- SEC. 20. Leave of absence for any reason other than illness of an officer or employee or of any member of his immediate family must be contingent upon the needs of the service. Hence, the grant of vacation leave shall be at the discretion of the head of department/agency.
- SEC. 21. Any violation of the leave laws, rules or regulations, or any misrepresentation or deception in connection with an application for leave, shall be a ground for disciplinary action.
- SEC. 22. Computation of vacation and sick leave shall be made on the basis of 1.25 day's vacation leave and 1.25 day's sick leave for every month of actual service.
- SEC. 23 A fraction of one-fourth or more but less than three-fourths shall be considered as one-half day and a fraction of three-fourths shall be counted as one full day for purposes of granting leave of absence.
- SEC. 24. Where an employee fails to report for work on a regular day for which a holiday is declared, he shall be considered absent on that day.

An employee paid on a daily basis is not entitled to compensation for a Saturday, Sunday or public holiday unless service is especially required and rendered on that day. Accordingly, Saturdays, Sundays, or public holidays occurring within the period of leave shall not be charged against his vacation or sick leave.

- SEC. 25. Tardiness and undertime are deducted from vacation leave credits and shall not be charged against sick leave credits, unless the undertime is for health reasons supported by medical certificate and application for leave.
- SEC. 26. Any officer/employee of the government who retires, voluntarily resigns or is separated from the service through no fault of his own, and who is not otherwise covered by special law, shall be entitled to the commutation of all his leave credits exclusive of Saturdays, Sundays and holidays without limitation and regardless of the period when the credits were earned: Provided, That the unlimited leave privileges may be availed of only by concerned officers/employees who are in the service as of January 9, 1986, the date of effectivity of EO 1077 or thereafter.
- SEC. 27. An officer or employee in the government who is separated from the service for cause shall forfeit his leave credits.