

DANIEL MANALO, ET AL., PETITIONERS, VS. PAMPANGA SUGAR DEVELOPMENT COMPANY, INC., RESPONDENT.

G.R. No. L-26776. June 30, 1969

Ponente: REYES, J.B.L., J.

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REYES, J.B.L., J.:

This petition for a categorical interpretation of Section 4, Commonwealth Act No. 444, as amended (otherwise known as the Eight-Hour Labor Law), or more specifically, the correct computation thereunder of the premium pay due the monthly salaried employees for work performed on Sundays and legal holidays, was brought to us by way of certiorari to review a ruling[1] on the point by the Court of Industrial Relations (CIR).

Said Section 4 reads as follows:

"SEC. 4. 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."

Petitioners were employees of respondent Pampanga Sugar Development Co., Inc. (PASUDECO), operator of a sugar central in San Fernando, Pampanga. The nature and condition of their employment[2] obliged them to work every day, including Sundays and holidays.

Aggrieved by what they believed to be an unlawful failure and unjustified refusal of PASUDECO to pay their differential or premium compensation for services duly rendered for 276 Sundays and legal holidays covered by the period starting 1 January 1954 to 18 August 1958, and even continuously thereafter, petitioners decided to seek judicial intervention and, accordingly, filed on 9 May 1962 with the Pangasinan branch of the CIR a complaint or claim against the corporation. The claim totalling some P15,647.68 in premium pay, aside from attorney's fees in the amount of P2,000.00, was arrived at by summing up petitioners' respective wage for 276 Sundays and holidays plus 25% thereof. In other words, each petitioner was demanding for work done not exceeding eight hours during a Sunday or legal holiday the equivalent of his daily wage for an ordinary working day and 25% of the same, or 125% all in all, in addition to his monthly salary. This was, according to them, the connotation of the term "premium pay" under Section 4, Commonwealth Act No. 444, as amended.

PASUDECO denied the charge of non-payment of the premium pay in its answer filed on 27 August 1962 after its initial motion to dismiss the complaint was rejected by the court. Faithful compliance with the pertinent provision of law was asserted to support its vigorous controversion of the claim.

On 28 July 1966, the CIR rendered a decision finding PASUDECO to have already paid over and above the monthly salary of its employees, including petitioners', their 25% additional compensation for Sunday and holiday work pursuant to law as well as to a series of collective bargaining agreements between the union, of which the latter were members, and the corporation. This practice, the court also discovered from the payrolls and other

records of the corporation, started since 1946 and was verified, confirmed, and even commended by the examiners of the Department of Labor. Holding that this 25% of petitioners' equivalent daily wage was all that they were legally entitled to in addition to their monthly salary, the same court, through Associate Judge Joaquin M. Salvador, dismissed the case. A subsequent motion for reconsideration was denied en banc.

Petitioners attack the CIR's finding concerning payment thereof by respondent corporation as a "conclusion on a wrong premise". By the same token, the successive collective bargaining agreements secured by their union and containing provisions to the same effect are seriously spurned for being in contravention of Section 6,[3] also of Commonwealth Act No. 444, or null and void ab initio and, therefore, of no binding effect to them.

The law is plain and unambiguous. It directs payment for work done not exceeding eight hours during Sundays and legal holidays by an employee or laborer not falling under the exception[4] "an additional sum of at least twenty-five per centum of his regular remuneration". And we already said in one case[5] that "(t)he minimum legal additional compensation for work on Sundays and legal holidays is - 25% of the laborer's regular remuneration". Thus, if said employee or laborer regularly receives P6 a day for an eight-hour work on an ordinary day and he is made to work for eight hours on a Sunday or legal holiday, he is entitled to his base pay of P6 plus P1.50 (25% of P6), or a total of P7.50. His premium pay is P1.50, the "twenty-five per centum of his regular remuneration" of P6. It does not include his base pay of P6. He gets that P6 for an eight-hour work performed any day. And he gets the extra P1.50 if such eight-hour work is rendered on a Sunday or legal holiday. This is the most logical and reasonable import of the law. The CIR did not err in following it.

The same signification is contrary to petitioners' contention, given to the term "premium pay" by the Department of Labor, as may be gleaned from the following formula[6] it devised in determining the daily wage of monthly-salaried employees, except those employed by public utilities, working the whole year round, including Sundays and legal holidays.

Monthly salary multiplied by 12 (months) equals yearly salary; yearly salary divided by 380.5 (days) equals daily wage.

The figure 380.5 above is the sum of the 303 ordinary days of the year and the 62 Sundays and legal holidays[7] of the same year and 15.5 (25% of 62). Stated otherwise, the last figure 15.5 is the difference between 380.5 (theoretically, the number of days worked by the employee in one year) and 365 days (the actual number of days in a year). It is, in short, the equivalent in days of the employee's 25% premium pay for 52 Sundays and 10 legal holidays in one year. The premium pay is not, therefore, 125% as petitioners want us to believe. Thus, if the employee's daily wage is P6, his total premium pay for one year is P93 (P6 times 15.5). Computed in another way, with the same daily wage, his premium pay for one Sunday or legal holiday is P1.50 (25% of P6); multiplying P1.50 by 62 (the number of Sundays and legal holidays in one year), we get the same amount of P93. This is the amount of premium pay to which he is entitled in one year in addition to his fixed yearly salary.

Petitioners postulate that the monthly salary or, for that matter, the yearly salary applies only to the ordinary working days and does not take into account the Sundays and legal holidays found in a given calendar month or year.

The position thus taken by petitioners-appellants, that they are entitled to 125% premium, or extra pay, for work done in each Sunday and holiday, would only apply if it is shown that the monthly or yearly salaries stipulated are intended to cover work on ordinary working days only or where the nature or conditions of employment do not require work on Sundays and holidays.[8] But where, in agreeing to the monthly or yearly stipend, the parties knew, or had reason to know, that the work would be continuous, without interruption on Sundays and holidays, then the wage earner would only be entitled to the 25% supplement (or extra pay) provided by section 4 of the

Eight-Hour Labor law, as the regular monthly or yearly wage already covered the work done on Sundays and holidays.

Whether or not the petitioners' salaries were intended to cover work on ordinary days only, or also included labor on Sundays and holidays, is a question of fact for the Court of Industrial Relations to decide. Since no finding has been made on the essential point, the records should be referred back to the labor court.

WHEREFORE, the order under appeal is set aside and the case ordered remanded to the Court of Industrial Relations, for further proceedings conformably to this opinion. No costs.

Concepcion, C.J., Makalintal, Zaldivar, Sanchez, Fernando, Capistrano, Teehankee, and Barredo, JJ., concur. Dizon and Castro, JJ., did not take part.

[1] Case No. 45-V-PANG.

[2] Petitioners Daniel Manalo, Aurelio Dimson, and Joaquin Arceo were employed as water tenders; Santiago Villafuerte as electrician; Joaquin Viray as telephone switchboard operator; Pedro Liñgat as the electrical department switchboard tender; Pastor Sioco and Pedro David as diesel tenders; and Urbano Mercado as security guard.

[3] "Sec. 6. Any agreement or contract between the employer and the la-borer or employee contrary to the provisions of this Act shall be null and void ab initio."

[4] See proviso of section 4, Commonwealth Act No. 444, previously quoted.

[5] Atok-Big Wedge Mutual Benefit Assn. vs. Atok Big Wedge Mining Co., Inc., 97 Phil. 294.

[6] 4324.05, Department of Labor Manual; See Montemayor, Labor, Agrarian and Social Legislation, 1967 Ed., Vol. 1, pages 203-204.

[7] There are 52 Sundays and 10 legal holidays in a year. The legal holidays are New Year (1 January), Bataan Day (9 April), Maundy Thursday and Good Friday (first week of April), Labor Day (1 May), Independence Day (12 June), Bonifacio Day (30 November), Christmas Day (25 December), and Rizal Day (30 December).

[8] Cf. 4325.05 Department of Labor Manual; Montemayor, op. cit. pp. 212--213, NAWASA Consolidated Unions, G. R. No. L-18938, 31 August 1964.

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