

CONCERNED ORGANIZATION OF PASAR PROGRESSIVE EMPLOYEES FOR REFORM [COPPER], REPRESENTED BY ITS PRESIDENT, FEDERICO E. JERUSALEM, PETITIONER, VS. PHILIPPINE ASSOCIATED SMELTING AN...

G.R. No. 270699, April 21, 2026

Ponente: SINGH, J.

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SINGH, J.:

Before the Court is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court assailing the Decision,[2] dated February 23, 2023, and the Resolution,[3] dated September 14, 2023, of the Court of Appeals (CA) in CA-G.R. SP No. 14340. The CA affirmed the Decision,[4] dated May 10, 2021, of the Voluntary Arbitrator of the National Conciliation and Mediation Board (NCMB), Regional Office No. 8, Tacloban City in VA Case No. AC-0151-RBVIII-01-01-02-2021, which dismissed the Complaint filed by the Concerned Organization of PASAR Progressive Employees for Reform (COPPER), praying for the payment of covered employees' two-day rest day pay, as well as Perfect Attendance Bonus, granted under the Collective Bargaining Agreement (CBA) despite their absence from work while on strike.[5]

The Facts

COPPER is a labor organization, which is the sole bargaining representative of rank-and-file employees of the Philippine Associated Smelting and Refining Corporation (PASAR). The labor dispute between COPPER and PASAR originated from failure of negotiations as to their CBA for the years 2017 to 2022, which caused COPPER to stage a strike from August 3 to 18, 2020.[6]

On August 19, 2020, COPPER and PASAR executed a Memorandum of Agreement (MOA) settling their dispute. The MOA provided, among others, that "[t]his agreement shall finally settle any and all issues raised during the CBA negotiations and in the Notice of Strike x x x," and that "[a]ll other claims and demands of the Union [COPPER] are considered settled, and all issues raised in the negotiations and conciliation-mediation conferences that were not approved by PASAR are deemed withdrawn and waived by the Union [COPPER]."[7]

When the covered employees received their pay slips for the month of September 2020, they discovered that their rest day pay for two days during the strike was deducted from their salaries or wages. Federico E. Jerusalem (Jerusalem), the Union President, then invited PASAR's grievance panel to a meeting in order to demand for the covered employees' supposed rest day pay for two days falling within the period of the strike, as well as their Perfect Attendance Bonus for the period November 1, 2019 to October 31, 2020. However, PASAR denied the covered employees' claims, arguing that they did not raise these issues to their immediate superior within five working days from their occurrence; thus their grievance was considered waived.[8]

Consequently, COPPER sought the assistance of the NCMB, which conducted mediation meetings between COPPER and PASAR. However, they still failed to come to an agreement, prompting them to submit the issues for voluntary arbitration.[9]

The Ruling of the Voluntary Arbitrator

In its Decision, the Voluntary Arbitrator dismissed COPPER's claims for the payment of the covered employees' two-day rest day pay and Perfect Attendance Bonus, thus:

WHEREFORE, in view of these considerations, the case is, as it is hereby ordered, DISMISSED.

SO ORDERED.[10] (Emphasis in the original)

With regard to the rest day pay, the Voluntary Arbitrator agreed with PASAR that the grant thereof presupposes that a worker has rendered work for six normal days prior to the rest day, since the purpose of a rest day is to let the worker regain strength after six normal working days.[11]

As to the Perfect Attendance Bonus, the Voluntary Arbitrator held that in order to be entitled to Perfect Attendance Bonus, a covered employee must be present and on time. Thus, COPPER's argument that absence due to joining a strike and similar situations will not disqualify an employee from receiving the bonus will result in an absurd situation as it will entitle the covered employees who are clearly absent from the workplace to a bonus that is meant to reward perfect attendance.[12]

Furthermore, the Voluntary Arbitrator held that the claim for Perfect Attendance Bonus can no longer be raised due to the execution of the MOA, wherein all issues raised in the negotiations and conciliation-mediation conferences that PASAR did not approve, including the claim for Perfect Attendance Bonus, were deemed withdrawn and waived by COPPER.[13]

Aggrieved, COPPER filed a Petition for Review[14] before the CA, insisting on the covered employees' entitlement to the two-day rest day pay and the Perfect Attendance Bonus.[15]

The Ruling of the CA

In the assailed Decision, the CA denied COPPER's Petition for Review and affirmed the Voluntary Arbitrator's Decision, thus:

WHEREFORE, premises considered, the Petition for Review is DENIED.

The Decision[,] dated May 10, 2021[,] of the Voluntary Arbitrator of the National Conciliation and Mediation Board, Regional Office No. 8, Tacloban City for VA Case No. AC-0151-RBVIII-01-01-02-2021 is [] AFFIRMED.

SO ORDERED.[16] (Emphasis in the original)

In agreeing with the VA, the CA held that an employee's absence during a strike is not compensable.[17]

The Issue

Are the covered employees of PASAR entitled to rest day pay and Perfect Attendance Bonus despite their absence from work during the strike?

The Ruling of the Court

The Petition is partly meritorious.

Interpretation in favor of labor

The 1987 Constitution itself, the supreme law of the land, mandates full protection to labor. Article XIII, Section 3 of the 1987 Constitution provides:

SECTION 3. The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.[18]

The foregoing mandate is in line with the principle that "those who have less in life, should have more in law." [19] Thus, our jurisprudence is replete with pronouncements interpreting provisions of law in favor of labor.

In *Reyes v. Rural Bank of San Rafael (Bulacan), Inc.*, [20] the Court held, as follows:

In carrying out and interpreting the Labor Code's provisions and its implementing regulations, the working man's welfare should be the primordial and paramount consideration. This kind of interpretation gives meaning and substance to the liberal and compassionate spirit of the law as provided for in Article 4 of the New Labor Code. The policy is to extend the decree's applicability to a greater number of employees to enable them to avail of the benefits under the law, in consonance with the State's avowed policy to give maximum aid and protection to labor. [21]

Admittedly, the Court recognizes that the constitutional policy to provide full protection to labor is not meant to oppress employers. The Court will not be prevented from ruling in favor of the employer when it is warranted. [22] However, the allowance of interpretation in favor of the employer must be "measured against standards stricter than that imposed against the worker, and only in compelling and justified cases where the employer will definitely suffer injustice should such liberal interpretation be disallowed." [23]

In the present case, as will be discussed below, there is no compelling reason to disallow a liberal interpretation in favor of PASAR's employees.

"A fair day's wage for a fair day's labor" pertains to compensation in consideration of work done or services rendered

In ruling against *COPPER*, the CA held that an employee's absence during a strike is not compensable, citing *J.P. Heilbronn Co. v. National Labor Union*, [24] where the Court adopted the principle of "a fair day's wage for a fair day's labor," such that if there is no work performed by the employee, there can be no wage, unless the laborer was able, willing, and ready to work but was either illegally locked out, dismissed, or suspended. [25]

The same principle has been upheld by the Court in recent jurisprudence. In *Atienza v. TKC Heavy Industries Corporation*, [26] the Court held that the overarching rule on the payment of salary is the principle of "a fair day's wage for a fair day's labor," or "no work, no pay," [27] thus:

The age-old rule governing the relation between labor and capital, or management and employee, of a "fair day's wage for a fair day's labor" remains the basic factor in determining employees' wages. If there is no work performed by the employee, there can be no wage. In cases where the employee's failure to work was occasioned neither by his abandonment nor by termination, the burden of economic loss is not rightfully shifted to the employer; each party must bear his own loss. In other words, where the employee is willing and able to work and is not illegally prevented from doing so, no wage is due to him. To hold otherwise would be to grant to the employee that which he did not earn at the prejudice of the employer. [28]

Notably, the foregoing cases refer to payment of "wage" and "salary." Thus, in order to better understand the principle of "a fair day's wage for a fair day's labor," there is a need to look into the definition of "wage" and "salary."

"Salary" is defined as "a reward or recompense for services performed. In a more limited sense, it is a fixed periodical compensation paid for services rendered." [29] On the other hand, "wage" is defined as "the remuneration or earnings, however designated, capable of being expressed in terms of money, whether fixed or ascertained on a time, task, piece, or commission basis, or other method of calculating the same, which is payable

by an employer to an employee under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered." [30]

In other words, "wage" is the agreed value of the work, while "salary" is the actual payment received by an employee based on work done.

Thus, it is only logical to interpret the principle of "a fair day's wage for a fair day's labor" such that it only pertains to compensation or benefits which are paid in consideration of work done or services rendered. Consequently, if a particular benefit is paid not in consideration of work done or service rendered, an employee is still entitled thereto even if he or she was absent from work. However, the foregoing rule shall apply only when the employee's absence is justifiable, in order to avoid situations wherein employees will make deliberate unjustified absences, which would ultimately be detrimental to the operations of the employer.

Entitlement to rest day pay and Perfect Attendance Bonus

The CBA between PASAR and COPPER provides for paid rest day and Perfect Attendance Bonus in favor of the covered employees. [31]

A CBA is a contract between the parties. Like any other contract, it has the force of law between the parties and, thus, should be complied with in good faith. [32] If its terms are clear, and there is no doubt as to the intention of the contracting parties, the literal meaning of the CBA's stipulations shall prevail. However, in case of doubt as to the parties' intention, the stipulations in the CBA affecting labor shall be liberally resolved in favor of labor. [33]

With regard to rest day pay, Article 7, Section 3 of the CBA provides:

Section 3. REST DAY. The COMPANY [PASAR] agrees to grant all its employees within the bargaining unit a scheduled one [] day rest day with pay every week. [34]

The foregoing provision is clear and unambiguous. The grant of rest day pay is unconditional. Contrary to the ruling of the CA, [35] it does not require that the covered employees be present at work for six days during a particular week in order for them to be entitled to the rest day pay. If such were the intention of the parties, they could have easily put it into writing in the CBA.

Relatedly, Article 91 of the Labor Code mandates the provision of a weekly rest day for employees:

ARTICLE 91. Right to Weekly Rest Day. — (a) It shall be the duty of every employer, whether operating for profit or not, to provide each of his employees a rest period of not less than [24] consecutive hours after every six [] consecutive normal work days.

(b) The employer shall determine and schedule the weekly rest day of his employees subject to collective bargaining agreement and to such rules and regulations as the Secretary of Labor and Employment may provide. However, the employer shall respect the preference of employees as to their weekly rest day when such preference is based on religious grounds.

Certainly, the grant of the rest day pay is not in consideration of work done or services rendered. As the name suggests, an employee is not supposed to work on a rest day. For the same reason, an employee's absence during a rest day is clearly justifiable. Since it is a designated rest day, the covered employees are not required to work. However, if they choose to work on a rest day, they will be entitled to extra pay, pursuant to Article 93(a) [36] of the Labor Code; if they do not work, they will still be entitled to the regular rest day pay, pursuant to the CBA.

Moreover, the covered employees' entitlement to rest day pay shall not be affected by their justified absence, i.e.,

attendance in a legal strike, during the six working days prior to the rest day, as there is already a corresponding consequence therefor, i.e., that they will not be entitled to their wages or salaries for the said working days.

While the purpose of a rest day is to allow employees to rest and recover in order to be more productive, neither the Labor Code nor the CBA provides for the forfeiture of a scheduled rest day and, consequently, the rest day pay, in case of an employee's absence during the work week, more so if such absence is justified or authorized.

As to the Perfect Attendance Bonus, Article 14, Section 5 of the CBA provides:

SECTION 5. PERFECT ATTENDANCE BONUS. Any employee shall be paid perfect attendance bonus equivalent to [30] days of his basic salary provided the following conditions are complied with during a one [] year period from November 1 of the preceding year to October 31 of the following year:

a.

No suspension was meted against him

b.

No leave without pay

c.

No study leave or official business trip for more than two [] months

d.

No undertime

e.

Not more than 3 instances of either:

e.1) Tardiness of not more than 10 minutes

e.2) Failure to swipe in/out, or a combination of both

Any single instance of tardiness of 11 minutes or more disqualifies [an employee] from the award. An unsuccessful swipe in/out due to technical failure of RFID equipment shall be excused[,] provided that CCTV or other company recording system show the employee's attempt to swipe in/out.

Any employee on call-in off after rendering call-in work during 11:00[p.m.] to 7:00[a.m.] work shift shall not be disqualified from the Perfect Attendance Bonus.

Any employee who is determined by Management to have availed of the sick leave solely for the purpose of qualifying for the perfect attendance bonus as evidenced by subsequent nullification of the sick leave by COMPANY [PASAR] Physician in accordance with Article 11, Section 3, paragraph b, shall be disqualified. Management will promptly inform the UNION [COPPER] of such determination.[37]

As the name suggests, the Perfect Attendance Bonus is granted in consideration of an employee's mere attendance at work, and not for work done or services rendered. Thus, justifiable absences shall not affect the covered employees' entitlement to the said bonus. This is, in fact, implied from the CBA itself.

As worded in the last paragraph of the provision on Perfect Attendance Bonus, employees may be disqualified from being entitled to the said bonus if they invalidly avail of sick leaves, i.e., when such sick leaves are invalidated by a company physician. This means that if the sick leave is valid, the employee will not be so

disqualified. Moreover, employees may be disqualified if they take leaves without pay, which means that leaves with pay will not disqualify them.

If the aforementioned leaves, which are granted under the CBA,[38] do not disqualify employees from entitlement to the Perfect Attendance Bonus, then there is even more reason to conclude that absences due to attendance in a legal strike, which is a constitutional right of employees, shall not disqualify the covered employees from entitlement to the said bonus.

Article XIII, Section 3 of the 1987 Constitution provides:

SECTION 3. The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all.

It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with law.[39] (Emphasis supplied)

The Labor Code and its Implementing Rules and Regulations limit the grounds for a valid strike to the following: (1) a bargaining deadlock in the course of collective bargaining, or (2) the conduct of unfair labor practices by the employer.[40]

In the present case, COPPER went on strike due to a bargaining deadlock, i.e., failure of negotiations as to their CBA for the years 2017-2022.[41] Moreover, there is no allegation, nor proof, that the strike conducted by COPPER was illegal. Thus, the strike was legal, and the absence of the employees from work is justifiable for the purpose of determining their entitlement to the Perfect Attendance Bonus.

The covered employees waived their right to receive Perfect Attendance Bonus through the MOA

In its Position Paper[42] filed before the Voluntary Arbitrator, PASAR asserted that COPPER has already waived the covered employees' right to receive Perfect Attendance Bonus by signing the MOA,[43] which provides, among others:

IV. Settlement and Withdrawal/Waiver of Disapproved Union Demands

All other claims and demands of the Union are considered settled, and all issues raised in the negotiations and conciliation-mediation conferences that were not approved by PASAR are deemed withdrawn and waived by the Union [COPPER].[44]

According to PASAR, the issue on Perfect Attendance Bonus was raised during the negotiations and conciliation-mediation conference between PASAR and COPPER. To support this argument, PASAR pointed out that COPPER inserted the following provision in the draft MOA it submitted to PASAR during the course of the negotiations:

As a sign of good faith on the part of [the] Management, the members of the CBA who joined the strike shall not be considered absent during the period of the strike. As such, they shall remain entitled to all the benefits provided for in the CBA.[45]

The above-quoted provision was denied by PASAR and thus did not appear in the final MOA. Thus, according to PASAR, COPPER's claim for Perfect Attendance Bonus has already been waived and settled, pursuant to the "Settlement and Withdrawal/Waiver of Disapproved Union Demands" provision in the MOA.[46]

The Court agrees with PASAR.

Indeed, rights conferred in a contract, such as a CBA, may be validly waived by the holder of the said rights. Article 6 of the Civil Code of the Philippines provides:

Article 6. Rights may be waived, unless the waiver is contrary to law, public order, public policy, morals, or good customs, or prejudicial to a third person with a right recognized by law.

For a waiver of right to be valid, the following requisites must concur: (a) existence of a right; (b) knowledge of the existence thereof; and (c) an intention to relinquish such right.[47]

In *Guy v. Court of Appeals*,^[48] the Court explained that in order to be valid and effective, "a waiver must be couched in clear and unequivocal terms which leave no doubt as to the intention of a party to give up a right or benefit which legally pertains to him. A waiver may not be attributed to a person when its terms do not explicitly and clearly evince an intent to abandon a right."^[49]

Here, COPPER clearly raised the issue on Perfect Attendance Bonus during its negotiations with PASAR when it proposed that the covered employees should not be considered absent during the strike and should remain entitled to all the benefits provided for in the CBA. Since such proposal, was rejected by PASAR, the Perfect Attendance Bonus is considered waived, pursuant to the "Settlement and Withdrawal/Waiver of Disapproved Union Demands" provision of the MOA, which COPPER signed.

ACCORDINGLY, the Petition for Review on Certiorari is PARTLY GRANTED. The Decision, dated February 23, 2023, and the Resolution, dated September 14, 2023, of the Court of Appeals in CA-G.R. SP No. 14340 are AFFIRMED with MODIFICATION.

The Philippine Associated Smelting and Refining Corporation is ORDERED to PAY the covered employees their rest day pay for two days within the period of the legal strike between August 3-18, 2020.

The total amount due shall earn a legal interest of six percent (6%) per annum from the date of finality of this Decision until full satisfaction.

The case is REMANDED to the Voluntary Arbitrator of the National Conciliation and Mediation Board, Regional Office VIII, Tacloban City for a computation of the total monetary award in accordance with the Court's disposition.

SO ORDERED.

Caguioa, (Chairperson), Inting, Gaerlan, and Dimaampao, JJ., concur.

[1] Rollo, pp. 3-25.

[2] *Id.* at 28-42. Penned by Associate Justice Bautista G. Corpin, Jr. and concurred in by Associate Justices Mercedita G. Dadole-Ygnacio and Eleuterio L. Bathan of the Twentieth Division, Court of Appeals, Cebu City.

[3] *Id.* at 43-46. Penned by Associate Justice Bautista G. Corpin, Jr. and concurred in by Associate Justices Mercedita G. Dadole-Ygnacio and Eleuterio L. Bathan of the Twentieth Division, Court of Appeals, Cebu City.

[4] *Id.* at 81-93. Penned by Atty. Enerio M. Sabulao, Voluntary Arbitrator of the National Conciliation and Mediation Board, Regional Office No. 8, Tacloban City.

[5] *Id.* at 29.

[6] *Id.*

[7] Id. at 29-30.

[8] Id. at 30.

[9] Id.

[10] Id. at 93.

[11] Id. at 87-88.

[12] Id. at 90-92.

[13] Id. at 93.

[14] Id. at 58-79.

[15] Id. at 67-77.

[16] Id. at 41.

[17] Id. at 38.

[18] CONST., art. XIII, sec. 3.

[19] *Reyes v. Rural Bank of San Rafael (Bulacan), Inc.*, 921 Phil. 670, 684 (2022) [Per J. Hernando, Second Division].

[20] Id.

[21] Id. at 684.

[22] *Pascual v. Sitel Philippines Corporation, et al.*, 872 Phil. 525, 528 (2020) [Per J. Inting, Second Division].

[23] *Reyes v. Rural Bank of San Rafael (Bulacan), Inc.*, 921 Phil. 670, 685 (2022) [Per J. Hernando, Second Division].

[24] 92 Phil. 575 (1953) [Per J. Montemayor, En Banc].

[25] Id. at 577-578.

[26] 905 Phil. 225 (2021) [Per J. Gaerlan, First Division].

[27] Id. at 242.

[28] Id., citing *Coca-Cola Bottlers Philippines, Inc. v. Iloilo Coca-Cola Plant Employees Labor Union*, 844 Phil. 696 (2018) [Per J. Reyes, Jr., Second Division].

[29] *Ifurung v. Ombudsman Carpio Morales, et al.*, 831 Phil. 135, 172-173 (2018) [Per J. Martires, En Banc]. (Emphasis supplied)

[30] *Soriano v. Secretary of Finance*, 804 Phil. 72, 123 (2017) [Per C.J. Sereno, En Banc]. (Emphasis supplied)

[31] *Rollo*, p. 34.

[32] *Limcoma Labor Organization v. Limcoma Multi-Purpose Coop.*, 916 Phil. 725, 732-733 (2021) [Per J. Gaerlan, Second Division].

[33] *Philippine Bank of Communications Employees Association v. Philippine Bank of Communications*, 929 Phil. 731, 739-740 (2022) [Per J. Inting, Third Division].

[34] Rollo, p. 160.

[35] Id. at 38.

[36] LABOR CODE, art. 93 states:

ARTICLE 93. Compensation for Rest Day, Sunday or Holiday Work.—(a) Where an employee is made or permitted to work on his scheduled rest day, he shall be paid an additional compensation of at least [30%] of his regular wage.

[37] Id. at 165-166.

[38] Id. at 162-163.

[39] CONST., art. XIII, sec. 3.

[40] *Bigg's Inc. v. Boncacas, et al.*, 848 Phil. 478, 499 (2019) [Per J. Caguioa, Second Division].

[41] Id.

[42] Rollo, pp. 179-189.

[43] Id. at 187.

[44] Id. at 196.

[45] Id. at 242.

[46] Id. at 250.

[47] *Heirs of Cipriano Reyes v. Calumpang*, 536 Phil. 795, 814 (2006) [Per J. Velasco, Jr., Third Division].

[48] 533 Phil. 446 (2006) [Per J. Ynares-Santiago, First Division].

[49] Id. at 453.

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