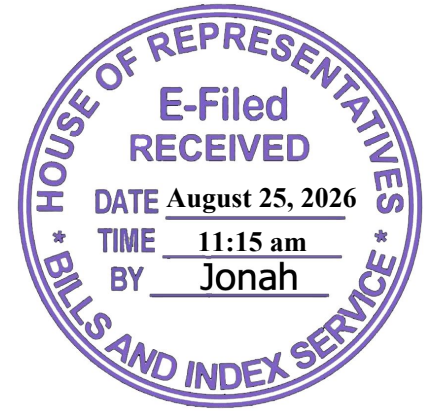


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
Second Regular Session

HOUSE BILL NO. 10935



Introduced by:

HON. CHRISTOPHERSON "COCO" M. YAP

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

EXPLANATORY NOTE

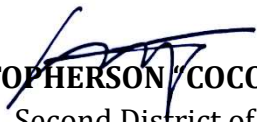
Filipino workers are the backbone of our nation's progress. Every day, they work tirelessly to provide for their families and contribute to the country's economic growth, often sacrificing time for rest, health, and loved ones. Yet despite the increasing demands of the modern workplace, the law continues to grant only five (5) days of Service Incentive Leave (SIL), a benefit that has remained unchanged for decades. At a time when work-related stress and burnout have become increasingly common, it is only fitting that our labor standards evolve to better protect the well-being of Filipino workers.

Service Incentive Leave allows employees to recover from illness, attend to family responsibilities, manage personal matters, and take the rest they need to remain healthy and productive. This bill seeks to increase the annual Service Incentive Leave from five (5) days to ten (10) days. To encourage employees to actually use their leave for rest and recovery, only up to five (5) unused leave days may be converted into cash, while the remaining five (5) days are intended to be enjoyed as paid leave. The measure likewise protects workers by ensuring that existing leave benefits that are more favorable than those provided by law will not be diminished.

By giving workers more time to rest, recharge, and care for themselves and their families, this measure promotes a healthier, more productive, and more motivated

workforce. It recognizes that protecting the welfare of workers is not only an act of compassion but also a sound investment in the nation's productivity and economic growth.

In view of the foregoing, **ug sa ngalan sa SERBISYONG TINUORAY**, the undersigned respectfully requests the immediate passage of this measure.


CHRISTOPHERSON "COCO" M. YAP
Representative, Second District of Southern Leyte

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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, otherwise known as the “Labor Code of the Philippines,” is hereby amended to read as follows:

“Article 95. Right to Service Incentive Leave. —

(a) Every employee who has rendered at least one (1) year of service shall be entitled to a yearly service incentive of ~~five~~ **TEN** days with pay, **PROVIDED, THAT THE EMPLOYEE SHALL BE ENTITLED TO CONVERT ONLY FIVE DAYS OF LEAVE TO ITS MONEY EQUIVALENT IF NOT USED OR EXHAUSTED AT THE END OF THE YEAR.**

(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 the 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. Applicability to Existing Employees. — Employees who have already completed at least one (1) year of service on the date of effectivity of this Act shall be entitled to the increased service incentive leave beginning with the service year immediately following such effectivity.

Employees who complete one (1) year of service after the effectivity of this Act shall be entitled to the benefit provided herein upon completion of the required period of service.

Nothing in this Section shall authorize the diminution, cancellation, or forfeiture of leave benefits already earned before the effectivity of this Act.

SECTION 3. Implementing Rules and Regulations (IRR). — Within ninety (90) days from the effectivity of this Act, the Department of Labor and Employment and other government agencies charged with the administration and enforcement of the Labor Code of the Philippines or any of its parts, in consultation with relevant stakeholders, shall issue the implementing rules and regulations (IRR) for the effective implementation of this Act.

SECTION 4. Construction. — Nothing in this Act shall be construed to diminish any right, benefit, or privilege granted under the Labor Code, as amended, or under any other applicable law, company policy, collective bargaining agreement, employment contract, or established employer practice.

SECTION 5. Separability Clause. — If any part, section or provision of this Act is declared invalid or unconstitutional, the other provisions not affected by such declaration shall remain in full force and effect.

SECTION 6. Repealing Clause. — All laws, decrees, executive orders, rules, regulations, issuances, or parts thereof inconsistent with the provisions of this Act are hereby repealed, amended, or modified accordingly.

SECTION 7. Effectivity. — This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,