

THIRD DIVISION

[G.R. No. 171351, March 14, 2008]

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM,
Petitioner, vs. GENARO C. BAUTISTA, MAMERTO G. ACLASA,
ANGEL P. ADONIS, CARLOS G. AGUSTIN, BERNARDITA A. ALANO,
GERMAN A. ALCARAZ, CESAR B. ALCOPA, ARIEL ALLADO, LEMUEL
B. ALEGADO, ADONIS R. ALLESANDRO, DANILO C. ALMACEN,
JOSE L. ALMACEN, LUIS C. ALOB, LAUREL C. ALTAVAS, MYRLA S.
ALTAVAS, FILIMON T. ALVARES, WILLIAM A. ANAGARAN,
LUISITO C. ANDAL, BEN T. ANDRADE, ANGELITO D. ANGELES,
EDUARDO A. ANGELES, MARIO H. ANGELES, MELENCIO V.
ANGELES, NOEL M. ANGELES, FELICIDAD ANTONIO, RICARDO R.
ANTONIO, ROSALINO A. ANURAN, ROBERTO A. AQUINO,
RODOLFO AQUINO, ROLANDO AQUINO, LAURO R. ARCIAGA,
RENATO ARCILLA, RENATO ARCILLA, ROBERTO O. ARGALES,
WENEFREDO F. ARROYO, FELICIANO ASIATICO, EDUARDO R. DE
ASIS, VIRGILIO DE ASIS, MARTIN A. ASUNCION, BIENVENIDO C.
ASUNCION, MARCELO A. ASUNCION, ARTEMIO ATIENZA,
MELCHOR O. ATIENZA, BUEN V. AVENIDO, ZALDY AYONES,
BENIGNO C. AYSON, JR., NESTOR BACANI, SR., ALFREDO B.
BACAY, ARNEL B. BACAY, MANUEL M. BADAJOS, MARIA C.
BADIANGO, HERNANDO BAGUI, ROLANDO D. BALIBER, ALBERTO
BALMORI, MIGUEL BALOBO, ALICIA M. BANAAG, ARMANDO S.
BANDILLA, ZACARIA N. BANSUAN, JHONIE BARCAS, MERCEDES
L. BARCELONA, RODOLFO BARIOLO, COLASITO A. BARRUGA, REX
BATALLEPP, WILFREDO BATHAIN, BASILIO BATONGBAKAL,
LAMBERTO S. BATUMBAKAL, ARIEL L. BAUTISTA, FERNANDO H.
BAUTISTA, GODY NORMAN BAYOG, ANACLETO B. BELDA,
DANILO R. BENARDO, GILBERTO BENITO, EDUARDO T.
BERGONIA, ANTOLIN T. BERNOS, VICENTE BINARAO, JR.,
AVELINO BORJA, FERNANDO BORJA, JESUS V. BORJA, MARIO B.
BORJA, BENJAMIN M. BORREO, ARMANDO P. BORSIGUE,
VICENTE G. BRIONES, NORMA A. BRONOLA, RUBEN
BUENAVENTURA, ROGELIO V. BUNAG, JOSE F. BUSTARDE,
EDGAR G. CABRERA, HERMIE G. CABRERA, GUALBERTO
CADAJAS, NELSON L. CADLENTA, TELESFORO CALDIAN, CAMILO
V. CALLEJO, IGNACIO P. CAMPO, BONIFACIO CAMPOS, CARLITO
J. CANETE, JOEL S. CANETE, WILFREDO C. CAREB, DANILO P.
CARIAGA, CRISTELISA E. CARIÑO, ANTONIO M. CARPIO,
ARMANDO H. CASTILLO, APOLONIO CASTRO, JR., ROGELIO
CATACUTAN, BAYANI M. CAYAS, ROMMELDO B. CENTENO,
FLORENCIO V. CERU, ROMEO G. CERVANTES, ROSALIO S. CHIDO,
JR., FRANCISCO CINCO, RICARDO CINCO, JESUS O. CISNEROS,
ELIZALDE F. CLARION, LUCIANO C. CLEMENTE, COSME V.
CONDICION II, ROLANDO A. CORONADO, ALBERTO M. CORPUZ,
MANUEL A. CORTEZ, ROMULO CRISOSTOMO, ALBERTO C. CRUZ,**

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BERNARDINO DAYAO, EFIPANIO DAYO, JULIAN N. DE BORJA,
ROBERTO A. DE CASTRO, DANILO C. DE GUZMAN, ELVIRA L. DE
GUZMAN, REYMUNDO P. DE GUZMAN, REYNALDO B. DE GUZMAN,
ROMEO S. DE LEON , ROMEO DE LEON , ROMEO C. DE LEON ,
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BENJAMIN B. DELA CRUZ, CRISPINO R. DELA CRUZ, ENRIQUE M.
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JUANITO S. DELA CRUZ, MANUEL V. DELA CRUZ, MARCELINO
DELA CRUZ, MARIO JAKE DELA CRUZ, NICOLAS M. DELA CRUZ,
RAMON DELA CRUZ, ROSENDO DELA CRUZ, VIRGILIO DELA
PEÑA, HIPOLITO DELA VERGES, CARLOS C. DELFIN, NICOLAS S.
DELFIN, RENATO P. DELGADO, CRISPIN B. DELGADO, CRISPINO
DELOS REYES, ROLANDO N. DELOS REYES, WILFREDO C. DELOS
SANTOS, ANGELES DELOS SANTOS, DANILO L. DELOS SANTOS,
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DIAZ, BENJAMIN B. DIPAS, FLORENCIO DOMINGO, ROBERTO S.
DOMINGO, RODOLFO P. DOMINGO, DANILO DORAKOSIO, LUIS
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PIOQUINTO S. ENRIQUEZ, ENRIQUE D. ENRIQUEZ, EMMANUEL S.
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ROBERTO T. FERNANDEZ, WILLY FERNANDEZ, FELIX D.
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ROBERTO J. FRANCISCO, BERNARDO C. FRIAS, ARMANDO V.
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RODRIGO E. GARDOSE, EFREN M. GENER, EDUARDO P. GERNALE,
RAQUEL M. GIMAN, JUAN E. GIPOLEO, JR., BONIFACIO S.
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ALFREDO GUTIERREZ, SIXTO P. GUTIERREZ, SIXTO P.**

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NICANOR M. HERNANDEZ, ROGELIO C. HERNANDEZ, FARAON
HILARIO, GENARO S. HIPOLITO, JR., ANGELITO B. IGNACIO,
LUISITO IGNACIO, EFREN ILDEFONSO, ROBERTO S. INES,
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IRANGA, GERARDO E. ISAIAS, MA. LORNA P. JACLA, JOVITO M.
JASA, RONILO F. JAVELLONAR, BAYANI B. JAVIER, EMITERIO T.
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MAGRO, RAMON L. MAGTIRA, JESUS V. MALABANAN, MELCHOR
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MANDAL, RICARDO D. MANGALINDAN, JOAQUIN S. MANGANAY,
DAVID MANGIBUNONCE, ALFREDO L. MANIMBO, RAMOS J.
MANUEL, EDILBERTO A. MARASIGAN, JR., RONALD L. MASAYON,
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MEDINA, RENATO V. MEDINA, AMADO MENDOZA, JR., BAYANI O.
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HERMINIO E. MENDOZA, BONIFACIO B. MENIL, HELIODORO D.
MERCADO, MARIO V. MERCADO, NORBERTO O. MERCED, JAIME
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VALENTINO MOJICA, ENGR. PERFECTO MOLO, SUSAN MOLO,
RUBEN MONDEJAR, JOSE MOLATO MONSANTO, VICENTE
MONTERO, RODOLFO A. MORENO, ERNESTO MORGADO,
BALTAZAR M. MULLERA, ROBERTO S. MUNEZ, ROGER NARIO,
MARIO N. NAVALESKA, VICTOR R. NEGAPATAN, ALEJANDRO
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OCAMPO, EDGARDO P. ODUCA, MIGUEL P. OLANIDES, MARIO B.
OLVIDA, OSCAR ONDOY, FRANCISCO B. OPILAS, GILBERT M.
ORTILLA, RITO P. ORTOJAN, ABRAHAM C. OTRERA, DAVID C.
OTRERA, ANTONIO N. PADRIQUE, OLIVER B. PADRON, TERESITA
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HOMOBONO P. PARTA, ORLANDO M. PARTIDO, EFREN D. PASCO,
MIGUEL L. PASCO, DANILO L. PASTRANA, RICARDO S.
PATINDOL, DOMINADOR M. PAYOYO, CLAUDIA B. PELAEZ,
GUILLERMO PEPANIO, LOURDES PEPANIO, ABDEL R. PEREZ,
EDGARDO H. PEREZ, MARCELO L. PINEDA, FRANCISICO B.

PINON, NOMERIANO C. PISCASIO, PRUDENCIO PITA, FROILAN G. POLIQUIT, RUBEN C. DEL POZO, CRISOLOGO C. PROAGORA, RICARDO E. PUASO, ENRIQUE N. PULUMBARIT, OLIVER PUTURTA, DANTE N. QUILO, DANILO RAFAEL, CARLITO B. RAFAELA, ROGELIO R. RAMILO, EDNA RAMIREZ, SONNY RAMOS, BENJAMIN C. RAPOSA, FELIX B. RAYMUNDO, LEONARDO F. RAYO, ROMAN A. RAZON, RUBEN A. RAZON, JESUS Y. REBLORA, DIEGO S. REPOLLO, ANGEL S. REYES, CRISTOBAL NOEL REYES, DANILO C. REYES, EDMON P. REYES, GREGORIO C. REYES, RAMON REYES, ROMER REYES, REYNALDO RICALDE, FALCON L. RICARDO, SOTERO P. RIVERA, JR., JOSE M. ROBAS, RAMON ROMERO, JOSE CIELITO RONA, TRINIDAD R. RONCAL, EMMANUEL ROQUE, GILBERT S. ROQUE, WILFREDO B. ROSARDA, ROMEO M. RUIZ, RODRIGO R. SAGUN, EFREN SALAZAR, BERNABE A. SALES, NENITA S. SALINAS, REYNALDO B. SALON, JESUS C. SALUDES, LEONORA C. SALUDES, TITO SALUTA, ROGELIO M. SALVADOR, DANILO B. SAMANTE, VICTORIA SAMBRANO, PEDRO M. SAMSON, ROMEO D. SAMSON, JR., ROBERTO R. SAN JOSE, ROBERTO R. SAN JOSE, ALBERTO F. SAN JUAN, ANGELO P. SAN LUIS, LAURIANO T. SANCHEZ, ARSENIO SANTIAGO, BENJAMIN B. SANTOS, FERNANDO A. SANTOS, GENEROSO C. SANTOS, JACINTO N. SANTOS, MEDEL G. SANTOS, NELIA M. SANTOS, PATRICIO SANTOS, RENATO A. SANTOS, EDWIN S. SAPOPO, JAIME G. SERDINIO, HOSPICIO SEVILLE, JOSE A. SEXON, SAGAP E. SILONGAN, MARCO C. SIONILO, ROBERTO D. SOLINAP RODOLFO F. SOLINAP, ROLANDO O. SOMBRANO, SELOWYN S. SONQUIT, ARMANDO M. SUAREZ, ENGELBERT D. SUBA, FEDERICO SUGATAN, RAMON M. SUMBULAN, BENJAMIN SUPAN, ROGELIO M. TAGULISO, ABDULLAH M. TAHIN, JOSE P. TEVES, SANTIAGO TINAO, OSCAR TINGCO, FREDERICK TOLENTINO, ANDRES R. TOLIBAS, DANTE TOPACIO, CONRADO C. TORIO, ORLANDO F. TORIO, ISIDORO B. TORRES, CORNELIO L. TRINIDAD, PRUDENCIO TUIRAN, LUIS TUSI, MARICANO C. UGABARE, SR., RODERICO E. UMILDA, DOMINADOR M. VALDEZ, GREGORIO VALENCIA, RODOLFO VALENCIA, RUFINO VALENCIA, VIRGILIO D. VALERIO, NESTOR C. VASQUEZ, ROBERTO Q. VELASQUEZ, ROMEO Q. VELASQUEZ, TRINIDAD A. VERZOSA, RICARDO G. VICTORIA, BERTITO J. VILBAR, PONCIANO H. VILLALOBOS, ANTONIO D. VILLAMOR, NICASIO F. VILLAMOR, ISAIAS P. VILLANCIO, LEOVIGILDO E. VILLANO, ABEL G. VILLANUEVA, FERNANDO B. VILLANUEVA, EFREN VILLAR, RICARDO VILLARIZO, ROGELIO VILLEGAS, BENEDICTO VILLEGAS, EDDIE S. VILLEGAS, FELIPE VILLONA, JR., ARTURO VINLUAN, BRIGIDO YEBRA, EDUARDO YUMANG, LORETO D. YLAGAN, RUDY ZEMA, Respondents.

D E C I S I O N

REYES, R.T., J.:

THIS is a sequel to the cases of *De Jesus v. Commission on Audit*^[1] and *Philippine Ports Authority (PPA) Employees Hired After July 1, 1989 v. Commission on Audit*

(COA)^[2] involving, yet again, the obstinate refusal of another government-owned and controlled corporation to pay its employees their Cost of Living Allowance (COLA) from 1989 to 1999.

Before Us is a petition for review on *certiorari* of the Amended Decision^[3] of the Court of Appeals (CA), which affirmed with modification the Decision^[4] of the Regional Trial Court (RTC) in Quezon City ordering petitioner Metropolitan Waterworks and Sewerage System (MWSS) to pay private respondents the 95% balance of their COLA from November 16, 1989 up to March 16, 1999.

Facts

Petitioner MWSS is a government-owned and controlled corporation organized under Republic Act (R.A.) No. 6234. Private respondents are incumbent and former employees of MWSS.^[5]

Prior to November 1, 1989, private respondents have been receiving allowances, fringe benefits and COLA. They were receiving COLA equivalent to forty percent of their basic monthly salary or P300.00 a month, whichever is higher. These benefits were discontinued under R.A. No. 6758 entitled "An Act Prescribing a Revised Compensation and Position Classification System in Government and for other Purposes," otherwise known as the Salary Standardization Law.^[6]

Implementing R.A. No. 6758, the Department of Budget and Management (DBM) issued Corporate Circular No. 10 (DBM Circular No. 10) which provided, among others, the discontinuance without qualification of all allowances and fringe benefits, including COLA, of government employees over and above their basic salaries starting November 1, 1989.^[7]

In *De Jesus v. Commission on Audit*,^[8] this Court declared DBM Circular No. 10 ineffective for lack of publication. The DBM later remedied the fatal defect when it published the Circular in the March 1999 issue of the Official Gazette.^[9]

After vigorous complaints and requests from government employees, the Office of the Government Corporate Counsel (OGCC) issued a Memorandum opining that employees of government-owned and controlled corporations, whether incumbent or non-incumbents, are entitled to the payment of COLA during the period that it was suspended under DBM Circular No. 10. The OGCC summarized its opinion, thus:

In recapitulation, we are of the opinion; relative to the questions/issues raised herein, that:

1. Employees in government-owned and controlled corporations are entitled to the payment of Cost of Living Allowance and Amelioration Allowance without need of any prior determination by the DBM of whether or not these allowances have, indeed, been integrated into the standardized salaries.
2. The incumbents, as well as non-incumbents, including those hired in corporations established after the passage of RA 6758, are entitled to avail of these benefits from the time said benefits were