE OF EMPLOYEES, AMENDING
FOR THE PURPOSE ARTICLE 95 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED,
OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES**

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

SECTION 1. Article 95 of Presidential Decree No. 442, as amended, is hereby amended to
read as follows:

“Article 95. *Right to service incentive leave.* --

“(a) Every employee who has rendered at least one year of service shall be entitled to
a yearly service incentive leave of ~~five~~ **TEN** days with pay.

“(b) This provision shall not apply to those who are already enjoying the benefit herein
provided, those enjoying vacation leave with pay of at least ~~five~~ **TEN** days and those
employed in establishments regularly employing less than ten employees or in establishments
exempted from granting this benefit by the Secretary of Labor after considering the viability or
financial condition of such establishment.

“(c) The grant of benefit in excess of that provided herein shall not be made a subject
of arbitration or any court or administrative action.”

SECTION 2. *Implementing Rules and Regulations.* – Within ninety (90) days from the
approval of this Act, the Department of Labor and Employment shall promulgate the rules and
regulations implementing the provisions of this Act, which shall take effect thirty (30) days after
its publication in any newspaper of general circulation.

SECTION 3. *Repealing Clause.* – All laws, decrees, orders, rules and regulations, and other
issuances or parts thereof which are inconsistent with the provisions of this Act are hereby
repealed or amended accordingly.

SECTION 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in
the *Official Gazette* or in any newspaper of general circulation.

Approved,