

PHILIPPINE AIRLINES, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (FIRST DIVISION), PHILIPPINE AIRLINES EMPLOYEES ASSOCIATION (PALEA), ARLENE SANTOS, JOSEPH ABACA, ...

G.R. No. 110656. September 03, 1998

Ponente: PURISIMA, J.

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PURISIMA, J.:

At bar is a Petition for Certiorari under Rule 65 of the Revised Rules of Court, seeking to annul the Decision,[1] dated May 19, 1993, of the National Labor Relations Commission ("NLRC") in NLRC-NCR Case No. 00-12-05086-88.

The antecedent facts that matter are, as follows:

In 1987, the private respondents were employed by Philippine Air Lines, Inc. ("PAL") as Junior Aircraft Mechanics with a salary of P1,860.00 a month. On October 1, 1987, they got a salary increase of P400.00 a month, for a total monthly compensation of P2,260.00, under the Collective Bargaining Agreement ("CBA") between PAL and the Philippine Airlines Employees Association ("PALEA").

On December 14, 1987, Republic Act No. 6640 ("RA 6640") raising the minimum wage of workers took effect, and private respondents' salaries were adjusted, thus:

P1,860.00 - basic salary
400.00 - CBA wage increase
304.00 - wage increase under RA 6640
P2,564.00 - gross pay per month

Sometime in June, 1988, the private respondents were promoted to Avionics Mechanic C with a basic pay of P2,300.00 a month plus a CBA wage increase of P400.00, thereby making their monthly gross pay P2,700.00.

But private respondents maintain that in view of their aforesaid promotion in position and rank, they should have been given P304.00 more, representing their wage increase under RA 6640, so that their gross monthly pay should be P3,004.00. However, petitioner considered the increase of P440.00 (difference between P2,300.00 and P1,860.00) as sufficient compliance with RA 6640; the P304.00 to cover the mandated salary increase and the remaining P136.00 as promotional salary increase. Unable to persuade petitioner to give the additional P304.00 they demanded, the private respondents instituted NLRC NCR Case No. 00-12-05086-88 against the petitioner, for violation of RA 6640.

On November 29, 1989, Labor Arbiter Cornelio L. Linsangan handed down a Decision[2]; disposing, as follows:

"WHEREFORE, judgment is hereby rendered ordering the respondent to integrate to the monthly salary of the covered employees the amount of P304.00 and to pay them salary differentials from the date same was

withdrawn from them, plus the legal rate of interest. In addition, the respondent is directed to pay ten (10%) percent of the total award as attorney's fees.

The other claims are dismissed for lack of sufficient basis.

SO ORDERED."

Petitioner appealed to the NLRC, which dismissed its appeal for want of merit; holding, that:

"A benefit, repeatedly granted by the employer, cannot just be withdrawn as such repeated granting of benefit breeds a vested right on the part of an employee to look forward to and receive the same. An argument that a statutory wage increase repeatedly enjoyed by an employee (at least on monthly basis) be scrapped because such a 'Forced Statutory Increment' (under R.A. 6640) 'was never meant to act as a permanent fixture' and that the 'moment the employees got better rates by reason of promotion' there results 'no more need for the law', would all the more be ABSURD. By the fact alone that the wage increase provided for by R.A. 6640 was not defined and intended as a temporary benefit, much less effective only until an employee gets promoted (and correspondingly gets an increase), respondent's argument that we make it temporary would clearly tantamount to its pleading to us that we rule beyond the limit of our jurisdiction.

We thus cannot but adopt the Arbiter's conclusion:

'Even following, therefore, the contention of respondent in that the wage increase under RA 6640 is a personal right and does not attach to the position, still complainants are entitled to same as they have been enjoying already the same. In sum, complainants are entitled to the basic salary carried by their position, the wage increase under the CBA and the salary adjustment they are presently enjoying under RA 6640. To rule otherwise would defeat not only the spirit of RA 6640 but also the very purpose of the promotion of the complainants.' (Record, p. 65)"[3]

Dissatisfied with the adverse disposition below, petitioner found its way to this Court, posing the questions:

I

WHETHER RA 6640 WAS MEANT TO GRANT PERMANENT WAGE INCREASES THAT MUST BE MAINTAINED BY AN EMPLOYER AS A FIXED COMPONENT OF AN EMPLOYEE'S MONTHLY SALARY THROUGHOUT THE LATTER'S CAREER GROWTH AND REGARDLESS OF THE SUBSTANTIAL PROMOTIONAL INCREASES THAT THE EMPLOYEE CORRESPONDINGLY RECEIVED.

II

WHETHER PUBLIC RESPONDENT COMMISSION GRAVELY ABUSED ITS DISCRETION IN RULING THAT IT HAD NO JURISDICTION TO RULE UPON PETITIONER'S SUBMISSION OF AN ISSUE OVER A QUESTION OF LAW.

Petitioner theorizes that the salary increases under RA 6640 "are not of such a permanent character that they can no longer be offset by substantial salary increases that employees receive on account of a promotional movement in their careers"; that the provision of Section 2 of RA 6640 granting higher salaries is a mere mechanism to address wage distortions, so that in the absence of any wage distortion to address, Section 2 does not apply; and that public respondent Commission has jurisdiction and is competent to resolve a question of law submitted for its consideration, like declaring as temporary in nature the salary increases provided for in RA 6640.

The petition is not impressed with merit.

Misplaced is petitioner's reliance on the ruling in *Apex Mining Company, Inc. v. NLRC*[4] to the effect that the creditability provisions in Wage Orders Nos. 5 and 6 are grounded on public policy regarding "the encouragement of employers to grant wage and allowance increases to their employees higher than the minimum rates of

increases prescribed by statute or administrative regulation". In the said case, this Court allowed Apex Mining Company, Inc. to credit Collective Bargaining Agreement ("CBA") salary increases as compliance with Wage Orders Nos. 5 and 6 mandating an increase in the Emergency Cost of Living Allowance ("ECOLA") of workers.

The fundamental difference between Apex Mining and the present case is that in the former, a creditability provision is found in Wage Orders Nos. 5[5] and 6[6] while in the latter, the same provision is nowhere to be found in RA 6640. The Court takes this to mean that it was not the intention of Congress to credit salary increases by reason of CBA wage adjustments or promotions in rank, for the mandated wage increase. Absent a creditability provision in RA 6640, the Court cannot add what the law does not provide. To do so would be to arrogate unto the court a power that does not belong to it. What is more, judicial legislation proscribed by the fundamental law of the land would result.

It should be noted that Section 7[7] of RA 6640 prohibits the diminution of existing benefits and allowances of workers. Consequently, it was improper and not allowed by law for petitioner to apply or consider as compliance, with the mandated wage hike of its workers, the salary increases corresponding to their promotion in rank.

Section 2 of RA 6640, reads:

"SEC. 2. The statutory minimum wage rates of workers and employees in the private sector, whether agricultural or non-agricultural, shall be increased by ten pesos (P10.00) per day, except non-agricultural workers and employees outside Metro Manila who shall receive an increase of eleven pesos (P11.00) per day: Provided, That those already receiving above the minimum wage up to one hundred pesos (P100.00) shall receive an increase of ten pesos (P10.00) per day. Excepted from the provisions of this Act are domestic helpers and persons employed in the personal service of another." (underscoring ours)

Petitioner interprets the underscored proviso of Section 2 supra as a wage distortion mechanism, such that when there is no more wage distortion to address, application of the said provision of law would cease.

The Court regards as improper petitioner's way of interpreting the underscored legal proviso aforecited, by isolating Section 2 from the other provisions of RA 6640. It is a rule of statutory construction that every part of a statute must be interpreted with reference to the context, i.e., that every part of the statute must be considered with the other parts, and kept subservient to the general intent of the enactment.[8]

Section 2 of RA 6640 is not a wage distortion mechanism. It is Section 3, *ibid*, which relates to the problem, thus:

SEC. 3. Where the application of the minimum wage increase prescribed under Section 2 results in distortions in the wage structure within an establishment which gives rise to a dispute therein, such dispute shall first be settled voluntarily between the parties and in the event of a deadlock, such dispute shall finally be resolved through compulsory arbitration by the National Labor Relations Commission's arbitration branch having jurisdiction over the workplace.

It shall be mandatory for the NLRC to conduct continuous hearings and decide any dispute arising under this section within thirty (30) days from the time said dispute is formally submitted to it for arbitration. The pendency of a dispute arising from a wage distortion shall not in any way delay the applicability of the wage increase covered by this Act.

For the purpose of this Act, wage distortion shall mean a situation where a legislated increase in minimum wages results in the elimination or severe contraction of intentional quantitative differences in wage or salary rates between and among employee groups in an establishment as to effectively obliterate the distinction embodied in such wage structure based on skills, length of service, or other logical basis of differentiation."

If the intention of the framers of the law were to make Section 2 a mechanism for wage distortion, they would

have deleted Section 3 and instead, incorporated in Section 2 the relevant provisions of Section 3. As currently phrased, however, there is nothing in Section 2 which refers to wage distortion. We discern no sustainable basis for petitioner's submission that the underscored proviso of Section 2 has become functus officio because of its alleged compliance with the law.

So also, untenable is the contention of petitioner that respondent Commission gravely abused its discretion in opining lack of jurisdiction to pass upon or resolve an issue involving a question of law. Petitioner apparently misconstrued the statement of respondent Commission.

For the sake of clarity, we quote the following portion of subject Decision, to wit:

"A benefit, repeatedly granted by the employer, cannot just be withdrawn as such repeated granting of benefit breeds a vested right on the part of an employee to look forward to and receive the same. An argument that a statutory wage increase repeatedly enjoyed by an employee (at least on monthly basis) be scrapped because such a 'Forced Statutory Increment' (under R.A. 6640) 'was never meant to act as a permanent fixture' and that the 'moment the employees got better rates by reason of promotion' there results 'no more need for the law', would all the more be ABSURD. By the fact alone that the wage increase provided for by R.A. 6640 was not defined and intended as a temporary benefit, much less effective only until an employee gets promoted (and correspondingly gets an increase), respondent's argument that we make it temporary would clearly tantamount to its pleading to us that we rule beyond the limit of our jurisdiction. (underscoring ours)

The underscored disquisition by respondent Commission should only be taken to mean that it could not grant the relief prayed for by petitioner; otherwise, it would be acting beyond the limit of its jurisdiction. The underscored ratiocination should not be deemed as a disinclination on the part of respondent Commission to exercise its power to pass upon an issue within its jurisdiction to resolve.

WHEREFORE, the petition is DISMISSED; and the assailed Decision of the National Labor Relations Commission AFFIRMED. No pronouncement as to costs.

SO ORDERED.

Narvasa, C.J., (Chairman) , Romero and Kapunan, JJ., concur.

[1] Penned by Commissioner Vicente S.E. Veloso, with Commissioners Bartolome S. Carale and Alberto R. Quimpo, concurring; First Division; Rollo, pp. 21-26.

[2] Rollo, pp. 28-31.

[3] Ibid., pp. 24-25.

[4] 206 SCRA 497.

[5] "SECTION 7. All increases in wages and/or allowances granted by employers between February 11, 1984 and the effectivity of this Order shall be credited as compliance with the minimum wage and allowance adjustments prescribed herein, provided that where the increases are less than the applicable amount provided in this Order, the employer shall pay the difference. Such increases shall not include anniversary wage increases provided in collective bargaining agreements unless the agreements expressly provide otherwise.

This Section shall not apply to merit wage increases and those resulting from the regularization or promotion of employees."

[6] "SECTION 4. All increases in wages and/or allowances granted by employers between June 17, 1984 and the effectivity of this order shall be credited as compliance with the minimum wage and allowance adjustments prescribed herein, provided that where the increases are less than the applicable amount provided in this order, the employer shall pay the difference. Such increases shall not include anniversary wage increases provided in collective bargaining agreements unless the agreements expressly provide otherwise.

This Section shall not apply to merit wage increases and those resulting from the regularization or promotion of employees."

[7] "SEC. 7. Nothing in this Act shall be construed to reduce any existing allowances and benefits of any form under existing laws, decrees, issuances, executive orders, and/or under any contract or agreement between workers and employers."

[8] *Paras v. Commission on Elections*, 264 SCRA 323.

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