

ATLAS TEXTILE DEVELOPMENT CORPORATION AND GREGORIO LIM, VICE-PRESIDENT AND GENERAL MANAGER, PETITIONERS-APPELLANTS, VS. KAPISANAN NG MGA MANGGAGAWA SA ATLAS-PTGWO, RESPONDENT-AP...

G.R. No. L-31338. July 31, 1970

Ponente: CASTRO, J.

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CASTRO, J.:

The respondent Kapisanan Ng Mga Manggagawa Sa Atlas-PTGWO, in behalf of its members who are employees of the petitioner Atlas Textile Development Corporation brought suit against the latter and its general manager, Gregorio Lim, in the Court of Industrial Relations upon two causes of action, to wit:

“1. Underpayment and/or inadequate grant of night work differential for periods December 1, 1964 to present;

“2. Non-payment of overtime pay during Sundays and/or legal holidays for periods December 1, 1964 to present.”

After hearing duly had, the CIR absolved the company on the first cause of action, but upheld the union on the second, and consequently ordered the computation of overtime pay due to certain employees of the petitioner company. The petitioners' motion for reconsideration was denied by the banc.

Only the petitioners Atlas Textile Development Corporation and Gregorio Lim have appealed - on the sole issue of the correctness of the CIR's order respecting the matter of overtime pay. The respondent union did not appeal from the CIR order rejecting its claim for night premium pay.

The facts pertinent to the lone issue presented are not complicated.

1. By reason of the production requirements of the petitioner company, its workers were organized into several work shifts fitting into a twenty-four-hour workday for an entire seven-day week. The regular shift works from 8:00 o'clock in the morning to 5:00 o'clock in the afternoon, with an hour's lunch break at noon. In addition to the regular shift are three irregular work-shifts: the first works from 10:00 o'clock in the evening to 6:00 o'clock in the morning of the following day; the second immediately takes over and works up to 2:00 o'clock in the afternoon; and the third commences work at 2:00 o'clock in the afternoon and continues on to 10:00 o'clock in the evening. It is with respect to the first irregular shift (from 10:00 o'clock in the evening to 6:00 o'clock in the morning of the following day) that the present controversy arose.

2. The records show - and this is admitted by the petitioners - that when the first irregular shift commences work at 10:00 o'clock in the evening of a Sunday or a holiday and continues on to 6:00 o'clock in the morning of the following ordinary workday, the company treats the entire period as a regular, non-overtime work period and consequently compensates the same on the basis of the regular pay rate. The fraction of two hours falling on a Sunday or a holiday is not regarded as requiring a different computation based on prevailing overtime pay rates.

3. Upon the other hand, when this same first irregular shift works from 10:00 o'clock in the evening of a Saturday or an ordinary day and winds up at 6:00 o'clock in the morning of the following Sunday or holiday, the company grants the members of that shift overtime pay computed on the basis of eight hours instead of only six. Thus, the members of the first irregular shift are paid non-demandable overtime remuneration for the two hours' work done on a Saturday or an ordinary calendar day. This fact is supported by the testimony of Manuel Agtarap cited in the order under review and not denied by the respondent union. There is no indication in the pleadings that the collective bargaining agreement between the two parties requires the company to treat the two-hour period from 10:00 p.m. Saturday to 12:00 midnight of the same day as an overtime pay period.

The issue thus posed is whether upon the facts above set forth, the petitioner company has fully complied with the statutory mandate requiring employers to pay their employees additional overtime remuneration for work rendered during Sundays and legal holidays.

Section 4 of Commonwealth Act 444, as amended, other-wise known as the "Eight-Hour Labor Law," specifically recites:

"No person, firm or corporation, business establishment or place or center of labor shall compel an employee or laborer to work during Sundays and legal holidays, unless he is paid an additional sum of at least twenty-five per centum of his regular remuneration: Provided, however, That this prohibition shall not apply to public utilities performing some public service such as supplying gas, electricity, power, water, or providing means of transportation or communication."

While there can be no question that the two-hour work done by the members of the first irregular shift from 10:00 o'clock to 12:00 midnight of a Sunday or a legal holiday would ordinarily warrant the payment of the proper overtime remuneration, we cannot, upon the other hand, close our eyes to the fact that the same members of that shift are paid by the petitioner company - although the latter is clearly under no legal obligation to do so - overtime pay for the two-hour work done by that shift from 10:00 o'clock to 12:00 midnight of the proceeding Saturday or ordinary workday. We therefore hold that in the final reckoning the members of the first irregular shift have suffered no actual deprivation of income pertaining to the two-hour work done by them from 10:00 p.m. to 12:00 midnight on a Sunday or a legal holiday. Although the records do not so reveal, it may very well be that the company adopted this payroll practice for the purpose of simplifying bookkeeping. In the end, what is paramount under the environmental milieu is that the workers here involved have, under applicable laws, been properly and fully compensated for their labor, and that the petitioner company has substantially complied with the requirements of law.

ACCORDINGLY, the order of the Court of Industrial Relations appealed from is set aside, and the complaint of the petitioner union is hereby dismissed. No pronouncement as to costs.

Concepcion, C.J., Reyes, J.B.L., Dizon, Makalintal, Zaldivar, Teehankee, Barredo, and Villamor, JJ., concur. Fernando, J., did not take part.

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