

**FILIPINAS GOLF & COUNTRY CLUB, INC.,
PETITIONER-APPELLANT, VS. NATIONAL LABOR RELATIONS
COMMISSION, PTGWO AND LOCAL CHAPTER NO. 424,
RESPONDENTS-APPELLEES.**

G.R. No. 62918. August 23, 1989

Ponente: NARVASA, J.

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NARVASA, J.:

The facts here are not in dispute. The question they present concerns the effect of an employer's compliance with laws prescribing wage increases on the obligation to grant similar increases assumed by him under a collective bargaining agreement. The petitioner contends that in the particular circumstances of this case, its giving of wage increases prescribed by laws produced the effect of compliance pro tanto with provisions for a similar increase in a collective bargaining agreement with its employees, leaving it bound only to make up the difference in amount, if any, between the increases legislated and that fixed by the agreement. The respondents, on the other hand, maintain the contrary, assert that said obligations -- the statutory and the contractual -- are cumulative and both independently exigible, and submit that petitioner may not set up the performance of either in avoidance or offset of the other.

On February 20, 1980, Presidential Decree No. 1678 was issued, granting non-agricultural workers receiving less than P1,500.00 a month a two-peso (P2.00) per day increase in living allowance effective February 21, 1980. A year later, on March 25, 1981, Wage Order No. 1 was promulgated, granting an additional two-peso (P2.00) per day increase in emergency living allowance to non-agricultural workers, effective March 22, 1981.

Presidential Decree No. 1678 and its implementing rules made creditable to the increase thereby granted increases in wages or allowances given by employers on or after February 8, 1980, providing:

"Section 5. - Employers who have given increases in wages and/or allowances of at least P2.00 a day for non-agricultural workers on or after February 8, 1980, whether granted unilaterally or by collective agreement, shall be deemed to have complied with this Decree. Those who have given less than P2.00 * * a day shall pay the difference."

Wage Order No. 1 contained a similar provision, viz.:

"Section 6. - All increase in wages granted unilaterally or by collective bargaining agreements shall be credited in compliance with this Wage Order provided such increase were granted between 1 January and 22 March 1981. Where the increase is less than the amount provided in this Wage Order, the employer shall pay the difference."

It is not disputed that petitioner herein, Filipinas Golf and Country Club, Inc. (hereafter, Filipinas Golf only) has duly complied with both laws, giving its employees covered thereby the prescribed increases.[1]

On January 30, 1981, Executive Labor Arbiter Cresencio J. Ramos rendered a decision in R04-A Case No.

AB-1009-80, resolving a collective bargaining agreement deadlock between Filipinas Golf and its employees' union, Local Chapter No. 424 of the Philippine Transport and General Workers Organization (PTGWO). The decision granted the employees a three-stage wage increase totalling P5.00 a day, as follows:

P2.00, effective February 25, 1980

P2.00, effective February 25, 1981

P1.00, effective February 25, 1982,

and ordered employer and union to execute the collective bargaining agreement stipulating such increase. Thereafter, the decision having become final and executory, at the instance of the union execution issued on April 13, 1981 ordering the sheriff to collect from Filipinas Golf the sum of P91,560.00 representing the increases decreed, and was followed by an order of garnishment for said amount against funds of Filipinas Golf on deposit with Prudential Bank and Trust Company.[2]

On May 11, 1981 Filipinas Golf executed with the union the arbiter-mandated collective bargaining agreement prescribing the three-stage wage increase and incorporating the following condition:

"This provision shall be subject to application (sic) provision of decrees and/or legislation promulgated/approved during the effectivity or lifetime of the CBA."[3]

At the same time it moved for reconsideration of the order of garnishment, impugning the correctness of the computation of the wage increases payable for not taking into account the increases it had given under PD 1678 and Wage Order No. 1.

The Labor Arbiter found no merit in the motion and denied it, opining that the increase prescribed by the collective bargaining agreement should be given in addition to the legislated increases because: (1) the former proceeded from an award made by the labor department of the Government in the exercise of its compulsory arbitration powers, not from a unilateral act of the employer; and (2) recent Supreme Court decisions had set the rule that benefits under a collective bargaining agreement are "entirely separate and distinct from that which the law grants."[4]

Filipinas Golf appealed, without success, to the National Labor Relations Commission which sustained the Labor Arbiter and ruled that:

"* * Since the CBA was executed in pursuance of a compulsory arbitration decision, the terms embodied therein should be considered to be over and above the standards provided for by law, unless the decision clearly stated otherwise which is not the case here. Implicit in the appealed order is the Labor Arbiter's statutory standards, and the Labor Arbiter is in the best position to say what his decision means."[5]

Reversal of those rulings is sought in the present petition.

The cited provisions of PD 1678 and Wage Order No. 1 upon which the petition is anchored are clear and unambiguous. In prescribing that increases granted during the periods therein specified, whether unilaterally or by collective agreement, are creditable to the increases mandated thereby, they create an equivalence between those legal and contractual obligations to grant increases, rendering both susceptible of performance by compliance with either, subject only to the condition that where the increases given under agreement fall short in amount of those fixed by law, the difference must be made up by the employer.

Said provisions, it is further noted, refer to collective bargaining agreements without qualification. They make no distinction between unarbitrated agreements and those brought about through and only after compulsory

arbitration. The decision of the Labor Arbiter, if it does not exclude all collective bargaining agreements from the ambit of the creditability provisions in question, as much as implies that agreements concluded through compulsory arbitration do not come within their purview. This is of course unacceptable, for it presumes to find distinctions not in fact expressed in said provisions or clearly to be inferred from their language. It is axiomatic that no distinctions may be read into the law which are not provided for therein, or clearly implicit in its terms, unless -- which is not the case here -- the law undifferentiated would lead to results either absurd or manifestly not intended by the lawmaker. No absurdity or frustration of the legislative will could conceivably arise from making the said creditability clauses operative on the coverable wage increase provisions of all collective bargaining agreements, however concluded. There is, therefore, neither occasion nor justification for interpreting them, contrary to the ordinary intendment of their language, as inapplicable to increases prescribed in arbiter-mandated collective bargaining agreements.

These propositions appear all the clearer when considered in the light of the earlier-quoted provision of the parties collective bargaining agreement subjecting the wage increase granted therein to the " * * application * * of decrees and/or legislation promulgated/approved during the effectivity or lifetime * *" of said agreement, a reasonable interpretation of which is rejective of any notion that said increase was meant to be in addition to, or "over and above," as the NLRC would put it, increases decreed by law. Rather should the clause be read as confirmative of what PD 1578 and Wage Order No. 1 had put into words of more unmistakable import: that an increase given under the agreement, if at least equal to those fixed by said laws, be deemed a compliance with the latter or, if less, creates only the obligation to pay the difference -- which is but to say that the employer is not to be made to pay twice the concurrent amount of increases independently imposed by law and by agreement.

There is nothing contrary to law, customs, public order or public policy in a stipulation subordinating, as does the aforesaid provision in the collective bargaining agreement, contractual wage increases to those imposed or prescribed by law. Filipinas Golf and the respondents were therefore perfectly free to agree thereon, and having thus agreed, are bound by such stipulation as constituting the law between them.

That PD 1678 and Wage Order No. 1 both antedated the collective bargaining agreement does not, as respondents would have it, argue against the creditability of the increase granted by the agreement, since said increase -- at least, in its first two stages or installments -- was made retroactive to dates falling within the "creditability periods" (for want of a more appropriate term) provided in the Decree and the Wage Order, to wit: February 8, 1980 and thereafter, and between January 1 and March 22, 1981, respectively. The fact that cannot be escaped is that in making the wage increase retroactive, the parties to all intents and purposes dated the existence of their collective bargaining agreement back to the effective date of the increase. It is not to be assumed that they did not have this retroactive effect in mind when they expressly subjected the wage increase provision to legislation passed or adopted during the " * * effectivity or lifetime * *" of the agreement. Nor may it be presumed that the agreement was meant to be retroactive only in respect of the wage increase provision, but prospective in all its other clauses. On the contrary, the private respondents themselves maintain that the entire agreement was intended to be retroactive in effect, asserting that:

" * * (i)t was made retroactive to February 25, 1980 for the simple reason that the previous CBA between the parties expired on February 24, 1980,. This was in line with the practice and to maintain continuity of CBA's that will govern the employer-employee relationship between the parties. * *"5

A survey of relevant decisions of this Court fails to support the proposition implicit in the Labor Arbiter's decision that benefits granted by law may be claimed separately from and in addition to those granted by collective bargaining agreements under any and all circumstances. What seems, on the contrary, to be the common thrust of applicable rulings is that the intention of the parties whether or not to equate benefits under a collective bargaining

agreement with those granted by law must prevail and be given effect. Thus, in *Philippine Apparel Workers Union vs. NLRC*,^[6] the employees of the respondent employer were held entitled to the full amounts of both a wage increase under a collective bargaining agreement and an increase in living allowance prescribed by law during the period when both increases were concurrently effective, for want of an agreement between the parties to treat the increase in living allowance as applicable to the wage increase.

Earlier, in *Marcopper Mining Corp. vs. Ople*,^[7] it had been ruled that the 13th month pay under Presidential Decree 851 was required on top of other bonuses agreed upon between employer and employee. That ruling, however, was reversed in *National Federation of Sugar Workers vs. Central Azucarera de la Carlota*^[8] which held that employees are no longer entitled to an additional Christmas bonus or other Christmas benefits if they are already entitled to 13th month pay.

Later cases, like *United CMC Textile Workers Union vs. Labor Arbiter*,^[9] where execution of the decision based on the *Marcopper* ruling was overtaken by the decision in *La Carlota*, and *Universal Corn Products vs. NLRC*,^[10] hewed to essentially the same principle: that the intention of the parties to a collective bargaining determines how to deal with benefits of similar character concurrently granted by both the agreement and the law.

The manifest will and intent of the parties to treat the legislated increases as equivalent *pro tanto* to those stipulated in their collective bargaining agreement must be respected and given effect.

WHEREFORE, the decision of the National Labor Relations Commission under review is REVERSED and SET ASIDE. The case is remanded to said Commission, ordering it to compute anew the amount payable to the members of the respondent union under the collective bargaining agreement in question, taking into account such amounts of the wage increase granted under provisions of said collective bargaining agreement as are creditable to the increases mandated by PD 1678 and Wage Order No. 1 and their implementing rules according to the provisions thereof. Petitioner and the private respondents shall be notified of, and afforded an opportunity to be heard in, the recomputation proceedings. No pronouncement as to costs.

SO ORDERED.

Cruz, Gancayco, Griño-Aquino, and Medialdea, JJ., concur.

[1] Solicitor General's Comment; Rollo, p. 44

[2] Petition, Rollo, pp. 5-6; Comment of Private Respondents, Rollo, pp. 48-49

[3] Quoted in Solicitor General's Comment, *supra*, Rollo, pp. 44-45

[4] Rollo, pp. 21-22

[5] *Id.*, pp. 19-22

5 Comment dated May 2, 1983; Rollo, p. 49

[6] 106 SCRA 444

[7] 105 SCRA 75

[8] 114 SCRA 354

[9] 149 SCRA 424

[10] 153 SCRA 191

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