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THIRD DIVISION

[G.R. No. 176985, April 01, 2013]

RICARDO E. VERGARA, JR., PETITIONER, VS. COCA-COLA BOTTLERS PHILIPPINES, INC., RESPONDENT.

D E C I S I O N

PERALTA, J.:

Before Us is a petition for review on *certiorari* under Rule 45 of the Rules of Civil Procedure assailing the January 9, 2007 Decision[1] and March 6, 2007 Resolution[2] of the Court of Appeals (CA) in CA-G.R. SP No. 94622, which affirmed the January 31, 2006 Decision[3] and March 8, 2006 Resolution[4] of the National Labor Relations Commission (NLRC) modifying the September 30, 2003 Decision[5] of the Labor Arbiter (LA) by deleting the sales management incentives in the computation of petitioner's retirement benefits.

Petitioner Ricardo E. Vergara, Jr. was an employee of respondent Coca-Cola Bottlers Philippines, Inc. from May 1968 until he retired on January 31, 2002 as a District Sales Supervisor (DSS) for Las Piñas City, Metro Manila. As stipulated in respondent's existing Retirement Plan Rules and Regulations at the time, the Annual Performance Incentive Pay of RSMs, DSSs, and SSSs shall be considered in the computation of retirement benefits, as follows: Basic Monthly Salary + Monthly Average Performance Incentive (which is the total performance incentive earned during the year immediately preceding ÷ 12 months) × No. of Years in Service.[6]

Claiming his entitlement to an additional PhP474,600.00 as Sales Management Incentives (SMI)[7] and to the amount of PhP496,016.67 which respondent allegedly deducted illegally, representing the unpaid accounts of two dealers within his jurisdiction, petitioner filed a complaint before the NLRC on June 11, 2002 for the payment of his "Full Retirement Benefits, Merit Increase, Commission/Incentives, Length of Service, Actual, Moral and Exemplary Damages, and Attorney's Fees."[8]

After a series of mandatory conference, both parties partially settled with regard the issue of merit increase and length of service.[9] Subsequently, they filed their respective Position Paper and Reply thereto dealing on the two remaining issues of SMI entitlement and illegal deduction.

On September 30, 2003, the LA rendered a Decision[10] in favor of petitioner, directing respondent to reimburse the amount illegally deducted from petitioner's retirement package and to integrate therein his SMI privilege. Upon appeal of respondent, however, the NLRC modified the award and deleted the payment of SMI.

Petitioner then moved to partially execute the reimbursement of illegal deduction,

which the LA granted despite respondent's opposition.[11] Later, without prejudice to the pendency of petitioner's petition for *certiorari* before the CA, the parties executed a Compromise Agreement[12] on October 4, 2006, whereby petitioner acknowledged full payment by respondent of the amount of PhP496,016.67 covering the amount illegally deducted.

The CA dismissed petitioner's case on January 9, 2007 and denied his motion for reconsideration two months thereafter. Hence, this present petition to resolve the singular issue of whether the SMI should be included in the computation of petitioner's retirement benefits on the ground of consistent company practice. Petitioner insistently avers that many DSSs who retired without achieving the sales and collection targets were given the average SMI in their retirement package.

We deny.

This case does not fall within any of the recognized exceptions to the rule that only questions of law are proper in a petition for review on *certiorari* under Rule 45 of the Rules of Court. Settled is the rule that factual findings of labor officials, who are deemed to have acquired expertise in matters within their respective jurisdiction, are generally accorded not only respect but even finality, and bind us when supported by substantial evidence.[13] Certainly, it is not Our function to assess and evaluate the evidence all over again, particularly where the findings of both the CA and the NLRC coincide.

In any event, even if this Court would evaluate petitioner's arguments on its supposed merits, We still find no reason to disturb the CA ruling that affirmed the NLRC. The findings and conclusions of the CA show that the evidence and the arguments of the parties had all been carefully considered and passed upon. There are no relevant and compelling facts to justify a different resolution which the CA failed to consider as well as no factual conflict between the CA and the NLRC decisions.

Generally, employees have a vested right over existing benefits voluntarily granted to them by their employer.[14] Thus, any benefit and supplement being enjoyed by the employees cannot be reduced, diminished, discontinued or eliminated by the employer.[15] The principle of non-diminution of benefits is actually founded on the Constitutional mandate to protect the rights of workers, to promote their welfare, and to afford them full protection.[16] In turn, said mandate is the basis of Article 4 of the Labor Code which states that "all doubts in the implementation and interpretation of this Code, including its implementing rules and regulations, shall be rendered in favor of labor."[17]

There is diminution of benefits when the following requisites are present: (1) the grant or benefit is founded on a policy or has ripened into a practice over a long period of time; (2) the practice is consistent and deliberate; (3) the practice is not due to error in the construction or application of a doubtful or difficult question of law; and (4) the diminution or discontinuance is done unilaterally by the employer.[18]

To be considered as a regular company practice, the employee must prove by

substantial evidence that the giving of the benefit is done over a long period of time, and that it has been made consistently and deliberately.[19] Jurisprudence has not laid down any hard-and-fast rule as to the length of time that company practice should have been exercised in order to constitute voluntary employer practice.[20] The common denominator in previously decided cases appears to be the regularity and deliberateness of the grant of benefits over a significant period of time.[21] It requires an indubitable showing that the employer agreed to continue giving the benefit knowing fully well that the employees are not covered by any provision of the law or agreement requiring payment thereof.[22] In sum, the benefit must be characterized by regularity, voluntary and deliberate intent of the employer to grant the benefit over a considerable period of time.[23]

Upon review of the entire case records, We find no substantial evidence to prove that the grant of SMI to all retired DSSs regardless of whether or not they qualify to the same had ripened into company practice. Despite more than sufficient opportunity given him while his case was pending before the NLRC, the CA, and even to this Court, petitioner utterly failed to adduce proof to establish his allegation that SMI has been consistently, deliberately and voluntarily granted to all retired DSSs without any qualification or conditions whatsoever. The only two pieces of evidence that he stubbornly presented throughout the entirety of this case are the sworn statements of Renato C. Hidalgo (Hidalgo) and Ramon V. Velazquez (Velasquez), former DSSs of respondent who retired in 2000 and 1998, respectively. They claimed that the SMI was included in their retirement package even if they did not meet the sales and collection qualifiers.[24] However, juxtaposing these with the evidence presented by respondent would reveal the frailty of their statements.

The declarations of Hidalgo and Velazquez were sufficiently countered by respondent through the affidavits executed by Norman R. Biola (Biola), Moises D. Escasura (Escasura), and Ma. Vanessa R. Balles (Balles).[25] Biola pointed out the various stop-gap measures undertaken by respondent beginning 1999 in order to arrest the deterioration of its accounts receivables balance, two of which relate to the policies on the grant of SMI and to the change in the management structure of respondent upon its re-acquisition by San Miguel Corporation. Escasura represented that he has personal knowledge of the circumstances behind the retirement of Hidalgo and Velazquez. He attested that contrary to petitioner’s claim, Hidalgo was in fact qualified for the SMI. As for Velazquez, Escasura asserted that even if he (Velazquez) did not qualify for the SMI, respondent’s General Manager in its Calamba plant still granted his (Velazquez) request, along with other numerous concessions, to achieve industrial peace in the plant which was then experiencing labor relations problems. Lastly, Balles confirmed that petitioner failed to meet the trade receivable qualifiers of the SMI. She also cited the cases of Ed Valencia (Valencia) and Emmanuel Gutierrez (Gutierrez), both DSSs of respondent who retired on January 31, 2002 and December 30, 2002, respectively. She noted that, unlike Valencia, Gutierrez also did not receive the SMI as part of his retirement pay, since he failed to qualify under the policy guidelines. The verity of all these statements and representations stands and holds true to Us, considering that petitioner did not present any iota of proof to debunk the same.

Therefore, respondent's isolated act of including the SMI in the retirement package of Velazquez could hardly be classified as a company practice that may be