

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City
TWENTIETH CONGRESS
First Regular Session
HOUSE BILL NO. 8768



Introduced by HON. PHILIP CONRAD “DOK BONG” M. ACOP

AN ACT
PROVIDING SICK LEAVE AND VACATION LEAVE BENEFITS TO ALL
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

For decades, the Philippine Labor Code has operated on a bare-minimum threshold of five days of Service Incentive Leave (SIL), a meager allocation that many workers found insufficient to cover both health emergencies and personal rest. The filing of the “Sick and Vacation Leave Act of 2026” marks a pivotal improvement in the State’s recognition of labor as a “primary social economic force.”¹

By explicitly defining Sick Leave as compensated recovery time and Vacation Leave as a right to personal business and relaxation, the bill shifts the national perspective from viewing leave as a “bonus” to viewing it as an essential component of human dignity.

While the current Article 95 of the Labor Code provides only five days of SIL, this new Act effectively quadruples that baseline. By mandating ten (10) days of Sick Leave and ten (10) days of Vacation Leave, the legislation acknowledges that a healthy workforce requires more than just a week of rest per year.

Furthermore, it rectifies a long-standing gap in labor protection by ensuring these benefits apply to every employee “regardless of employment status, whether regular, contractual, casual, and others.” In a labor market where “endo” practices and casualization often strip workers of their rights, this bill acts as a universal equalizer.

¹ Constitution, Art. II, Sec. 18.

The proposed bill addresses the silent epidemic of burnout and the public health risk of “presenteeism”—where sick employees go to work and spread illness because they cannot afford a day of unpaid leave. The bill ensures that during these periods, the employer “shall pay the full daily rate,” removing the agonizing choice between health and a paycheck. Unlike the previous SIL, which was often consumed quickly for any life event, the proposed bill provides dedicated tracks for physical and mental rest.

Crucially, the bill demonstrates a pragmatic understanding of the Philippine economy. Recognizing the struggles of micro-enterprises, Section 4(E) provides a tiered approach. While the previous law often exempted establishments with fewer than ten employees entirely, the bill empowers the Department of Labor and Employment (DOLE) to find a middle ground. It maintains a non-negotiable floor: at least five (5) days of combined sick and vacation leave for small businesses, ensuring that while small employers are protected from financial strain, their employees are still guaranteed the basic right to rest established by the original Labor Code.

The proposed bill furthermore seeks to protect existing benefits through a “non-diminution” clause, ensuring that employers cannot decrease current benefits that are already higher than the law, nor can they invalidate executed Collective Bargaining Agreements (CBAs). By fostering a culture where mental health, morale, and family time are legally protected, the Philippines is not just amending a law, it is investing in the longevity and spirit of its most valuable resource: the Filipino people.

This bill represents a transition from a labor force that merely survives to one that is empowered to thrive.



DR. PHILIP CONRAD “DOK BONG” M. ACOP

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 8763

Introduced by HON. PHILIP CONRAD “DOK BONG” M. ACOP

AN ACT
PROVIDING SICK LEAVE AND VACATION LEAVE BENEFITS TO ALL
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. Short Title. - This Act shall be known as the “Sick and Vacation Leave Act of 2026.”

SEC. 2. Declaration of Policy. - The State affirms labor as a primary social economic force. To this end, the State shall uphold policies that support a healthy, motivated, and productive workforce. It shall safeguard the health of workers, promote work-life balance, and improve the mental health and morale of Filipino workers.

SEC. 3. Definition of Terms. - As used in this Act, unless the context otherwise requires, the following terms shall mean:

(a) Sick Leave is compensated work days lost due to illness of workers.

(b) Vacation Leave is compensated day off from work for the purpose of rest, relaxation, or personal business at the request of the employee and with the concurrence of the employer.

SEC. 4. Mandatory Sick Leaves and Vacation Leaves. - Chapter III of Presidential Decree No. 442, as amended, is hereby further amended and renumbered thereafter to read as follows:

“Chapter III - Holidays, ~~{Service Incentive Leaves}~~ SICK LEAVES, VACATION LEAVES, and Service Charges

ART. 94. Right to Holiday Pay. XXX

ART. 95. Right to ~~{Service Incentive Leave}~~ SICK LEAVE AND VACATION LEAVE. -

~~{{(a) Every employee who has rendered at least one year of service shall be entitled to a yearly service incentive leave of five 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 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.}~~

(A) EVERY EMPLOYEE SHALL BE ENTITLED TO A YEARLY PAID SICK LEAVE OF AT LEAST TEN (10) DAYS, REGARDLESS OF EMPLOYMENT STATUS, WHETHER REGULAR, CONTRACTUAL, CASUAL, AND OTHERS. SUCH PAID SICK LEAVE SHALL BE GRANTED AFTER ONE (1) YEAR OF CONTINUOUS EMPLOYMENT UNDER THE SAME EMPLOYER AND MAY BE ACCUMULATED, SUBJECT TO THE RULES SET FORTH HEREIN.

(B) EVERY EMPLOYEE SHALL BE ENTITLED TO A YEARLY PAID VACATION LEAVE OF AT LEAST TEN (10) DAYS, REGARDLESS OF EMPLOYMENT STATUS, WHETHER REGULAR, CONTRACTUAL, OR CASUAL. SUCH PAID VACATION LEAVE SHALL BE GRANTED AFTER ONE (1) YEAR OF CONTINUOUS EMPLOYMENT UNDER THE SAME EMPLOYER AND MAY BE ACCUMULATED, SUBJECT TO THE RULES SET FORTH HEREIN.

(C) EMPLOYERS SHALL ENSURE THAT EMPLOYEES ARE GRANTED THEIR EARNED SICK LEAVE AND VACATION LEAVE, RESPECTIVELY, AND SHALL PAY THE FULL DAILY RATE OF THE EMPLOYEE DURING USE OF SUCH LEAVE.

(D) SICK LEAVE AND VACATION LEAVE CREDITS SHALL BE PROVIDED EACH YEAR. THE ACCRUAL OF WHICH SHALL COMMENCE FROM THE DATE OF EMPLOYMENT AND SHALL BE VALID FOR ONE (1) YEAR FROM THE DATE THEY ARE

GRANTED, UNLESS OTHERWISE SPECIFIED IN COLLECTIVE BARGAINING AGREEMENTS (CBA)."

(E) FOR THOSE EMPLOYED IN ESTABLISHMENTS REGULARLY EMPLOYING LESS THAN TEN (10) EMPLOYEES OR IN ESTABLISHMENTS DETERMINED BY THE SECRETARY OF LABOR AND EMPLOYMENT AFTER CONSIDERING THE VIABILITY OR FINANCIAL SITUATION OF SUCH ESTABLISHMENT, THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL DETERMINE THE APPROPRIATE NUMBER OF REQUIRED SICK AND VACATION LEAVES ANNUALLY: PROVIDED, THAT THE EMPLOYEE SHALL BE ENTITLED TO A COMBINATION OF SICK LEAVE AND VACATION LEAVE OF NOT LOWER THAN FIVE (5) DAYS PER YEAR.

THE DEPARTMENT OF LABOR AND EMPLOYMENT SHALL DETERMINE THE EQUITABLE COMPUTATION ACCORDING TO THE VIABILITY OR FINANCIAL SITUATION OF THE EMPLOYER, AND THEREAFTER RECOMMEND THE APPROPRIATE NUMBER OF MANDATORY LEAVES TO BE ADHERED TO BY SUCH.

(F) THE LEAVE BENEFITS IN EXCESS OF THAT PROVIDED HEREIN SHALL NOT CAUSE THE EMPLOYERS TO DECREASE EXISTING LEAVE BENEFITS GRANTED TO EMPLOYEES, NOR SHALL IT CAUSE EMPLOYERS TO INVALIDATE EXECUTED CBAs. FURTHER, THE GRANT OF THE LEAVE BENEFIT IN EXCESS SHALL NOT BE MADE A SUBJECT OF ARBITRATION OR ANY COURT OR ADMINISTRATIVE ACTION."

SEC. 5. *Implementing Rules and Regulations.* - Within sixty (60) days from the approval of this Act, the Department of Labor and Employment (DOLE) shall promulgate the rules and regulations implementing the provisions of this Act.

SEC. 6. *Repealing Clause.* - All laws, presidential decrees, executive orders, memoranda, rules, and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SEC. 7. *Separability Clause.* - If any part or provision of this Act is declared unconstitutional or invalid, the remaining parts or provisions not affected shall remain in full force and effect.

SEC. 8. *Effectivity.* - This Act shall take effect sixty (60) days after its publication in the Official Gazette or a newspaper of general circulation.

Approved,