

**PHILIPPINE NATIONAL CONSTRUCTION CORPORATION,
PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND
PNCC TOLL OPERATIONS EMPLOYEES AND WORKERS UNION
(PNCC-TOEWU), RESPONDENTS.**

G.R. No. 117240. October 02, 1997

Ponente: ROMERO, J.

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ROMERO, J.:

The instant petition seeks the reversal of the decision dated August 31, 1993 and resolution dated July 21, 1994 of public respondent National Labor Relations Commission which dismissed the appeal of petitioner Philippine National Construction Company (PNCC) and affirmed the March 29, 1993 decision of Labor Arbiter Cornelio Linsangan.

From the pleadings of the parties, the following facts are deemed to have been established.

PNCC and the Toll Operations Employees and Workers Union (PNCC-TOEWU) entered into a Collective Bargaining Agreement for a period of five (5) years from February 1, 1990 to January 30, 1995. It is provided in the collective bargaining agreement (CBA) that a mid-year bonus shall be granted to the employees who are covered by the bargaining unit as of June 1 of the covered year, viz.:

Section 2. Mid-Year Bonus - The COMPANY agrees to grant to all the employees covered by the bargaining unit a mid-year bonus of one (1) month basic salary to be given on or before June 1, each year. The mid-year bonus for 1990 shall be granted to employees who are covered by the bargaining unit including those employees who already attained the status of a regular employee as of June 1, 1990."

Due to financial difficulties, however, between April and May, 1991, PNCC implemented a Voluntary Separation Program. The individual complainants took advantage of the offer and, after signing individual quitclaims, were paid an equivalent of one-and-a-half month's pay for every year of credited service as well as a 30-day advance salary. Consequently, they were not given any mid-year bonus because as of June 1, 1991, PNCC no longer considered them as its employees.

The aggrieved employees then filed a claim for non-payment of mid-year bonus before the Labor Arbiter, who, in a decision dated March 29, 1993, ruled in their favor and ordered the payment of their mid-year bonuses. The disposition thereof reads as follows:

"WHEREFORE, judgment is hereby rendered ordering the respondent corporation to pay complainants their mid-year bonus for 1991, to wit:

NAMES MONTHLY BASIC SALARY

1. Bernadette Principe P5,793.00
2. Lucila Roxas 6,378.00

3. Wilhelmina Aquino 5,956.00
4. Librando Custodio 5,717.00
5. Socorro Escondo 4,937.00
6. Reynaldo Guelas 4,684.00
7. Sixto Pagoso 4,569.00
8. Gloria Mapoy 4,569.00
9. Rolando Gregore 5,390.00
10. Rolando Gilmo 5,813.00
11. Jose Estargo 5,594.00
12. Leonardo Dionisio 6,286.00
13. Pablo Gonzales 6,319.00
14. Gualberto Reblora 6,277.00
15. Regino Dechosa 5,507.00
16. Mariano Martija 5,080.00
17. Felix Lacson, Jr. 4,825.00
18. Juan Garcenilla 5,446.00
19. Gerardo Paragua 5,259.00
20. Marita Milan 5,434.00
21. Rodrigo Sugcang 5,425.00
22. Francisco Lucas 6,361.00
23. Elizabeth Ramos 5,576.00
24. Rogelio Venturina 5,233.00
25. Gregorio Batac 4,937.00
26. Elpidio Alcaraz 6,239.00
27. Melva Mabeza 5,670.00
28. Elenita Gonzales 5,688.00
29. Edna Habil 4,810.00
30. Carolina Matutina 5,095.00
31. Romeo Bunag 6,115.00
32. Romeo Cruz 5,518.00
33. Carlos Carino 5,151.00

34.Eduardo Adriano 5,485.00
35.Mario Bueno 6,428.00
36.Felix Nillas 4,636.00
37.Paulino Baloran 5,151.00
38.Federico Navarrete 5,436.00
39.Jose Argana 5,151.00
40.Mario Africa 5,780.00
41.Eduardo Natalio 5,306.00
42.Filomeno de Vera 5,354.00
43.Remigio Peralta 5,515.00
44.Marcelino Garcia 3,991.00
Grand Total P239,884.00

In addition, the respondent Philippine National Construction Company should also pay complainants Attorney's fees equivalent to ten (10%) percent of the total award, or the sum of Twenty Three Thousand Nine Hundred Eighty Eight Pesos and 40/100 (P23,988.40)."

PNCC elevated this judgment to the NLRC which, however, affirmed the same. Hence, this petition.

The pivotal question determinative of this controversy is whether the complainants are entitled to the mid-year bonus provided in the CBA.

PNCC contends that since complainants voluntarily separated themselves from PNCC before June 1, 1991, they are no longer entitled to the mid-year bonus.

We find merit in PNCC's contention.

There is no dispute that the complainants freely applied for the benefits under PNCC's voluntary separation program. As such, they effectively resigned from their respective positions.

Resignation is defined in Section II, Rule XIV, Book V of the Revised Rules Implementing the Labor Code, as a formal pronouncement or relinquishment of an office, and once accepted the employee no longer has any right to the job.[1] It therefore goes without saying that resignation terminates the employer-employee relationship.[2] From the foregoing discussion, it is clear that the employer-employee relationship between the complainants and PNCC ceased as of May 1991, a fact which was admitted by the complainants in their comment.[3] As such they were no longer employees of the PNCC as of June 1, 1991, the cut-off period necessary for entitlement to the mid-year bonus.

We have held that once an employee resigns and executes a quitclaim in favor of the employer, he is thereby estopped from filing any further money claims against the employer arising from his employment. Such money claims may be given due course only when the voluntariness of the execution of the quitclaim or release is put in issue, or when it is established that there is an unwritten agreement between the employer and employee which would entitle the employee to other remuneration or benefits upon his or her resignation.[4] In this case, the voluntariness of the execution of the quitclaim was never put in issue and, as such, must be treated as a valid and

binding agreement between the complainants and PNCC.[5]

Complainants further argue that when they executed the quitclaim they had no intention of waiving their mid-year bonus. In signing the quitclaim, however, the necessary implication is that the release would cover any and all claims arising out of the employment relationship.

From the foregoing, there is no doubt that the complainants voluntarily resigned from PNCC for a valuable consideration. The quitclaim they executed in favor of PNCC amounts to a legitimate compromise agreement. We, therefore, sustain the validity of said agreement.

Moreover, a bonus is “a gratuity or act of liberality of the giver which the recipient has no right to demand as a matter of right. It is something given in addition to what is ordinarily received by or strictly due the recipient. The granting of a bonus is basically a management prerogative which cannot be forced upon the employer who may not be obliged to assume the onerous burden of granting bonuses or other benefits aside from the employees’ basic salaries or wages.[6] After all, the term “bonus,” as used in employment contracts, conveys an idea of something which is gratuitous, or which may be claimed to be gratuitous, over and above the prescribed usage which the employer agrees to pay.[7] It cannot be argued that the grant of the mid-year bonus has become an established business practice of the PNCC, such that it has virtually become a part of the employees’ salary for the same was given but once, that is, on June 1, 1990.

Furthermore, in light of PNCC’s precarious financial situation at the time, it should no longer be burdened with distributing bonuses to its employees who have resigned. We also note that the benefits granted under the separation program are much more than the “mid-year bonus,” hence complainants cannot claim that they have been unduly deprived of what should have been accorded to them.

In view of the foregoing, this Court no longer finds any need to discuss the remaining issues raised by PNCC.

WHEREFORE, the instant petition is GRANTED. The challenged decision of respondent National Labor Relations Commission in NLRC Case NCR Case No. 04868-93 dated August 31, 1993, its resolution dated July 21, 1994, as well as the decision of Labor Arbiter Cornelio Linsangan dated March 29, 1993, are hereby SET ASIDE and a new one entered dismissing the complaint of, and consequently, the award of bonuses to the resigned employees. No pronouncement as to costs.

SO ORDERED.

Narvasa, C.J., (Chairman), Melo, Francisco, and Panganiban, JJ., concur.

[1] *Intertrod Maritime, Inc. v. NLRC*, 198 SCRA 318 (1991).

[2] Art. 286, Labor Code, as amended.

[3] *Rollo*, p. 59.

[4] *Talla v. NLRC*, 175 SCRA 479 (1989).

[5] *Mercer v. NLRC*, 244 SCRA 376 (1995).

[6] *Traders Royal Bank v. NLRC*, 189 SCRA 274 (1990).

[7] *Marcos v. NLRC*, 248 SCRA 146 (1995); *Philippine Duplicators, Inc. v. NLRC*, 241 SCRA 380 (1995).

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