

PLANTERS PRODUCTS, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, LABOR ARBITER VIRGINIA G. SON, RENATO ABEJAR, ERNESTO ABELLA, DOMINADOR ABITONG, PEDRO ALBAYALDE, E...

G.R. No. 78524. January 20, 1989

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

These are consolidated petitions to review on certiorari the resolution of the National Labor Relations Commission (NLRC) affirming with modifications the Labor Arbiter's decision.

The dispositive portion of the resolution reads as follows:

"WHEREFORE, there being no reversible error in the decision appealed from, We hereby AFFIRM with modifications the same by (1) declaring respondent Planter's Product GUILTY of unfair labor practice; (2) to direct res-pondent to pay the individual complainants, intervenor-complainants, and all others which (sic) are similarly situated an amount equiva-lent to one and one-half (1-1/2) months of basic pay, which is subject to adjustment, as far as separation pay or termination allowance is concerned, for those whose service is less than ten (10) years in accordance with the collective bargaining agreement for the years 1975 to 1984; (3) that effective upon the service of this Resolution, and until all sums due are duly paid to the individual complainants, intervenor-complainants and all others which (sic) are similarly situated, respondent is enjoined from disposing of, or otherwise encumbering a portion or all of its assets to answer for the obligations or payments as directed herein; and (4) the award for actual, exemplary and moral damages as well as attorney's fees is hereby set aside." (pp. 55-56, Rollo)

The facts of the case as found by the labor arbiter and adopted by the NLRC are as follows:

xxx xxx xxx

"This case involves about 440 retrenched employees of the respondent from its Bataan and Makati-based operations. It was filed by the complainants as individuals, and jointly with their respective unions, as a class suit on behalf of Bataan-based Planter Products, Inc. ('PPI' hereafter) employees similarly situated under Section 12, Rule 3 of the Rules of Court, on January 16, 1986. The intervenors, on June 20, 1986, in their behalf and in behalf of similarly situated Makati-based employees, moved for leave to intervene because they were similarly situated as the complainants.

"Moreover, the Stipulation of Facts entered into by and between the parties herein succinctly disclosed these undisputed facts, to wit:

""STIPULATION OF FACTS

"1.The Complainants and Complainants-Intervenors were all regular employees of the Respondent until their respective dates of retirement/retrrenchment.

"2. All the Complainants, except the Complainants-Intervenors, are members of either one of the following Unions of workers/employees of the Respondent:

""a. Planters Product Employees Union ('PPEU' for brevity);

""b. First Line Association of Management Employees ('FLAME' for brevity); and

""c. Super 21,

and/or were represented by said unions as their respective agents.

"3. These Unions of former employees of Respondent have always had collective bargaining agreements (Exhs. 'A'-1975-78 CBA which was formally ratified; 'A-1'-1978-81 and 'A-2'/'8'-1981-84 CBAs which were not formally submitted for ratification; and 'A-3'/'9'- the purported 1984-87 CBA which was not formally submitted for ratification).

"4. On October 11, 1982, the Res-pondent instituted a Retirement and Pension Plan ('RPP' hereafter for brevity) for all employees, which was to be effect-ive retroactive to March 31, 1982 (Exhs. 'P' to 'P-14-a').

"5. This non-contributory RPP was funded exclusively by PPI.

"6. On February 23, 1984, PPI to institutionalize the RPP, entered into a Trust Agreement with Philippine Trust Co., Inc. ('PTC' for brevity), under the terms of which, PTC shall administer and manage the fund.

"7. The initial amount deposited with PTC in accord with the trust agreement, and to fund the RPP initially was P15,772,421.98 (Exh. 'Q').

"8. There were subsequent deposits made into the RPP trust account, so that by December 31, 1984, the trust fund in the RPP amounted to P23,789,690.00, more or less (Exh. '5').

"9. On September 28, 1984 a CBA for 1984-1987 was signed between PPI and the directors and principal officers of its unions, assisted by their lawyer, Atty. Gabriel Manansala (Exh. 'A-3'/'9').

"10. Exh. 'A-3'/'9' modified the provisions in the previous CBAs on 'ter-mination allowance' or benefit, and lim-ited its scope to separation from the service of PPI by reason solely of dis-ability.

"11. The 1984-87 CBA was never for-mally submitted to the membership of the Unions for ratification.

"12. In March 1984 the RPP was sub-mitted to the Bureau of Internal Revenue for qualification as an approved Retire-ment and Pension Plan (Exh. '4'/'K').

"13. On October 10, 1984, the RPP was approved by BIR Deputy Commissioner Tomas Toledo (Exhs. '6'-'6-D', 'L' and 'L-1').

"14. After the RPP was approved by the BIR, on November 21, 1984, PPI issued a circular to all employees announc-ing the funding of the RPP (Exh. 'B'/'10') and its approval by the BIR pursuant to R.A. 4917.

"15. On September 15, 1985, without formally informing the PPI employees-beneficiaries of the RPP, the RPP was unilaterally amended by the company, particularly its Part IV, paragraphs 3-5, pursuant to Section J, Part 7 of the RPP and a copy was later submitted to the BIR for approval on 22 October 1985 and the amendments were approved by the BIR pur-suant to the provisions of R.A. 4197 (Exhs. '4' to '4-F'/'K' to 'K-2').

"16. On September 26, 1985 a circular was issued to all employees of PPI (Exh. 'H'/'16') announcing that employees laid off from its Bataan operations on July 8 and August 15, 1985, were being terminated effective as of September 30, 1985; while those laid off from its Makati office would be terminated effective as of October 15, 1985. Between their lay-off dates and their announced termination/retirement dates, all of the concerned employees did not render service to PPI.

"17. On September 27, 1985, individual letters were sent to each employee notifying them of their formal termination and the termination benefits that they would be granted (Exh. 'C'/'11').

"18. On or about October 11, 1985, Mr. Roberto Orig, for PPI, issued to the individual Complainants/Complainants--Intervenors computer print-outs reflecting the respective computations of their separation benefits for all employees terminated during the said periods (Exhs. 'I'-I-123', 'N-INTERVENOR'-N-20-INTER-VENOR). Exhs. 'B' to 'B-8', 'N-INTER-VENOR' to 'N-20-INTERVENOR' AND 'I' to 'I-133', shows that the separation pay granted to the Bataan-based and Makati--based employees who were not retireable, was only one (1) month of basic pay for each year of service with one-half paid from the RPP and the balance from PPI operating funds. As shown by the same Exhibits, all employees entitled to optional or forced retirement, were granted retirement benefits based on their basic pay. These benefits ranged from 1.02 to 1.43 months of basic pay per year of service as computed in accordance with the RPP. These computations were used in paying the Complainants and the Complainants-Intervenors the sums indicated on the print outs.

"19. The RPP was managed by a Retirement and Pension Committee of PPI (Exh. 'Q-1').

"20. Effective 15 September 1985, before the Complainants and Complainants-Intervenors were retired/retrrenched, the company amended PPI's RPP particularly Part. IV, Par. D (4) and (5), pursuant to which Complainants and Complainants-Intervenors were paid their separation pay/benefits on the basis of their basic salary.

"21. Subsequent to the retirement/retrrenchment of the Complainants and Complainants-Intervenors, all the re-maining employees were paid their computed retirement/retrrenchment benefits from the RPP, and the RPP was liquidated on June 23, 1986 (Exhs. 'G'/'15' - Caluag letter and Exhs. 'R', 'R-1', 'S') and

"22. Some of the employees who were retired/retrrenched effective June 1, 1986, have been subsequently re-hired by PPI under certain conditions." (pp. 42-45, Rollo - 78739)

The labor arbiter rendered judgment against Planters Products, Inc., holding it guilty of unfair labor practice. This was affirmed on appeal to the NLRC, with the modification that it set aside the award for actual, exemplary and moral damages, and attorney's fees.

Both parties filed their respective petitions before this Court.

Planters Products, Inc., (PPI) in its petition raised the following assignment of errors:

"In rendering the decision/resolution complained of, public respondents acted without or in excess of jurisdiction and/or grave abuse of discretion in that -

"1. The NLRC, and before it, the Labor Arbiter acted without jurisdiction in resolving this case, jurisdiction over which is vested exclusively on another judicial authority. (p. 10, Rollo - 78524)

"2. Assuming arguendo that public respondents have jurisdiction, they miserably failed to make a sufficient and valid findings of facts upon which they could reasonably base their conclusions. (p. 15, id.)

"3. Assuming arguendo that public respondents made sufficient and valid findings of facts, such findings are clearly and manifestly erroneous and absolutely devoid of evidentiary support. (p. 16, id.)

"a. Total absence of evidence to support conclusion of unfair labor practice.

"b. The finding of bad faith has no basis; Planters's decision to amend its retirement plan was prompted by its bene-volent desire to give more benefits to its employees. (p. 18, id.)

"4. Public respondents committed gross errors of law in that -

"(a) Under its express provision, the Retirement Plan may be amended unilaterally and the validity and enforceability of the amendment are not nullified by a mere formal defect. (p. 20, id.)

"(b) Private respondents are estopped from questioning the validity of the amend-ment to the Retirement Plan. (p. 24, id.)

"(c) The rule on non-diminution of benefits does not apply to a modification of a provision in the CBA voluntarily nego-tiated and entered into by the parties. (p. 26, id.)

"(d) Continued employment is a condi-tion sine qua non to entitlement to the liquidation proceeds of the Retirement Fund; non-employees at the time of liquidation are no longer participants in the Retirement Plan and are, therefore, not entitled to liquida-tion proceeds. (p. 28, id.)

"5. Public respondents gravely abused their discretion and denied Planters due process when they deliberately ignored Planter's evidence." (p. 31, id.)

On the other hand, the individual complainants and intervenors-complainants, in their petition for partial review, raised the following assignment of errors:

A. THE SETTING ASIDE BY THE HONORABLE NLRC OF THE AWARD OF THE LABOR ARBITER TO THE PETITIONERS AND INTERVENORS-PETITIONERS OF ACTUAL, MORAL AND EXEMPLARY DAMAGES, AND ATTORNEY'S FEES, IS INCONSISTENT WITH ITS FINDING OF UNFAIR LABOR PRACTICE, BREACH OF TRUST, AND VIOLATION OF THE CBA PROVISIONS ON TERMINATION ALLOWANCES AND THE PROHIBITION AGAINST THE DIMINUTION OF EMPLOYEE BENEFITS.

B. HONORABLE NLRC ERRED IN EXCLUDING/NOT INTEGRATING THE 10% SALARY ADJUSTMENT AND THE ALLOWANCES IN THE COMPUTATION OF THE TERMINATION AND RETIREMENT ENTITLEMENT OF THE PETITIONERS AND INTERVENORS-PETITIONERS.

C.

THE HONORABLE NLRC ERRED IN NOT FINDING FROM THE DOCUMENTARY EVIDENCE THAT PETI-TIONERS AND INTERVENORS-PETITIONERS ARE ALSO ENTITLED TO PRO-RATED DEATH BENEFITS. (pp. 3-4, Rollo - 78739)

The first issue to resolve is whether or not the NLRC and the Labor Arbiter have jurisdiction over the present suit.

PPI contends that the public respondents have no jurisdiction over the case as there is no longer an existing employer-employee relationship between the private parties. The relationship having been severed, it is believed that the complainants should have sought reins-tatement for the present action to fall under said respondents' jurisdiction.

The contention is without merit.

An employee need not seek reinstatement in order to file a complaint before the Labor Arbiter. (A. Consteel Construction Co., Inc. v. Intermediate Appellate Court, G. R. No. 64673, Oct. 21, 1988). Money claims of workers as in the instant case, fall within the original and exclusive jurisdiction of labor arbiters when these claims have some reasonable causal connection with the employer-employee relationship (San Miguel Corp. v. National Labor Relations Commission, G. R. No. 80774, May 31, 1988; Oreshoot Mining Co. v. Arellano, G. R. Nos. 75746-48, Dec. 14, 1987; Vargas v. Akai Phils., Inc., UDK-7927, Dec. 14, 1987; Samahang Manggagawa ng Liberty Commercial Center v. Pimentel, G. R. No. 78621, Dec. 2, 1987; and Tuvera v. Dayrit, G. R. No. 50096, April 15, 1988).

It is a fact that the complainants and complainants-intervenors were all regular employees of PPI until their respective dates of retirement/retrenchment (p. 46, Rollo - 78524). They now seek to improve the terminal benefits granted to them on the allegation that a different computation was used for the other employees. Their claims clearly arose from the employer-employee relationship.

PPI next contends that this should be a purely civil suit against the duly designated corporate trustee because it is specifically against the Retirement Fund which was separately administered and managed by said trustee.

We disagree. It is stated in the stipulation of facts that the Retirement and Pension Plan (RPP hereafter) was managed by a Retirement and Pension Committee of Planters Products, Inc. Moreover, the RPP was solely funded by PPI.

We therefore go along with the findings of the Labor Arbiter who stated:

"The RPP was managed by a Retirement and Pension Committee ('RPC' hereafter) of PPI. Exhibits "P", "P-1" and "Q-10" identify the RPC members as:

Committee - Vice-Chairman - the Executive Vice-President and General Manager

Members - the Vice-President, Treasurer; the Vice-President, Corporate Services; the Vice-President, Controller; the Assistant to the President; the Plant Manager; and

Secretary - the Employee Relations Manager.

"The incumbents, from the start of the RPP until its liquidation, were: Messrs. M. B. Cortes, M. C. Ortega, H. G. Buhay, N. Q. Dungca, J. L. Montelibano and Roberto Orig (Exh. "P-1"). They are agents of PPI. Hence, PPI is the pro-per party-respondent in this action." (p. 50, Rollo - 78524)

Having determined that the public respondents have jurisdiction over the present case, we now proceed to the other issues.

PPI questions the findings of fact of the public respondents. The NLRC merely adopted the findings of facts of the Labor Arbiter.

It is a well-established doctrine that the findings of fact of administrative agencies are binding on this Court if supported by substantial evidence. (Llobecera v. National Labor Relations Commission, G. R. No. 76271, June 28, 1988; PALEA v. Calleja, G. R. No. 76673, June 22, 1988; Continental Marble Corp. v. National Labor Relations Commission, G. R. No. L-43825, May 9, 1988; Casin v. Employees' Compensation Commission, G. R.

No. L-46556, May 28, 1988; and *Asim v. Castro*, G. R. Nos. 75063-64, June 30, 1988)

After a close perusal of the records of this petition, we find no reason to depart from the factual findings of the Labor Arbiter. The findings were mainly based upon the stipulation of facts reached by the parties.

PPI alleges that it was denied due process when public respondents deliberately ignored its evidence. This is a misapprehension.

The essence of due process is simply an opportunity to be heard. (*Van-Orient Shipping Co., Inc. v. Achacoso*, G. R. No. 81805, May 31, 1988; *Ong, Sr. v. Parel*, G. R. No. 76710, Dec. 21, 1987). PPI was given this opportunity. The fact that the public respondents gave credit to the other party's evidence and not to the evidence of PPI is not a violation of due process.

The evidence presented by contesting parties are logically opposing. Necessarily then the agency or court agency or court tasked to resolve a controversy decides whose evidence shall be given more weight. That a party's evidence was given more weight does not amount to a denial of due process to the other party. Otherwise, it would give rise to the incongruous situation where all the losing parties would claim a denial of due process simply because their evidences were not given the desired weight to resolve the issues in their favor.

The next issue is whether or not PPI was guilty of unfair labor practice.

The Labor Arbiter ruled that PPI committed an unfair labor practice by withdrawing the termination allowance in the 1984-87 CBA. (p. 62, Rollo - 78524)

Article 248 of the Labor Code provides inter alia that:

"x x x Unfair labor practices of employers, It shall be unlawful for an employer to commit any of the following unfair labor practice.

xxx xxx xxx

"(i) To violate a collective bargaining agreement."

The questioned provision in the 1984-1987 Collective Bargaining Agreement limited the application of the termination allowance only to those separated from the service due to disability (Sec. 1, Art. XVI, CBA for 1984-1987). (pp. 7 & 158, Rollo - 78524). The prior CBAs from 1975 upwards granted a termination allowance, upon the employee's separation, of at least three (3) weeks to one (1) month's pay for each year of service depending upon the total years of service. (p. 76, Rollo - 78524)

The provisions of the 1978-1984 CBAs (Exhibits "A" to "A-2"), Art. XVI, Secs. 1 and 2, uniformly read:

"ARTICLE XVI. TERMINATION ALLOWANCE

"Section 1. A regular employee who is separated from the service of the COMPANY shall be given a termination pay which shall depend on the length of his service and shall be computed as follows:

Employees with:

Amount of Allowance

1-5 years service 3 weeks pay for each year of service

6-9 years service 4 months plus 1 month for each year of service after the fifth year

10 or more years service One month pay for each year of service

"The termination pay shall be based upon the employee's basic pay at the time of his termination.

"Section 2. An employee who is temporarily laid off, discharged for cause, resigns or retires from the service of the COMPANY will not be entitled to any termination pay." (p. 54, Rollo - 78524)

The crux of the petition is to determine whether or not the 1984-1987 CBA was validly entered into and to determine: 1) the terminal benefits due to the employees, and 2) whether or not there was an unfair labor practice.

If the prior CBA is applied, the complainants/complainants-intervenors who do not fall under the above stated section 2 would be entitled to termination allowance under the CBA, over and above the benefits extended under the RPP.

PPI computed their terminal benefits by considering the 1984-1987 CBA and the amended RPP. All employees terminated effective as of September 30, 1985 (Bataan Operations) and October 15, 1985 (Makati Office) who were not retireable were granted a separation pay of one (1) month of basic pay for each year of service with one-half paid from the RPP and the balance from PPI operating funds. All employees entitled to optional or forced retirement were granted retirement benefits based on their basic pay ranging from 1.02 to 1.43 months of basic pay per year of service as computed in accordance with the RPP (p. 48, Rollo - 78524)

It is contended that the 1984-1987 CBA was not only negotiated in bad faith but was also not formally ratified. There was allegedly bad faith in limiting the application of the termination allowance as the company already had plans to retrench the workers.

We apply the established rule, that a CBA is the law among the parties, to the 1984-1987 CBA.

Bad faith in the negotiations was not present considering that the provision on termination allowance was made to apply to everybody including those subsequently retrenched or retired after the complainants' and complainants-intervenors' retrenchment. There was no singling out of the complainants and intervenors-complainants.

Under Article 231 of the Labor Code and Sec. 1, Rule IX, Book V of the Implementing Rules, the parties to a collective agreement are required to furnish copies to the appropriate Regional Office with accompanying proof of ratification by the majority of all the workers in the bargaining unit. This was not done in the case at bar. But we do not declare the 1984-1987 CBA invalid or void considering that the employees have enjoyed benefits from it. They cannot receive benefits under provisions favorable to them and later insist that the CBA is void simply because other provisions turn out not to the liking of certain employees. (Stipulation of Facts, no. 3; p. 46, Rollo - 78524). Moreover, the two CBAs prior to the 1984--1987 CBA were not also formally ratified, yet the employees are basing their present claims on these CBAs. It is inequitable to receive benefits from a CBA and later on disclaim its validity.

There is nothing in the records before us to show that PPI was guilty of unfair labor practice.

However, PPI erred in not integrating the allowances with the basic salary in the computation of the separation pay. The salary base properly used in computing the separation pay should include not just the basic salary but also the regular allowances that an employee has been receiving. (*Insular Life Assurance Co., Ltd. v. National Labor Relations Commission*, 156 SCRA 740 [1987]; and *Soriano v. National Labor Relations Commission*, 155 SCRA 124 [1987]).

The allowances of the remaining PPI employees were made part of their basic pay. This increased the computation bases for their terminal benefits. (p. 51, Rollo - 78524). This should have been the case also for the

complainants/complainants-intervenors.

We adopt the Solicitor General's statement on the questioned death benefits that in any case, the death benefits are payable only in the event of the death of the employee. Since petitioners and intervenors-petitioners are still alive, they obviously are not entitled thereto. (p. 99, Rollo - 78739).

Finally, the complainants/complainants-intervenors are not entitled to share in the distribution of the RPP. Under Section M, Part VII of the RPP, only existing employees of the Company have the right to participate in the distribution of the assets of the fund.

WHEREFORE, the decisions of the Labor Arbiter and the National Labor Relations Commission are hereby SET ASIDE and a NEW ONE is ENTERED ordering Planters Products, Inc., under the supervision of the National Labor Relations Commission, to recompute the terminal benefits of the complainants/complainants-intervenors by including their allowances, the amount of which shall be taken from the assets which the Court enjoined Planters Products, Inc., from disposing. The temporary restraining orders issued on June 11, 1987 and February 29, 1988 are hereby LIFTED.

SO ORDERED.

Fernan, C.J., (Chairman), Bidin, and Cortes, JJ., concur.

Feliciano[*], J., no part.

[*]J. Feliciano took no part as his former law firm is the counsel for the Petitioner in G.R. No. 78524 and Respondent in G.R. No. 78739.

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