

SECOND DIVISION

[G.R. No. 144400, September 19, 2001]

**DOMINGO O. IGNACIO, PETITIONER, VS. COCA-COLA BOTTLERS
PHILS., INC., RESPONDENT.**

D E C I S I O N

BELLOSILLO, J.:

This is a petition filed by Domingo O. Ignacio under Rule 45 of the Rules of Court to review and set aside the 4 May 2000 *Decision*^[1] of the Court of Appeals which affirmed the 13 May 1999 *Resolution*^[2] of the National Labor Relations Commission (NLRC) in NLRC NCR 00-08-05187-96 (CA No. 018231-99) upholding the 7 December 1998 *Decision* of Labor Arbiter Ernesto S. Dinopol denying the claim of petitioner for retirement pay differential and damages against Coca-Cola Bottlers Philippines, Inc. (CCBPI), and accordingly dismissing his complaint.

Petitioner Domingo O. Ignacio was at the date of his retirement on 30 June 1996 an employee of private respondent Coca-Cola Bottlers Phil., Inc. (CCBPI). Prior to his appointment at CCBPI he was employed at San Miguel Corporation (SMC)^[3] where he stayed for a period of six (6) years or until 1981 when the former Soft Drinks Division of SMC was incorporated to become Coca-Cola Bottlers Philippines, Inc. (CCBPI). CCBPI took over the businesses and functions of SMC's entire Soft Drinks Division and hired qualified SMC employees as its regular employees among whom was petitioner Ignacio.

The terms and conditions of Ignacio's transfer from SMC and his appointment to CCBPI were embodied in a letter dated 23 March 1982, which pertinently stated that

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This will confirm your appointment (on a regular basis) with Coca-Cola Bottlers Philippines, Inc. (CCBPI) effective April 1, 1982. As an employee of CCBPI, you will enjoy the same benefits under the Retirement and Death Benefit Plan and the Health and Welfare Plan of San Miguel Corporation x x x x

Finally, CCBPI will recognize, for purposes of retirement, the years of service you have rendered with San Miguel Corporation x x x x

On 30 June 1996, after having rendered almost twenty (20) years of service to CCBPI, inclusive of his six (6) years of service to SMC, Ignacio retired. His optional retirement benefit amounted to P998,224.60 computed at 100% his monthly pay times years of service (hereafter referred to as 100% retirement benefit). In a letter dated 18 June 1996 and addressed to the CCBPI management, Ignacio

requested that his retirement benefit be computed instead at two hundred percent (200%) for twenty (20) years of service (hereafter referred to as 200% retirement benefit) as provided for in the current SMC Retirement and Death Benefit Plan (SMC Plan) as he claimed he was entitled thereto per his 23 March 1982 letter of appointment. Petitioner's request was denied.

Thus, on 18 August 1996 Ignacio filed with the Labor Arbiter a complaint against CCBPI for alleged retirement pay differential and damages, docketed as NLRC-NCR Case No. 00-081-05187-96. On 7 December 1998, after submission of position papers and other responsive pleadings, coupled with trial on the merits, Labor Arbiter Ernesto S. Dinopol dismissed the complaint for lack of merit, holding that: (a) the 23 March 1982 letter of appointment had been amended by the 26 March 1982 letter of SMC to CCBPI which declared that as of the date of his transfer, Ignacio would cease to enjoy any privileges and benefits under SMC but would be covered by CCBPI's policies, rules and procedures on benefits and privileges; (b) although the SMC Plan was granting two hundred percent (200%) retirement benefits, Ignacio was not entitled thereto as according to Art. III of the SMC Plan it would be bestowed only upon a SMC employee which Ignacio at the time of his retirement was not; and, (c) Ignacio's application for a car loan in February 1991, which CCBPI granted, was sourced from the CCBPI Plan, and having received benefits therefrom he had indicated his coverage thereunder.

On 15 January 1999 Ignacio appealed the *Decision* to the NLRC on the basis of the following assigned errors attributable to the Labor Arbiter: (a) the decision was based on a defense different from and inconsistent with that found in CCBPI's position paper; (b) the falsity of CCBPI's defense was ignored; (c) the conclusion that the contract between CCBPI and the complainant had been amended by the 26 March 1982 letter sent by SMC to CCBPI was incorrect; and, (d) the deduction that the car loan was part of the CCBPI Plan was without basis.

Resolving the petition, the National Labor Relations Commission (NLRC) in its 13 May 1999 *Resolution* affirmed Labor Arbiter Dinopol's finding that the claim for retirement pay differential was without legal basis since, among other reasons, at the particular time that CCBPI assumed the obligation to pay Ignacio the same benefits as SMC, the SMC Plan provided only for 100% retirement benefit; therefore, the contemplated retirement benefits which CCBPI wished to grant at the time the company hired Ignacio was only one hundred percent (100%) and not two hundred percent (200%) as currently provided in the SMC Plan. It held that when CCBPI spoke of the "same benefits" in Ignacio's letter of appointment, it could not have referred to a future, inexistent and unavailable figure; instead, it corresponded to an existing and available numerical counterpart in the SMC Plan at that time, as this was necessary for the company to be able to project its financial obligations. Thus, the NLRC held that it was only this "same benefit" which Ignacio carried over to his new employment with CCBPI, plus of course his tenure at the firm.

Ignacio moved for reconsideration but his motion was denied. Thus, once again he appealed the matter, this time, in a petition for certiorari under Rule 65 filed before the Court of Appeals. Imputing grave abuse of discretion on the part of NLRC, Ignacio averred that the tribunal: (a) rendered a decision based on a theory different from the defense raised by CCBPI; (b) erroneously interpreting the phrase "same benefit" in the 23 March 1982 letter of appointment as referring to the one hundred percent (100%) retirement benefit provided in the 1982 SMC Plan; (c)