RFM CORPORATION-FLOUR DIVISION AND SFI FEEDS DIVISION, PETITIONER, VS. KASAPIAN NG MANGGA-GAWANG PINAGKAISA-RFM (KAMPI-NAFLU-KMU) AND SANDIGAN AT UGNAYAN NG MANGGAGAWANG PINAGKA...

G.R. No. 162324. February 04, 2009

Ponente: CARPIO MORALES, J.

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CARPIO MORALES, J.:

Petitioner RFM Corporation (RFM) is a domestic corporation engaged in flour-milling and animal feeds manufacturing. Sometime in 2000, its Flour Division and SFI Feeds Division entered into collective bargaining agreements (CBAs) with their respective labor unions, the Kasapian ng Manggagawang Pinagkaisa-RFM (KAMPI-NAFLU-KMU) for the Flour Division, and Sandigan at Ugnayan ng Manggagawang Pinagkaisa-SFI (SUMAPI-NAFLU-KMU) for the Feeds Division (respondents). The CBAs, which contained similar provisions, were effective for five years, from July 1, 2000 up to June 30, 2005.

Sec. 3, Art. XVI of each of the CBAs reads:

> Section. 3. Special Holidays with Pay - The COMPANY agrees to make payment to all daily paid employees, in respect of any of the days enumerated hereunto if declared as special holidays by the national government:
>
> a) Black Saturday
> b) November 1
> c) December 31
>
> The compensation rate shall be the regular rate. Any work beyond eight (8) hours shall be paid the standard ordinary premium. (Emphasis and underscoring supplied)

During the first year of the effectivity of the CBAs in 2000, December 31 which fell on a Sunday was declared by the national government as a special holiday. Respondents thus claimed payment of their members' salaries, invoking the above-stated CBA provision. Petitioner refused the claims for payment, averring that December 31, 2000 was not compensable as it was a rest day. The controversy resulted in a deadlock, drawing the parties to submit the same for voluntary arbitration.

Following the submission by the parties of their respective position papers, Voluntary Arbitrator (VA) Bernardino M. Volante, by Decision[1] of October 11, 2001, declared that the above-quoted provision of the CBA is clear. It accordingly ruled in favor of respondents and ordered petitioner to pay the salaries of respondents' members for December 31, 2000, and to pay attorney's fees to respondents equivalent to 10% of the monetary award.

Its motion for reconsideration of the VA ruling having been denied,[2] petitioner appealed to the Court of Appeals which affirmed the same by Decision[3] dated October 30, 2003.

The appellate court held that if it was indeed petitioner's intent to pay the salaries of daily-paid employees during

a special holiday, even if unworked, only if such special holiday fell on weekdays, then it should have been clearly and expressly stipulated in the CBAs. And it held inapplicable Kimberly Clark Philippines v. Lorredo[4] cited by petitioner which case held that whenever there is a conflict between the words in the CBA and the evident intention of the parties, the latter prevails. For, so the appellate court explained, there were no words or provisions in the CBAs which would result in an absurd interpretation vis a vis the parties' true intention.

In sustaining the award of attorney's fees, the appellate court ruled that respondents were entitled thereto as they were compelled to engage a lawyer to pursue their claims.

Petitioner's motion for reconsideration having been denied, the present petition was filed.

Petitioner insists that the CBA provision in question was intended to protect the employees from reduction of their take-home pay, hence, it was not meant to remunerate them on Sundays, which are rest days, nor to increase their salaries.

On the award of attorney's fees, petitioner argues that it is not warranted as it did not arbitrarily refuse to pay respondents' demands.

The petition is bereft of merit.

If the terms of a CBA are clear and have no doubt upon the intention of the contracting parties, as in the herein questioned provision, the literal meaning thereof shall prevail. That is settled.[5] As such, the daily-paid employees must be paid their regular salaries on the holidays which are so declared by the national government, regardless of whether they fall on rest days.

> Holiday pay is a legislated benefit enacted as part of the Constitutional imperative that the State shall afford protection to labor. Its purpose is not merely "to prevent diminution of the monthly income of the workers on account of work interruptions. In other words, although the worker is forced to take a rest, he earns what he should earn, that is, his holiday pay."[6] (Emphasis and underscoring supplied)

The CBA is the law between the parties, hence, they are obliged to comply with its provisions.[7] Indeed, if petitioner and respondents intended the provision in question to cover payment only during holidays falling on work or weekdays, it should have been so incorporated therein.

Petitioner maintains, however, that the parties failed to foresee a situation where the special holiday would fall on a rest day. The Court is not persuaded. The Labor Code specifically enjoins that in case of doubt in the interpretation of any law or provision affecting labor, it should be interpreted in favor of labor.[8]

Respondents having been compelled to litigate as a result of petitioner's failure to satisfy their valid claim, the Court deems it just and equitable to sustain the award of attorney's fees.

WHEREFORE, the petition is DENIED.

SO ORDERED.

Quisumbing, (Chairperson), Tinga, Velasco, Jr., and Brion, JJ., concur.

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[1] Rollo, pp. 45- 47.

[2] Id. at 55-56

[3] Id. at 18-23; Penned by Associate Justice (later Presiding Justice) Romeo A. Brawner and concurred in by

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Associate Justices Sergio L. Pestaño and Jose C. Reyes, Jr.

[4] G.R. No. 103090, September 21, 1993, 226 SCRA 639.

[5] United Kimberly-ClarkEmployees Union-Philippine TransportGeneral Workers' Organization (UKCEU-PTGWO) v. Kimberly - ClarkPhilippines, Inc.,G.R. No. 162957, March 6, 2006.

[6] Asian Transmission Corp. v. Court of Appeals, G.R. No. 144664, March 15, 2004, 425 SCRA 478, 484-485.

[7] TSPIC Corporation v. TSPIC Employees' Union, et al., G.R. No. 163419, February 13, 2008, 545 SCRA 215, 225.

[8] FAMIT v. Court of Appeals, G.R. No. 164060, June 15, 2007, 524 SCRA 709, 717.

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