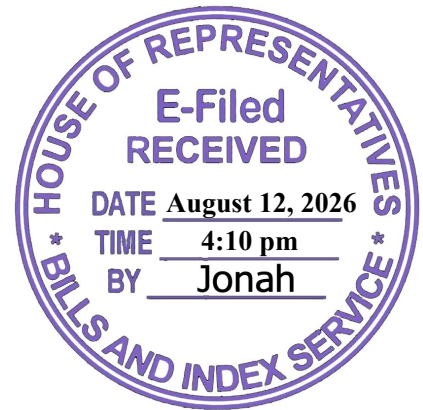




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10753



Introduced by 4Ps Partylist Representative
JC M. ABALOS

EXPLANATORY NOTE

The Constitution recognizes labor as a primary socio-economic force and mandates the State to protect the rights and promote the welfare of Filipino workers. Consistent with this constitutional duty, Article 95 of the Labor Code grants employees who have rendered at least one (1) year of service an annual Service Incentive Leave (SIL) of five (5) days with pay.¹ Yet despite decades of economic change, rising costs of living, and evolving family realities, this minimum benefit has never changed.

This proposed measure seeks to increase the SIL entitlement from five (5) days to ten (10) days with pay, recognizing that Filipino workers deserve not only protection in the workplace but also meaningful opportunities to care for their health, fulfil family responsibilities, and spend time with their loved ones.

Today, millions of Filipinos endure the difficult reality of working far from home. While employment opportunities are still concentrated in urban centers such as Metro Manila, Region IV- A (CALABARZON), and Region III (Central Luzon), many workers come from provinces and leave behind their spouses, children, and elderly parents in search of better opportunities. The Philippine Statistics Authority (PSA) recorded approximately 48.5 million employed Filipinos in 2025². More than 6.3 million workers are recorded in the National Capital Region (NCR), underscoring Metro Manila's continued role as the country's primary employment hub.

"Rest days," or taking time off, are considered a luxury for many workers, especially minimum-wage earners and rank-and-file employees. The existing five (5) days of SIL are indeed often insufficient to address illness, emergencies, caregiving responsibilities, government transactions, and much-needed family time. Most of the time, these workers are left with no choice but to accept meager wages rather than return home to their loved ones.

Moreover, additional leave days have a meaningful impact on those who come from Bicol, Visayas, Mindanao, or any distant province. A chance for them to go home opens several doors for their

¹ Book Three – Conditions of Employment, P.D. 442, Labor Code

Title I – Working Conditions and Rest Periods. <https://library.laborlaw.ph/p-d-442-labor-code-book-3/>

² <https://psa.gov.ph/statistics/labor-force-survey>

family: it means being present at a child's graduation, celebrating a birthday, caring for an aging mother, or simply spending precious time with family members whom they only see a few times each year.

This proposed increase in Service Incentive Leave also comes at a time when Filipino households continue to struggle with inflation and rising living costs. The Philippine Statistics Authority (PSA) reported sustained inflationary pressures in recent years, reaching 7.2 percent in April 2026 from 4.1 percent in March 2026³. This resulted in increased household spending on food, transportation, healthcare, and utilities. These economic burdens disproportionately affect workers who live paycheck to paycheck. PSA data also showed that the average annual income of Filipino families in 2023 was PhP353.23 thousand⁴. Because of this, they always choose to give up their personal or family needs instead of taking a leave.

Furthermore, adequate rest and work-life balance are essential to maintaining productivity and preventing workplace burnout. International labor standards recognize paid leave as an important component of decent work, contributing to improved physical and mental well-being, higher morale, greater employee retention, and better overall productivity⁵. Workers who are given reasonable opportunities to rest and reconnect with family are ultimately more motivated, healthier, and more productive members of the workforce⁶.

Increasing Service Incentive Leave from five (5) days to ten (10) days is neither excessive nor unreasonable. Rather, it is a practical and compassionate reform that reflects the realities faced by Filipino workers today. It recognizes that workers are not machines, but individuals carrying responsibilities both in the workplace and at home. This bill tells us a simple truth-- labor policies must strengthen the family by giving workers enough time to be with their loved ones.

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



JC M. ABALOS
Representative
4Ps Partylist

³ <https://psa.gov.ph/content/summary-inflation-report-consumer-price-index-2018100-april-2026>

⁴ <https://psa.gov.ph/statistics/income-expenditure/fies>

⁵ Well-being and beyond GDP <https://www.oecd.org/en/topics/well-being-and-beyond-gdp.html>

⁶ <https://www.ilo.org/topics-and-sectors/decent-work-and-2030-agenda-sustainable-development>



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

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

1 **SECTION 1. *Short Title.*** – This Act shall be known as the “*Service Incentive Leave Act.*”

2 **SEC. 2. *Amendment to Article 95 of the Labor Code.*** – Article 95 of Presidential Decree
3 No. 442, as amended, is hereby amended to read as follows:

4 “Article 95. Right to service incentive leave (SIL) –

5 a) Every employee who has rendered at least one year of service shall be entitled to a
6 yearly service incentive leave of [~~five~~] **TEN** (10) days with pay, **PROVIDED THAT,**
7 **THE EMPLOYEE SHALL BE ENTITLED TO CONVERT ONLY FIVE DAYS**
8 **OF LEAVE TO ITS MONEY EQUIVALENT IF NOT USED OR EXHAUSTED**
9 **AT THE END OF THE YEAR.**

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

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

1 **SEC. 3. *Implementing Rules and Regulations.*** – Within ninety (90) days from the
2 approval of this Act, the Department of Labor and Employment (DOLE), in consultation with
3 relevant stakeholders, shall promulgate the implementing rules and regulations of this Act.

4 **SEC. 4. *Repealing Clause.*** – All statutory laws, orders, issuances, rules and regulations,
5 and/or parts thereof which are inconsistent with the provisions of this Act are hereby repealed or
6 modified accordingly.

7 **SEC. 5. *Separability Clause.*** – If any portion or provision of this Act is declared invalid
8 or unconstitutional, the portions or provisions which are not affected shall remain valid and
9 effective.

10 **SEC. 6. *Effectivity.*** – This Act shall take effect after fifteen (15) days following its
11 publication in the *Official Gazette* or in two (2) newspapers of general circulation.

12 *Approved,*