**Title:** Ricardo E. Vergara, Jr. vs. Coca-Cola Bottlers Philippines, Inc.

**Facts:**
Ricardo E. Vergara, Jr. was employed by Coca-Cola Bottlers Philippines, Inc. (CCBPI) from May 1968 until his retirement on January 31, 2002, as a District Sales Supervisor (DSS) for Las Piñas City, Metro Manila. Under CCBPI's Retirement Plan Rules and Regulations, the Annual Performance Incentive Pay for RSMs (Regional Sales Managers), DSSs (District Sales Supervisors), and SSSs (Sales Supervisors) was included in the computation of retirement benefits. Specifically: Basic Monthly Salary + Monthly Average Performance Incentive (computed as total performance incentive earned during the previous year ÷ 12 months) × Number of Years in Service.

On June 11, 2002, Vergara filed a complaint before the National Labor Relations Commission (NLRC) for payment of "Full Retirement Benefits, Merit Increase, Commission/Incentives, Length of Service, Actual, Moral and Exemplary Damages, and Attorney's Fees."

After mandatory conferences, the parties reached a partial settlement regarding merit increase and length of service. They then filed respective position papers addressing the remaining issues: Vergara's entitlement to Sales Management Incentives (SMI) and the allegedly illegal deduction of PhP496,016.67 from his retirement benefits, representing unpaid accounts of two dealers within his jurisdiction.

On September 30, 2003, the Labor Arbiter (LA) ruled in favor of Vergara, ordering CCBPI to reimburse the deducted amount and include the SMI in his retirement benefit. CCBPI appealed to the NLRC, which on January 31, 2006, modified the decision by deleting the SMI. Vergara then sought to partially execute the reimbursement of the illegal deduction, which the LA granted.

On October 4, 2006, despite pending certiorari before the Court of Appeals (CA), the parties executed a Compromise Agreement acknowledging the full payment of the illegal deduction.

The CA dismissed Vergara's petition on January 9, 2007, and denied reconsideration on March 6, 2007. Vergara then filed a petition for review with the Supreme Court.

**Issues:**
1. Whether the Sales Management Incentives (SMI) should be included in the computation of petitioner's retirement benefits on grounds of consistent company practice.

2. Whether the Supreme Court should re-evaluate the factual findings that support the decisions of both NLRC and CA.

**Court's Decision:**

1. **Inclusion of SMI in Retirement Benefits:**
– **Legal Analysis:** The Supreme Court affirmed that only questions of law could be entertained in a Rule 45 petition. It adhered to the principle that factual findings of administrative or quasi-judicial bodies (like the NLRC) are afforded respect and finality when supported by substantial evidence.
– **Court's Evaluation of Arguments:** The petitioner, Vergara, failed to present substantial evidence proving that the inclusion of SMI in the retirement package had become a consistent and deliberate company practice. The sworn statements from two former DSSs were insufficient to establish this alleged practice, particularly in light of contrary affidavits provided by CCBPI.

2. **Factual Findings of Lower Courts:**
– **Legal Analysis:** The Court reiterated that factual conflicts are generally not reviewed under Rule 45. The unanimity and harmony of findings between the NLRC and CA were clear and convincing.
– **Court's Examination of Petitioner's Performance:** Vergara's performance metrics for sales collection were significantly below the required thresholds, further negating his qualification for SMI under the existing policy guidelines.

**Doctrine:**
– **Non-Diminution of Benefits Principle:** Benefits voluntarily granted by an employer and consistently practiced over a significant period cannot be unilaterally withdrawn or reduced by the employer (Article 100, Labor Code).
– **Criteria for Company Practice:** To establish a company practice, the employee must demonstrate consistent, deliberate, and regular grant of benefits over a long period. Proof must include explicit evidence of a policy favoring the continuance of such benefits.

**Class Notes:**
– **Non-Diminution of Benefits Clause:** Article 100, Labor Code.
– **Standard for Company Practice:** Requires substantiation of consistent and deliberate practice; not supported merely by isolated cases or inconsistent applications.
– **Evidence:** Burden of proof lies on the claimant to show regular and repeated conduct.

**Historical Background:**

This case underscores the challenges employees face in proving "company practice" within the framework of labor law, particularly under the provisions against the diminution of benefits. It situates the firm reliance the Philippine judiciary places on factual findings from administrative bodies supported by substantial evidence, reflecting deference to specialized labor tribunals. This backdrop is significant as it reflects ongoing judicial trends in balancing employee perks against corporate policies, especially in legacy and multinational corporations like CCBPI.