



HOUSE OF REPRESENTATIVES

H. No. 988

BY REPRESENTATIVES GO (M.), VILLAFUERTE (L.R.), VILLAFUERTE (M.L.), HORIBATA, ENCISO, NOGRALES (J.F.F.), CAJAYON-UY, HERNANDEZ, TAN (K.M.), TY, YAP (C.), ARBISON, BROSAS, CASTRO (F.), DE VENECIA, DUTERTE, LAGMAN, ACOP, BOSITA, CARI, GARDIOLA, LUISTRO, OLASO, ORDANES, ROBES, ROMAN, ROMULO, SANTOS, SORIANO, TARRIELA, TULFO (J.), VARGAS, ACHARON, DALIPE AND ROMUALDEZ (F.M.), PER COMMITTEE REPORT NO. 75

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 amended, is hereby amended to
2 read as follows:

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

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

6 “(b) This provision shall not apply to those who are already enjoying the benefit herein
7 provided, those enjoying vacation leave with pay of at least [five] TEN days and those
8 employed in establishments regularly employing less than ten employees or in
9 establishments exempted from granting this benefit by the Secretary of Labor after
10 considering the viability or financial condition of such establishment.

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

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

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2 issuances or parts thereof which are inconsistent with the provisions of this Act are hereby repealed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

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

Approved,