



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:*

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 or administrative action.”

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

SEC. 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inconsistent with the provisions of this Act are hereby repealed or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.

SEC. 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,

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