



Senate  
Office of the Secretary

NINETEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )

'22 NOV 16 A11 :26

RECEIVED BY:

**SENATE**

S. No. 1511

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Introduced by Senator Manuel "Lito" M. Lapid

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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**

EXPLANATORY NOTE

Section 18, Article II of the 1987 Constitution affirms the State Policy that views labor as a primary social economic force. It mandates the State to "protect the rights of workers and promote their welfare." The government fulfills this responsibility by providing our workers with a set of statutory benefits, incentives and protective measures.

Under the Labor Code, an employee who has rendered at least one year of service is entitled to a yearly service incentive leave (SIL) of five (5) days with pay. However, the same Code provides that if the employer opts to grant employees with vacation leaves of at least five (5) days, the employer shall be deemed compliant with the mandatory grant of the SIL. In effect, the mandatory leave credits are at a minimum of five (5) days only. Further, as regards sickness leaves, the same are discretionary on the part of the employers.

Increasing the grant of paid leaves is not only advantageous on the part of the employees, but that of the employers as well. Indeed, getting time off from work every now and then is a good way to prevent occupational stress and burnout and promote work-life balance. Additional leaves are likewise beneficial to employers as this would improve the employees' morale, well-being, and productivity, as well as employee retention. Thus, this bill seeks to increase the SIL of employees from 5 days to 10 days for every year of service rendered.

*Mahalagang aspeto ng worker's welfare and benefits ang pagkakaloob ng mga leaves upang ang ating mga manggagawa ay magkaroon ng pahanon para sa kani-kanilang mga pamilya, bakasyon, gumaling habang may sakit at makapaglaan ng oras sa sarili. Anumang dagdag na service incentive leave ay malaking tulong sa kanila at ito ay pagsunod sa mandato sa ating Saligang Batas sa pagseseguro ng makataong kondisyon ng trabaho.*

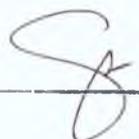
In view of the foregoing, early passage of this bill is earnestly requested.

  
**MANUEL "LITO" M. LAPID**  
Senator

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

1 SECTION 1. Article 95 of Presidential Decree No. 442, as amended, otherwise  
2 known as the "Labor Code of the Philippines", 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 leave of [five] **TEN**  
6 days with pay.

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

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

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

5  
6 SECTION 2. *Implementing Rules and Regulations.* – Within ninety (90) days  
7 from the approval of this Act, the Department of Labor and Employment shall  
8 promulgate the rules and regulations implementing the provisions of this Act which  
9 shall take effect thirty (30) days after its publication in any newspaper of general  
10 circulation.

11  
12 SECTION 3. *Repealing Clause.* – All existing laws, orders, decrees, rules and  
13 regulations, or parts thereof, inconsistent with the provisions of this Act are hereby  
14 amended, modified, or repealed accordingly.

15  
16 SECTION 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its  
17 publication in the *Official Gazette* or in at least two (2) newspapers of general  
18 circulation.

19  
20 *Approved,*