

**PHILIPPINE TELEGRAPH AND TELEPHONE CORPORATION,
PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND
PT&T EMPLOYEES UNION-ALU, RESPONDENTS.**

G.R. No. 99858. June 19, 1995

Ponente: VITUG, J.

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VITUG, J.:

Herein private respondent PT&T Union-ALU initiated this case via a complaint, filed on 25 November 1986, charging petitioner Philippine Telegraph and Telephone Corporation ("PT&T") with unfair labor practice acts and underpayment of statutory and contractual benefits claimed to be due pursuant to Wage Orders No. 3, 4, 5 and 6, and also under Sections 2 and 3, Article IX, of the 1984 Collective Bargaining Agreement ("CBA") and Section 2, Article XII, of the 1986 CBA. Petitioner denied the charges.

On 27 April 1989, the Labor Arbiter, following the respective submissions made by the parties, rendered judgment thusly:

"WHEREFORE, premises considered, respondent Philippine Telegraph and Telephone Corporation (PT&T) with main office and postal address at SSC Bldg., 106 Alvarez St., Legaspi Village, Makati, Metro Manila, is hereby ORDERED, to pay the individual complainants-members of PT&T Employees Union-ALU their corresponding salary differentials in accordance with Wage Order Nos. 3 to 6; and/or Sections 2 and 3, Article IX of the 1984 CBA and Section 2, of Article XII of the 1986 CBA.

"As regards the charge of unfair labor practice acts, the same is hereby dismissed for lack of merit."

Petitioner interposed an appeal to the National Labor Relations Commission ("NLRC") and assailed the arbiter's decision on the following grounds: That -

"1. The Honorable Labor Arbiter committed serious errors in finding that the failure of respondent-appellant to present payrolls for the period of at least two (2) months prior to and after November 1, 1983 leads to the conclusion that there was indeed a violation of the Wage Orders, which would cause grave or irreparable damage or injury to the appellants.

"2. The Honorable Labor Arbiter committed serious errors in the interpretation of the Wage Orders that respondent-appellant committed a violation thereto."

In a resolution, dated 31 October 1989, the NLRC dismissed the appeal for lack of merit. Petitioner moved for reconsideration stressing that only the higher remuneration from either the statutorily mandated increase or the CBA should be given and paid to the employees. This motion, as well as the supplement thereto, was denied by public respondent.

Hence, this petition for certiorari.

We grant, in part, the petition.

We need not belabor the first of the two grounds raised by petitioner corporation. We see no merit at all in the contention that the NLRC has committed grave abuse of discretion, amounting to lack of jurisdiction, in finding petitioner to have failed in its compliance with the increases mandated by Wage Orders No. 3, 4, 5 and 6, as well as the 1984 and 1986 CBAs. That this factual finding is not without basis should be fairly evident from the statement of the Labor Arbiter, adopted by the respondent Commission, thusly:

"As regards the issue of underpayment, respondent PT&T miserably failed to substantiate their stand of compliance with Wage Order Nos. 3 to 6 and the provisions of the 1984 and 1986 CBAs. All that was submitted by the respondent PT&T were sample payrolls for the period January and February 1985, purportedly to show that complainants were allegedly paid in accordance with Wage Order No. 6, without presenting however, the payrolls for the period of at least two (2) months prior to and after November 1, 1983, when Wage Order No. 3, took effect, in order to determine whether there was compliance or not starting with Wage No. 3. x x x."[1]

Petitioner's position, however, on the second issue is well taken. The Solicitor General likewise agrees that petitioner cannot, given the circumstances here obtaining, be obligated to pay both the CBA and statutory wage increases. The common provisions of Wage Orders No. 3, 5, and 6, state that:

"All increases in wages and/or allowances granted or paid by employers x x x shall be credited as compliance with the minimum wage and allowance adjustments prescribed herein, provided that where the increases are less than the applicable amount provided in this Order, the employer shall pay the difference. Such increases shall not include anniversary wage increases provided in collective bargaining agreements unless the agreements expressly provide otherwise x x x."[2]

Petitioner company and private respondent union, in the 1984 and 1986 CBAs, in turn, have stipulated that:

"The parties agree that in the event of additional wage increases, bonuses or allowances which may during the life of this agreement being made mandatory as a matter of law, such that the minimum wage including bonuses and allowances shall be greater than the wage provided therein, then such wages shall ipso facto become the total remunerations under such agreement in lieu of all other remunerations and increases herein provided."[3]

The foregoing CBA provisions reveal quite sufficiently the parties' intention to consider salary increases provided in the CBA to be creditable to wage increases that are or may be mandated within the applicable period by law. There is nothing sinister in this stipulation. In *Filipinas Golf and Country Club, Inc., vs. National Labor Relations Commission*, 176 SCRA 625, we have said that such agreements merely create an equivalence between legal and contractual imperatives, rendering both obligations 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.

WHEREFORE, the decision of the National Labor Relations Commission under review is MODIFIED insofar as it affirmed in toto the Labor Arbiter's decision ordering the payment to private respondent union's members their corresponding salary differentials in accordance with Wage Orders No. 3 to 6; and Sections 2 and 3, Article IX of the 1984 CBA and Section 2, of Article XII of the 1986 CBA; instead, the case is REMANDED to the Commission for a computation of the salary differentials payable to the members of respondent union conformably with, and in the manner expressed in, this opinion. No special pronouncement on costs.

SO ORDERED.

Feliciano, (Chairman), Romero, Melo, and Francisco, JJ., concur.

[1] Rollo, pp. 33-34.

[2] Rollo, pp. 214-215.

[3] Rollo, p. 209.

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