

EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

SENATE

S. No. 641



Senate
Office of the Secretary

'19 JUL 22 P1:47

Introduced by SENATOR RAMON BONG REVILLA, JR.

RECEIVED

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

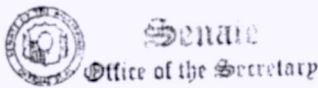
Labor is the country's primary economic force as declared by our Constitution. As such, we must accord our workforce the nurturing they deserve. Studies show that apart from increasing workers' productivity, taking leaves significantly improves employee morale and fosters stronger employee retention. Moreover, it reportedly contributes to positive health benefits.

This proposed measure seeks to increase the mandated service incentive leave from five days to ten days. This will significantly contribute to our workers' welfare, and to our economy, in general.

For the well-being and empowerment of our workforce, consideration of this bill is earnestly sought.

RAMON BONG REVILLA, JR.

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

- 1 SECTION 1. Article 95 of Presidential Decree No. 442, as amended, is hereby
- 2 amended to read as follows:
- 3 "Article 95. *Right to service incentive leave.* – (a) Every employee who
- 4 has rendered at least one year of service shall be entitled to a yearly
- 5 service incentive leave of [~~five~~] **TEN** days with pay.
- 6 (b) This provision shall not apply to those who are already enjoying the
- 7 benefit herein provided, those enjoying vacation leave with pay of at least
- 8 [~~five~~] **TEN** days and those employed in establishments regularly
- 9 employing less than ten employees or in establishments exempted from
- 10 granting this benefit by the Secretary of Labor after considering the
- 11 viability of financial condition of such establishment.
- 12 (c) The grant of benefit in excess of that provided herein shall not be
- 13 made a subject of arbitration or any court or administrative action."
- 14
- 15 Sec. 2. *Implementing Rules and Regulations.* – Within ninety (90) days from
- 16 the approval of this Act, the Department of Labor and Employment, in consultation

1 with relevant stakeholders, shall promulgate the implementing rules and regulations
2 of this Act.

3

4 Sec. 3. *Separability Clause.* If any provision or part hereof, is held invalid or
5 unconstitutional, the remainder of the law or the provision not otherwise affected shall
6 remain valid and subsisting.

7

8 Sec. 4. *Repealing Clause.* Any law, presidential decree or issuance, executive
9 order, letter of instruction, administrative order, rule or regulation contrary to, or
10 inconsistent with the provisions of this Act is hereby repealed, modified or amended
11 accordingly.

12

13 Sec. 5. *Effectivity Clause.* This Act shall take effect fifteen (15) days after its
14 publication in at least two (2) newspapers of general circulation.

15

16

17 *Approved,*