

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5067



Introduced by Honorable Mark O. Go


EXPLANATORY NOTE

Labor force is an essential component of every social and economic growth and development. It is the policy of the State, as enshrined in the Constitution, that the State affirms labor as a primary social economic force and shall protect the rights of workers and promote their welfare.

At present, our laws does not require employers the granting of sickness and vacation leaves. These work incentives are given based on the prerogative of the employers either by express stipulation on the employees contract or thru collective bargaining or agreement. What the Labor Code provides instead are service incentive leaves (SIL). An employee who has rendered at least one year of service is entitled to a yearly service incentive leave of five (5) days with pay. However, the same Code provides that an employer who grants employees with vacation leaves of at least five (5) days shall already be deemed compliant with the mandatory granting of the SIL, thereby rendering the mandatory leave credits at a minimum of only five days. With the increase in the number of leave credits in the form of sick or vacation leaves left purely at the discretion of employers, employees constrained by limited leave credits are left vulnerable to sickness, emergencies and other fortuitous events that would cost them a day of paid work.

Not only is the granting of paid leaves beneficial to the employees but economically advantageous for employers as well. The granting of such incentives boosts the morale and satisfaction of employees which are manifested in increased productivity. Leave credits also minimizes the risk of health and safety issues among employees which may even be more costly for both employees and employers in the long run.

Hence, immediate consideration and approval of this proposed measure is earnestly sought.


MARK O. GO

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

SEVENTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 5067

Introduced by Honorable Mark O. Go

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 further amended to read as follows:

“Article 95. Right to service incentive leave.

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

This provision shall not apply to those who are already enjoying the benefit herein provided, those enjoying vacation leave with pay of at least TEN [five] 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 and Employment after considering the viability or financial condition of such establishment.

The grant of benefit in excess of that provided herein shall not be made a subject of arbitration or any court or administrative action.”

XXX

XXX

XXX

Section 2. Repealing Clause. - All laws, decrees, executive orders, letters of implementations, rules and regulations or part or parts thereof inconsistent with any provision of this Act are hereby repealed, modified, superseded or amended accordingly.

Section 3. Effectivity. - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in at least two (2) national newspapers of general circulation, whichever comes earlier.

Approved,