



HOUSE OF REPRESENTATIVES

H. No. 1338

BY REPRESENTATIVES GO (M.), VILLAFUERTE, MANGAOANG, PINEDA,
AGLIPAY, MENDOZA, COLLANTES, BABASA, CABREDO, TADURAN,
DELOSO-MONTALLA, FORTUN, GAITE, NOGRALES (J.J.), DALIPE
AND DAGOOC

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 House of Representatives of the
Philippines in Congress assembled:*

1 SECTION 1. Article 95 of Presidential Decree No. 442, as
2 amended, is hereby amended to read as follows:

3 “Article 95. *Right to service incentive leave.*

4 (a) Every employee who has rendered at least one year of
5 service shall be entitled to a yearly service incentive
6 leave of [five] TEN days with pay.

7 (b) This provision shall not apply to those who are
8 already enjoying the benefit herein provided, those
9 enjoying vacation leave with pay OF at least [five] TEN
10 days and those employed in establishments regularly
11 employing less than ten employees or in establishments
12 exempted from granting this benefit by the Secretary

1 of Labor after considering the viability or financial
2 condition of such establishment.

3 “(c) The grant of benefit in excess of that provided
4 herein shall not be made a subject of arbitration or any
5 court or administrative action.”

6 **SEC. 2. *Implementing Rules and Regulations.*** – Within
7 ninety (90) days from the approval of this Act, the Department of
8 Labor and Employment shall promulgate the rules and regulations
9 implementing the provisions of this Act which shall take effect
10 thirty (30) days after its publication in any newspaper of general
11 circulation.

12 **SEC. 3. *Repealing Clause.*** – All laws, decrees, orders, rules
13 and regulations and other issuances or parts thereof which are
14 inconsistent with the provisions of this Act are hereby repealed or
15 amended accordingly.

16 **SEC. 4. *Effectivity.*** – This Act shall take effect fifteen
17 (15) days after its publication in the *Official Gazette* or in any
18 newspaper of general circulation.

Approved,

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