607 Phil. 359

FIRST DIVISION

[G.R. No. 152928, June 18, 2009]

METROPOLITAN BANK AND TRUST COMPANY, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION, FELIPE A. PATAG AND BIENVENIDO C. FLORA, RESPONDENTS.

D E C I S I O N

LEONARDO-DE CASTRO, J.:

In this petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, petitioner seeks to set aside and annul the Decision[1] dated December 13, 2001 and the Resolution[2] dated April 9, 2002 rendered by the Court of Appeals (CA) in *CA-G.R. No. 63144.*

The CA decision affirmed an earlier resolution[3] of the National Labor Relations Commission (NLRC) dated March 31, 2000 which ruled in favor of herein respondents.

The factual antecedents are as follows:

Respondents Felipe Patag (Patag) and Bienvenido Flora (Flora) were former employees of petitioner Metropolitan Bank and Trust Company (Metrobank). Both respondents availed of the bank's compulsory retirement plan in accordance with the 1995 Officers' Benefits Memorandum. At the time of his retirement on February 1, 1998, Patag was an Assistant Manager with a monthly salary of P32,100.00. Flora was a Senior Manager with a monthly salary of P48,500.00 when he retired on April 1, 1998. Both of them received their respective retirement benefits computed at 185% of their gross monthly salary for every year of service as provided under the said 1995 Memorandum. In all, Patag was fully paid the total amount of P1,957,782.71 while Flora was paid the total amount of P3,042,934.29 in retirement benefits.

Early in 1998, Collective Bargaining Agreement (CBA) negotiations were on-going between Metrobank and its rank and file employees for the period 1998-2000. Patag wrote a letter dated February 2, 1998[4] to the bank requesting that his retirement benefits be computed at the new rate should there be an increase thereof in anticipation of possible changes in officers' benefits after the signing of the new CBA with the rank and file. Flora likewise wrote Metrobank in March 25, 1998,[5] requesting the bank to use as basis in the computation of their retirement benefits the increased rate of 200% as embodied in the just concluded CBA between the bank and its rank and file employees. Metrobank did not reply to their requests.

The records show that since the 1986-1988 CBA, and continuing with each CBA concluded thereafter with its rank and file employees, Metrobank would issue a

Memorandum granting similar or better benefits to its managerial employees or officers, retroactive to January 1st of the first year of effectivity of the CBA. When the 1998-2000 CBA was approved, Metrobank, in line with its past practice, issued on June 10, 1998, a Memorandum on Officers' Benefits, which provided for improved benefits to its officers (the 1998 Officers' Benefits Memorandum). This Memorandum was signed by then Metrobank President Antonio S. Abacan, Jr. Pertinently, the compulsory retirement benefit for officers was increased from 185% to 200% effective January 1, 1998, but with the condition that the benefits shall only be extended to those who remain in service as of June 15, 1998.[6]

On June 29, 1998, Flora again wrote a letter,[7] asking Metrobank for a reconsideration of its condition that the new officers' benefits shall apply only to those officers still employed as of June 15, 1998. Metrobank denied this request on July 17, 1998.[8]

Consequently on August 31, 1998, Patag and Flora, through their counsel, wrote a letter to Metrobank demanding the payment of their unpaid retirement benefits amounting to P284,150.00 and P448,050.00, respectively, representing the increased benefits they should have received under the 1998 Officers' Benefits Memorandum.[9]

In its letter-reply dated September 17, 1998, Metrobank's First Vice-President Paul Lim, Jr. informed Patag and Flora of their ineligibility to the improved officers' benefits as they had already ceased their employment and were no longer officers of the bank as of June 15, 1998.[10]

On September 25, 1998, Patag and Flora filed with the Labor Arbiter their consolidated complaint against Metrobank for underpayment of retirement benefits and damages, asserting that pursuant to the 1998 Officers' Benefits Memorandum, they were entitled to additional retirement benefits. Patag, for his part, also claimed he was entitled to payment of his 1997 profit share and 1998 structural adjustment.

On June 8, 1999, Labor Arbiter Geobel A. Bartolabac rendered a decision,[11] dismissing the complaint of Patag and Flora. As expected, Patag and Flora filed an appeal with the NLRC. In a resolution[12] dated March 31, 2000, the Third Division of the NLRC partially granted the appeal and directed Metrobank to pay Patag and Flora their unpaid beneficial improvements under the 1998 Officers' Benefits Memorandum.

Aggrieved with the ruling of the NLRC, Metrobank elevated the matter to the CA by way of a petition for certiorari, docketed as *CA-G.R. No. 63144*.

On December 13, 2001, the CA promulgated its assailed decision dismissing Metrobank's petition and affirming the resolution of the NLRC. In so ruling, the CA declared:

> Upon the other hand, the private respondents' (Patag and Flora) evidence reveals that from 1986 to 1995, it has been the practice of the petitioner (Metrobank) that whenever it enters and signs a new CBA with its rank and file employees, it likewise issues a memorandum extending benefits

> to its officers which are higher or at least the same as those provided in the said CBA for the rank and file employees effective every 1st of January of the year, without any condition that the officers-beneficiaries should remain employees of the petitioner as of a certain date of a given year. xxx. Under the circumstances, the same may be deemed to have ripened into company practice or policy which cannot be peremptorily withdrawn.[13]

Petitioner's subsequent motion for reconsideration was denied by the CA in its Resolution dated April 9, 2002.

Hence, the instant petition where Metrobank raised the following arguments:

> I. THE HONORABLE COURT OF APPEALS COMMITTED SERIOUS ERROR IN AFFIRMING THE NLRC'S DECISION AND RESOLUTION BY RULING THAT THE PRIVATE RESPONDENTS ARE ENTITLED TO THEIR BELATED CLAIM FOR ADDITIONAL (RETIREMENT) BENEFITS EVEN AFTER THEY EFFECTIVELY CEASED THEIR EMPLOYMENT WITH PETITIONER AND DESPITE THEIR UNQUALIFIED ACKNOWLEDGMENT AND RECEIPT OF THE PAYMENT IN FULL OF THEIR RETIREMENT BENEFITS, CONTRARY TO LAW AS WELL AS OTHER LAWFUL ORDERS AND SETTLED JURISPRUDENCE ON THE MATTER.[14]
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> II. THE HONORABLE COURT OF APPEALS' FAVORABLE APPLICATION OF THE 1998 IMPROVED OFFICERS' (RETIREMENT) BENEFITS TO THE RESPONDENTS DESPITE THEIR NON-COMPLIANCE WITH THE REQUIREMENTS OF ELIGIBILITY THERETO, IS PATENTLY CONTRARY TO LAW AND THE WELL-SETTLED JURISPRUDENCE ON THE MATTER.[15]
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> III. THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN NOT FINDING THAT RESPONDENTS ARE BARRED BY ESTOPPEL FROM INSTITUTING THE ACTION AFTER HAVING UNQUALIFIEDLY ACKNOWLEDGED AND RECEIVED THE FULL PAYMENT OF THEIR RETIREMENT BENEFITS.[16]

Petitioner contends that respondents Patag and Flora, having qualified for compulsory retirement under the 1995 Officers' Benefits Memorandum, cannot now claim to be eligible to higher retirement benefits under the 1998 Improved Benefits Memorandum. In fact, according to petitioner, Patag and Flora had unqualifiedly received the full payment of their retirement benefits. Also, the 1998 Improved Benefits Memorandum was issued after Patag and Flora compulsorily retired on February 1, 1998 and April 1, 1998, respectively, and there was an express condition in the 1998 Officers' Benefits Memorandum that the improved benefits shall apply only to officers who remain in service as of June 15, 1998.

From the facts, it is clear that the core issue hinges on whether respondents can still recover higher benefits under the 1998 Officers' Benefits Memorandum despite the fact that they have compulsorily retired prior to the issuance of said memorandum and did not meet the condition therein requiring them to be employed as of June 15, 1998.

The main issue in this case involves a question of fact. As a rule, the Supreme Court is not a trier of facts and this applies with greater force in labor cases. Hence, factual findings of quasi-judicial bodies like the NLRC, particularly when they coincide with those of the Labor Arbiter and if supported by substantial evidence, are accorded respect and even finality by this Court. However, where the findings of the NLRC and the Labor Arbiter are contradictory, as in this case, the reviewing court may delve into the records and examine for itself the questioned findings.[17]

It is Metrobank's position that the CA and the NLRC erred when they recognized that there was an established company practice or policy of granting improved benefits to its officers effective January 1 of the year and without any condition that the officers should remain employees of Metrobank as of a certain date. Metrobank claims that although its officers were extended the same as or higher benefits than those contained in its CBA with its rank and file employees from 1986 to 1997, the same cannot be concluded to have ripened into a company practice since the provisions of the retirement plan itself and the law on retirement should be controlling.

We do not agree.

To be considered a company practice, the giving of the benefits should have been done over a long period of time, and must be shown to have been consistent and deliberate. The test or rationale of this rule on long practice requires an indubitable showing that the employer agreed to continue giving the benefits knowing fully well that said employees are not covered by the law requiring payment thereof.[18]

It was the NLRC's finding, as affirmed by the CA, that there is a company practice of paying improved benefits to petitioner bank's officers effective every January 1 of the same year the improved benefits are granted to rank and file employees in a CBA. We find that the NLRC's and CA's factual conclusions were fully supported by substantial evidence on record. Respondents were able to prove that for the period 1986-1997, Metrobank issued at least four (4) separate memoranda, coinciding with the approval of four (4) different CBAs with the rank and file, wherein bank officers were granted benefits, including retirement benefits, that were commensurate or superior to those provided for in Metrobank's CBA with its rank and file employees. Respondents attached to their position paper filed with the Labor Arbiter copies of the CBAs that petitioner entered into with its rank and file employees for the period 1986-1997 and also the various officers' benefits memoranda issued by the bank after each CBA signing. Respondents had no hand in the preparation of these officers' benefits memoranda for they appeared to be issuances of the bank alone, signed by its President or other proper officer. Thus, petitioner cannot credibly argue that respondents' claim of a company practice was baseless or self-serving.

The record further reveals that these improved officers' benefits were always made to retroact effective every January 1 of the year of issuance of said memoranda and without any condition regarding the term or date of employment. The condition that the managerial employee or bank officer must still be employed by petitioner as of a certain date was imposed **for the first time** in the 1998 Officers' Benefits Memorandum.