

Title:

****Wesleyan University-Philippines vs. Wesleyan University-Philippines Faculty and Staff Association****

Facts:

Wesleyan University-Philippines, a non-stock, non-profit educational institution (Petitioner), entered into a 5-year Collective Bargaining Agreement (CBA) in December 2003 with the Wesleyan University-Philippines Faculty and Staff Association, a duly registered labor organization acting as the bargaining agent for its rank-and-file faculty and staff (Respondent). This CBA was effective from June 1, 2003, until May 31, 2008.

On August 16, 2005, Petitioner issued a Memorandum outlining guidelines for vacation and sick leave credits and commutation, which the Respondent contested as a unilateral change violating the current CBA specifically, Article XII, Sections 1 and 2. After failing to resolve these disputes at the grievance level, the matter was referred to a Voluntary Arbitrator, resulting in a decision against the Petitioner's policies.

Petitioner challenged this decision to the Court of Appeals (CA) via a Petition for Review under Rule 43 of the Rules of Court. The CA, in turn, affirmed the Voluntary Arbitrator's ruling, prompting Petitioner to appeal to the Supreme Court under Rule 45 of the Rules of Court through a Petition for Review on Certiorari.

Issues:

1. Whether the CA erred in sustaining the Voluntary Arbitrator's ruling that the affidavits submitted by the Respondent were substantial evidence proving a long-standing practice of granting two sets of Retirement Benefits.
2. Whether the CA erred in ruling that there was an established practice of granting two sets of Retirement Benefits.
3. Whether the CA erred in mandating Petitioner to prove the absence of a Board Resolution authorizing two sets of Retirement Benefits.
4. Whether the CA erred in revoking the August 16, 2005 Memorandum for being contrary to the existing policy.

Court's Decision:

The Supreme Court denied the Petition, affirming the CA's resolution. It found:

- The practice of providing two retirement benefits had substantial evidence, supported by affidavits, demonstrating a consistent and deliberate practice over time.

- The Memorandum dated August 16, 2005, contradicted the existing CBA, especially Articles pertaining to sick and vacation leaves, and its implementation was deemed unilateral and violating the terms of the CBA.
- The contention that the CBA Retirement Plan and the PERAA Plan were the same was unsupported by evidence.
- The principle of interpreting the CBA in favor of labor in case of doubt was reaffirmed.

Doctrine:

- The Non-Diminution Rule under Article 100 of the Labor Code prohibits the elimination or reduction of benefits received by employees unless the benefit is based on an express policy, a written contract, or has ripened into a practice over a significant period.
- When interpreting provisions of a CBA, any doubt should be resolved in favor of the labor, as mandated by the Constitution.

Class Notes:

- Benefits established by practice: For a benefit to be considered established by practice, it must be consistently and deliberately provided by the employer over a significant period.
- Non-Diminution Rule: Article 100 of the Philippine Labor Code prohibits employers from eliminating or reducing the benefits already enjoyed by employees.
- Interpretation of CBA: In cases of ambiguity in a CBA, the interpretation should always favor the labor side, aligning with constitutional mandates to protect worker rights.

Historical Background:

The conflict arose from a dispute between Wesleyan University-Philippines and its Faculty and Staff Association over changes made to the implementation of vacation and sick leave credits and the provision of retirement benefits, which were seen as unilateral and violating their established CBA. The legal tussle moved from the grievance machinery to the Voluntary Arbitrator and then to the Court of Appeals, eventually reaching the Supreme Court. The case underscores the importance of adhering to agreements reflected in CBAs and the principle of protecting employee benefits unless clearly and mutually revised.