

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 3463



Introduced by **HON. LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.**

EXPLANATORY NOTE

Happy and well-rested individuals are healthier and more productive¹. In line with this, the bill proposed herein seeks to double the current service leave entitlement of Filipino workers from five (5) days to ten (10) days with pay for every year of service rendered.

Last 17th Congress, the House of Representatives (HOR) already approved on third and final reading the bill increasing the paid incentive leave of employees from five days to 10 days. The HOR unanimously agreed that the bill would benefit the employers as much as it would the employees as the grant of such incentive would boost the morale and satisfaction of employees which shall in turn, manifest in their increased productivity. Leave credits also minimize the risks of health and safety issues among employees which may be even costlier for both employers and employees in the long run. Unfortunately, the 17th Congress adjourned *sine die* before the same was finalized and enacted into law.

In consideration of the foregoing premises, this Representation humbly seeks the quick passage of this bill for the benefit of our people whose hard work and commitment fuel the national economy.


LUIS RAYMUND "LRAY" F. VILLAFUERTE, JR.

¹ <https://www.sleep.org/articles/5-ways-well-rested-improves-life/>

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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**

Be it enacted by the Senate and the 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 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 of administrative action."

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

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 any newspaper of general circulation.

Approved,