

Republic of the Philippines  
HOUSE OF REPRESENTATIVES  
Quezon City

TWENTIETH CONGRESS  
First Regular Session

HOUSE BILL NO. 6602



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Introduced by **HON. BRIAN RAYMUND S. YAMSUAN**

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**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**

**EXPLANATORY NOTE**

Several studies show that the taking of leaves has multiple advantages, such as improving work functioning impairment of employees, decreasing the percentage of workers who were sick on the job, and increasing the use of health screening for early detection of illnesses.<sup>1</sup> A study further found that supportive leave policies enhance employee well-being by reducing stress and preventing burnout, while inadequate leave policies contribute to decreased job satisfaction and increased turnover rates.<sup>2</sup>

However, the Philippines lags behind other Southeast Asian countries in terms of the number of paid annual leave days.<sup>3</sup> Brunei, Malaysia, Myanmar, Singapore, and Thailand have paid annual leave ranging from 6-10 days, while Cambodia, Indonesia, Laos, and Vietnam have more than 10 days of paid annual leaves. Meanwhile, in Japan, employers are required to provide workers with between 10 and 20 working

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<sup>1</sup> Yamashita S, Okawara M, Miyake F, Ishimaru T, Fujimoto K, Nagata M, Sugiura K, Morita T, Fujino Y. Effect of Annual Leave Days on Presenteeism-A Cohort Study in Employees of a Japanese Corporate Group. *J Occup Environ Med.* 2025 Mar 1;67(3):e175-e180. doi: 10.1097/JOM.0000000000003297. Epub 2024 Dec 9. PMID: 39663986; PMCID: PMC12337912.

<sup>2</sup> Anna Kitwange, Raphael Habi (2024), The Impact of Leave Practices on Employees' Well-being and Organizational Performance: The Case of Morogoro Municipality, Tanzania. *International Journal of Innovative Science and Research Technology (IJISRT)* IJISRT24SEP321, 2588-2594. DOI: 10.38124/ijisrt/IJISRT24SEP321.

<sup>3</sup> Global Paid Leave Report. Available at <https://www.moorepay.co.uk/the-ultimate-guide-to-countries-with-the-most-paid-time-off/#The+countries+with+the+most+and+least+paid+leave+overall>.

days of paid leave annually, depending on the length of service of the worker.

This bill recognizes that increasing the number of service incentive leaves from five to ten days will provide substantial benefits to employees' health, well-being, and overall quality of life. In the long term, a healthier workforce is a more productive one. With this proposed measure, we affirm our commitment to fostering humane working conditions and supporting our labor force.

In view of the foregoing, the approval of this measure is earnestly sought.



**BRIAN RAYMUND S. YAMSUAN**  
*Representative*  
2<sup>nd</sup> District of Parañaque

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*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 and Employment 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 a newspaper of general circulation.

*Approved,*