Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

NOTICE

Sirs/Mesdames:

Please take notice that the Court, First Division, issued a Resolution dated **November 26, 2014** *which reads as follows:*

"G.R. No. 214038 – VALLE VERDE COUNTRY CLUB, INC. EMPLOYEES UNION (VVCCIEU), *Petitioner v.* VALLE VERDE COUNTRY CLUB, INC. *Respondent.*- The petitioner's motion for an extension of thirty (30) days within which to file a petition for review on certiorari is **GRANTED,** counted from the expiration of the reglementary period.

The Panel of Voluntary Arbitrators, composed of Rene Q. Bello, Aniano V. Bagabaldo, and Danny Edralin, is **DELETED** as party respondent in this case pursuant to Sec. 4, Rule 45, 1997 Rules of Civil Procedure, as amended.

At bench is a Petition for Review on *Certiorari* under Rule 45 of the Rules of Court assailing the Decision[1] and the Resolution[2] of the Court of Appeals in CA-G.R. SP No. 123756 dated 27 November 2013 and 20 August 2014, respectively.

The antecedent facts of this case are:

Herein petitioner Valle Verde Country Club, Inc. Employees Union (VVCCIEU) is the certified bargaining agent of the rank-and-file employees of herein respondent Valle Verde Country Club, Inc. (VVCCI). Their Collective Bargaining Agreement (CBA) for 1 July 2005 to 30 June 2010, particularly Section 1, Article XV, provides for salary increases as

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1 Penned by Associate Justice Pedro B. Corales with Associate Justices Sesinando E. Villon and Melchor Q.C. Sadang, concurring, *Rollo*, pp. 24-35.

2 Id. at 37-39.

follows: (1) ₱600.00 per month effective 1 July 2005; (2) ₱500.00 per month effective 1 July 2006; (3) ₱500.00 per month effective 1 July 2007; (4) ₱300.00 per month effective 1 July 2008; and (5) ₱300.00 effective 1 July 2009. Section 2 thereof explicitly states: "x x x the increases stipulated above shall be credited/applied to any future wage increases mandated by law. Should there be any deficiency between the lawfully mandated wage increase and the increases stipulated above, the COMPANY further agrees to pay for such deficiency."[3]

During the lifetime of the parties' CBA, two wage orders were likewise issued by the Regional Tripartite Wages and Productivity Board-National Capital Region (RTWPB-NCR), to wit: (1) Wage Order No. NCR-14 (WO No. 14), which provides for a wage increase of ₱20.00 per day, consisting of ₱15.00 basic wage effective 14 June 2008, plus ₱5.00 cost of living allowance (COLA) to be integrated into the basic wage on 28 August 2008; and (2) Wage Order No. NCR-15 (WO No. 15), which grants a ₱22.00 per day increase effective 1 July 2010. Notably, these two wage orders are applicable only to private sector minimum wage workers and employees in the NCR. In view of these two wage orders, petitioner union demanded from respondent the payment of wage differentials claiming that the ₱300.00 wage increases in the CBA were less than the prescribed adjustments in the wage orders, thus, the latter must pay the deficiencies pursuant to Section 2, Article XV thereof. But, respondent denied liability claiming that it had complied with the wage orders and paid the wage increases under the CBA.[4]

For the parties' failure to settle their dispute amicably, they agreed to submit the issue to voluntary arbitrators.[5]

In a **Decision dated 22 February 2012, the Panel of Voluntary Arbitrators denied petitioner's claims** declaring that the latter failed to present evidence showing that respondent failed to pay the employees the difference in the wage increases mandated by WO No. 14 and that stipulated in the CBA. Respondent, on the other hand, was able to show compliance not only with its undertakings under the CBA but also with the provisions of the wage order. The Panel of Voluntary Arbitrators also ruled that respondent's employees were not covered by WO No. 15 because at the time of its effectivity, they were not minimum wage earners considering that they were receiving a daily wage of ₱406.95.[6]

3 Court of Appeals Decision dated 27 November 2013. Id. at 25.
4 Id. at 25-26.
5 Id. at 26.
6 Id. at 27.

On appeal to the Court of Appeals, the latter, in the assailed Decision dated 27 November 2013, affirmed the Decision of the Panel of Voluntary Arbitrators. The Court of Appeals agreed with the findings that respondent was not obliged to grant wage increases under WO Nos. 14 and 15 as these wage orders were **only intended to increase the salary of minimum wage earners in the NCR. Considering that respondent's employees are not minimum wage earners, they are definitely excluded from the coverage of WO Nos. 14 and 15.** Nonetheless, respondent complied with the mandate of WO No. 14 and granted a salary increase of ₱20.00 per day to its employees. Petitioner did not deny this fact and even the Panel of Voluntary Arbitrators found sufficient evidence to hold that respondent actually complied with the statutory wage increase.[7]

The Court of Appeals further held that respondent's obligation under Section 2, Article XV of the CBA would only arise if it merely paid the wage increase in the CBA and considered the same as compliance with WO No. 14, but that is not the case here. To note, **respondent paid both wage increases under the CBA and WO No. 14, as such, the employees received ₱690.00 salary increase in 2008 (₱390.00 under WO No, 14 and ₱300.00 under the CBA).** Hence, respondent had extended to its employees more than what they were entitled to under the law and their CBA. As regards WO No. 15, two CBA wage increases were given prior to its effectivity on 1 July 2010. The first CBA increase took effect on 1 July 2008 while the subsequent increase was received on 1 July 2009. These CBA wage increases, however, could not be considered as substitute for the increase mandated by WO No. 15 because of the three-month time frame provided in this wage order. **Be that as it may, respondent was not obliged to comply with WO No. 15 considering that its employees were not covered by the said wage order.**[8]

A Motion for Reconsideration of the aforesaid Decision was filed by the petitioner but it was denied in the questioned Resolution dated 20 August 2014.

Hence, this Petition with these assigned errors: (1) the Court of Appeals erred in ruling that the Wage Order Nos. NCR-14 and 15 are not applicable to petitioner because they are not minimum wage earners; and (2) the Court of Appeals erred in ruling that there is no wage differential existing in this case.[9]

This Court resolves to DENY the Petition.

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7 Id. at 29-30.

8 Id. at 32-33.

9 Petition for Review on *Certiorari* under Rule 45 of the Rules of Court dated 22 October 2014. Id. at 12.

This Court finds that the Court of Appeals committed no reversible error in ruling that WO Nos. 14 and 15 are not applicable to petitioner as both wage orders were made to provide an increase in the minimum wage earners in the NCR. The Court of Appeals correctly observed, thus:

> Noteworthy, the statutory minimum wage on [13 June 2008] was only ₱362.00 but [herein respondent's] employees were already receiving a ₱364.22 monthly salary at that time. Thus, when WO No. 14 took effect on [14 June 2008], [respondent's] employees could not be considered as minimum wage earners who are entitled to the mandated ₱15.00 wage increase. Similarly, when WO No. 15 took effect on [1 July 2010], the salaries of [respondent's] employees were more than the prevailing minimum wage. The [herein petitioner] Union did not deny such fact and even stated that [respondent] is presumed to be paying its employees more than the minimum wage provided in every wage order because of the CBA wage increase. Considering that [respondent's] employees are not minimum wage earners, they are definitely excluded from the coverage of WO Nos. 14 and 15.[10]

As to the second issue posited by the petitioner, this Court also finds that the Court of Appeals properly held that there is no wage differential in this case, thus:

> [t]he ₱300.00 CBA wage increase referred to by the [herein petitioner] Union was given only on [1 July 2008] or after WO No. 14 took effect and not prior to its effectivity on [14 June 2008]. Obviously, the time frame under Section 10 of WO No. 14 was not met. Our perusal of the records also shows that [herein respondent] did not grant any CBA wage increase three (3) months prior to the effectivity of WO No. 14. Thus, there is no prior wage increase that could be credited or considered as compliance with WO No. 14. Therefore, there was also no wage differential to speak of for which [respondent] could be held liable.
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> x x x x
>
> With respect to WO No. 15, two CBA wage increases were given prior to its effectivity on [1 July 2010] x x x However, these CBA wage increases could not be considered as substitute for the increase mandated by WO No. 15 because of the three (3)-month time frame provided in this wage order. Be that as it may and as We had discussed earlier, [respondent] was not obliged to comply with WO No. 15 considering that its employees were not covered by the said wage order.[11]

WHEREFORE, finding no reversible error in the assailed Decision and Resolution; for filing the Petition out of time on 22 October 2014, the due date being 21 October 2014; and for improper verification, certification and affidavit of service as the affiant, Jesus Villamor, did not indicate the ID he presented before the notary public, the instant Petition is **DENIED**.

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10 Id. at 30.
11 Id. at 32-33.

The Decision and Resolution of the Court of Appeals in CA-G.R. SP No. 123756 dated 27 November 2013 and 20 August 2014, respectively, are hereby **AFFIRMED**.

SO ORDERED." **PERLAS-BERNABE, J.,** on leave; **VILLARAMA, JR., J.,** acting member per S.O. No. 1885 dated November 24, 2014.

Very truly yours,

EDGAR O. ARICHETA
Division Clerk of Court
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