

THIRD DIVISION

[G.R. No. 204948, September 07, 2020]

DEVELOPMENT BANK OF THE PHILIPPINES, PETITIONER, VS.
RONQUILLO, NUMERIANO F., ABANIL, ZENAIDA N., ABEJO,
REYNALDO Y., ABRENICA, ELEUTERIO C., ABUBAKAR,
AMIRHUSIN I., ADA, MARILYN S., ADALIM, NICASIO B.,
AGANON, MARIBETH C., AGUILAR, SALVADOR V., AGUIRRE,
MANFREDO A., ALAVA, WILFRED P., ALCOVER, NICOLAS M.,
ALFEREZ, NENITA V., ALIAS, LUCILA P., ALURA, JOSIE A., AMOS,
GIL P., AMPONIN, ELEANOR G., ANGOB, WILLIAM M., ANTONIO,
GIL P., APOSTOL, RAMONA C., APROVECHADO, ARCADIO H.,
ARANDEZ, AMELIA B., ARIOLA, ELENA C., ARTAJO, ALICIA A.,
ARUTA, ELVIRA M., ASPRER, NILA A., ATINON, RAMON B., ATOS,
CONTANTINO M., AURE, GODOFREDO V., AVANCEÑA, EFREN A.,
BACAREZA, ALAWI V., BALBIDO, DOLORES G., BALMACEDA,
EVELYN S., BANATE, ROLLY B., BARACHINA, BELLA M.,
BARCELON, ARTURO J., BARCIMO, MARIA VIDAL M.,
BARROMETRO, MA. TERESA S., BARROS, RICARDO P., BASILIO,
NICANOR B., BASISTA, ZOSIMO C., JR., BASTASA, SOFRONIO M.,
BASTILLADA, JUAN S., BATE, AMANTE M., BAUTISTA, VIRGINIA
D., BAYOT, JOSE DELA CERNA, BEJA, ESTELA R., BEJAR,
ALEJANDRO JR., BELLIDO, FLORDELIZ L., BERNADEZ,
HERMOGENES L. JR., BERNAL, LORENZO C., BERNARDO, RENATO
G., BIEN, MA. TERESITA V., BILOG, SILVILINA M., BINARAO,
NENITA M., BLANCAFLOR, MANUEL M., BLANDO, VILMA B.,
BLAZA, SALVE P., BORJA, ENRIQUE MACARIO T., BORRES,
ZOSIMO B., BORRO, JUDY S., BUHAY, HERMINIA A., BUMANLAG,
NATHANIEL A., BUTALID, ERLINDA L., CABLING, NORA,
CABUENAS, LEO J., CADELINA, NORMA F., CAGAYAN, MA. TERESA
M., CAIJO, EDUARDO B., CALDEA, MARIAR., CALIMAG, CANDIDO
M., CALLUENG, BELEN Q., CALUMPANG, HELEN G., CAMBALING,
EVA C., CANIA, ANA O., CAOILE, CRISPIN D., CAOLBOY, RAMON
E., CAPINO, ROSE MARIE C., CAPIO, RUBEN R., CARDEÑAS,
VERONICA F., CAREY, ROMEO E., CARIÑO, JOSHUAR., CARPIO,
ALFREDO G., CASTAÑEDO, CAMILO A., CAUNDAY, CORNELIO C.,
CECILIO, TOMAS O., CERVERA, JULITO M., CHANCOCO,
ASUNCION B., CHANGCO, RENATO B., CLARAVAL, LETICIA C.,
CONADO, JOSE R., CONTRERAS, JUDY ARLENE U., CORPUS,
RODOLFO R., CRUZ, GLORIA E., CUA, RODOLFO E., CUEVAS,
ELSIE S., DALUZ, JUANITA C., DAYAO, FRANCISCO C., DAYAO,
MELENCIO B., DE BELEN, ERLINDA D., DEDIOS, RHODA B., DE
GUZMAN, ESTER T., DE JESUS, MARCELINA D., DE JESUS,
MILDRED M., DE LA ROSA, HILARION V., JR., DE LEON, HILDA R.,
DE LEON, MARIBETH A., DEANG, CORCORDIA R., DECENA,
EPIFANIA T., DEL ROSARIO, ANACLETO G., DEL ROSARIO,
ANDREA, DEL ROSARIO, MA. ISABEL B., DEL ROSARIO, PARITO

M., DELACRUZ, ESTELITA C., DELFIN, LERIDA M., DELOS REYES, BENITA C., DEMECILLO, DEMOSTHENES C., DEMONTEVERDE, FRANKLIN J., DEODORES, JOSE M., DETUYA, CARLITA C., DEVERA, RAFAELITA S., DEXIMO, LUZVIMINDAA., DIAMANTE, FLORDELIZA L., DIESMOS, AMPARO C., DIMACULANGAN, OSCAR M., DIN, VELINA B., DIPAGAN, BENJAMIN V., DOBLE, LAURO B., DOMINGO, REYNALDO G., DONELO, JOVEN A., DUBAL, LILIA Q., DUMALA, ROBERTO L., EDILLOR, LETICIA R., ELENTO, NELSON G., ESCANDELOR, RODOLFO F., ESCUDERO, JOSEFINO E., ESCUDERO, ROMEO P., ESCUREL, ARTURO E., ESGUERA, PABLO G., ESLAO, EDNA E., ESMA, DEOSITA F., ESPADA, LYDIA L., ESPINOLA, CONRADO M., ESPONILA, MELBA T., ESTACIO, MA. SOLEDAD G., ESTRELLA, HECTOR M., ESTREMOS, ZOSIMO M., JR., EVANGELISTA, EDGARDO M., EVANGELISTA, RODRIGO N., FALCONITE, EMILIANO M., FERNANDEZ, JAIME F., FERNANDEZ, MA. TERESA A., FERROLINO, NELLY A., FLORENDO, LILIA P., FLORINO, TRINIDAD V., FLORO, ELONOR M., FONTANILLA, MANUEL T., FORMOSO, ANATOLIO S., FRANCISCO, PRISCILLA B., FUENTES, ZENAIDA P., GABERTAN, ALEXIS F., GABIAZON, BELINDA B., GACIAS, JENNIFER T., GALIA, ANGELICA PAZ S., GALIA, MANUEL M., GAMMAD, FERIA P., GARCELLANO, CARLOS I., GARCIA, ADORACION L., GARCIA, GREGORIO P., JR., GARCIA, MARLYN V., GARCIA, REBECCA R., GARCIA, REYNALDO A., GAUUAN, EMILY G., GERONA, QUERUBIN C., GOMEZ, AGUSTIN M., JR., GOMEZ, LOURDES R., GOMEZ, NARDO A., GONZALES, ANTONIA B., GUCE, MARIA M., GUMABAO, REYNALDO C., GUMIRAN, EXPEDITO P., GUTIERREZ, GERONIMO C., HERMOSILLA, AUGUSTO C., HERNANDEZ, GREGORIO G., HERNANDEZ, MA. LYRA L., HIPOLITO, CARLITO L., IBARRA, EDGAR D., IBARRA, MILAGROS F., IDJAO, WINONA C., IGNACIO, ERNESTO M., ILAGAN, HEIDE A., INCHOCO, FELICITAS C., ITARALDE, JESUS N., JOSEPH, FIDO B., KALINGASAN, EDEN J., KINTANAR, SONIA L., LABATORIO, MELVIN G., LABOG, JORGE M., JR., LADAGA, REY C., LARA, ESTER D., LATOJA, EULALIO B., LAURENTE, EDDIE M., LAYO, MAE FLOR B., LAYOSA, FREDESVINDA F., LEDESMA, LORETO P., LEGASPI, EDNA R., LEGASPI, ELPIDIO E., LEPITEN, LOURDES J., LIM, LOURDES T., LIM, MARIA ELENA R., LIMBAGA, TELESFORO L., JR., LLANTO, ARLENE Z., LOMOLJO, EULALIO V., JR., LORENZO, ROSELLA S., LUGAY, JOSE GERMAN B., LUSTADO, LINDA L., MACARAEG, IMELDA B., MAGARIN, JOEL N., MAGAT, DINA G., MAGGAY, BENITO U., JR., MAGNAYE, DANILO A., MAGNAYON, RODELIO L., MAGPAYO, CORNELIO DC., MAGUYON, ADORACION Q., MAHADDI, GLICERIA M., MANA-AY, WILFREDO A., MANALAYSAY, ROMEO S., MANGAOANG, PACITA C., MANIO, ERLINDA M., MANONGAS, GERARDO A., MANRIQUE, FIDENCIO P., MARIQUIT, EMILIA E., MARQUEDA, BENJAMIN M., MARQUEZ, CLOTILDE R., MARZAN, LEO B., MATEO, JOEL B., MENDOZA, FLORENCITO D., MESA, RICARDO B., MIER, ARNULFO Z., MILA, RUTH G., MIZONA, MILAGROS P., MONDEZ, PRISCILLA P., MONTALBAN, JOSE M., MONTECLARO, NELSON D., MONTESA, BELEN T., MORALDA, MERLINA C., MORTA, NENITA H., MULA, FLUSCOLO L.,

MUYARGAS, JAIME M., NERI, JAIME B., NERI, RAMON C. III.,
NIMEZ, GREGORIO B., JR., NORIEGA, PILARITA L., OCHAVA,
AVELINO A., OHNESWERE, ELLENOR C., OIRA, MIGUEL P.,
OLIVEROS, ELVIN T., OMAÑA, VICTOR T., OÑADA, LORNA JO.,
ONDEVILLA, FIDELIZA C., OPINION, HERBERT R., ORTIZ,
ERNESTO A., PABILLORE, ELEUTERIO K., PADDAYUMAN,
EVANGELINE A., PAGENTE, FARLEY L., PAGLINAWAN, ELVIRA S.,
PAGUILIGAN, EFREN C., PAJES, BENJAMIN C., PALATAN,
ERLINDA M., PALERMO, AURORA E., PALLE, CARLITO S., PALMA,
JORGE T., PAMA, ERNESTO C., JR., PANCHE, ANTERA R., PANELO,
MELINDA H., PARAGAS, ALANNIE E., PASAY, PORFIRIO L., JR.,
PASION, ENRIQUETA V., PECSON, ISIDRO D., PEHIPOL, MANUEL
C., PEÑAFLORIDA, JOVEN G., PEÑAVERDE, ROGELIO C.,
PERALTA, TERESITA C., PEREZ, FE B., PINGGOY, ROSALINDA D.,
PONCE, MARESA T., PONCIANO, VALTONI F., PONTILAR, ADOLFO
L., PUNO, JOSE S., QUIANZON, ESLEEN F., QUIJANO, JAIME R.,
QUIRIT, JEREMY S., QUISUMBING, ARNALDO J., RABUEL,
GUILLERMO V., RACELIS, VIRGINIA S., RAFAEL, JOSEFINA L.,
RAGANDANG, LINO G., RAMIREZ, LILI B., RAMOS, MIRIAM A.,
RAMOS, SERAFIN L., REBONG, ANTONIO P., REMO, FEDERICO F.,
RESPICIO, ALMA BELLAR., REYES, ANSELMO D., REYES,
ARTEMIO A., REYES, ISIDRO T., REYES, LOURDES J., RIBANO,
GLORIETTA., RIOS, GENOVEVAR., RIVERA, HELEN B., RIVERA,
JOSE A., JR., RIVERA, REYNALDO P., ROA, LIBERATO C., ROMA,
SAMUEL R., ROMERO, SERGIO E., ROQUE, LIBERTY L., RUIZ,
ROMEO C., SALAZAR, ARNULFO C., SALDANA, VIRGILIO P.,
SALDIVAR, EMORY E., SALES, EPIFANIA., SALLE, FILIPINAS R.,
SALVO, CAROLINA A., SAMBRANO, ADELFA G., SAN DIEGO,
EDUARDO M., SAÑEZ, TOMAS R., JR., SANGALANG, VICTOR I.,
SAPITULA, CIRILO C., SELIBIO, AGNES S., SERRANO, CORAZON
F., SETIAS, YVONEE B., SILANG, OFELIA I., SILVESTRE, DARIO
G., SIMON, CONSTANCE R., SIMON, MA. CRISTINA R., SINGSON,
EMMA G., SISICAN, EVANGELINE U., SISICAN, INOCENTES B.,
SORIANO, BENIGNO, SORIANO, LUIS C., SORIANO, PRISCILA Q.,
SUELA, ADELINA M., SULANGI, LIBERTAD R., SUMALPONG,
ELADIO T., TABUCAN, CECILIA., TACDORO, JOSELITO E.,
TADIQUE, PERLA B., TAN, JESUS EDISON P., TAN, MARIA LUZ D.,
TANAMOR, RAMON O., TAPIA, ROMAN O., TERREL, NORMA O.,
TIBURCIO, CARMEN C., TICSAY, REINERIO S., TILLANO, JOSE
MA. C., TIONGSON, NONA S., TUASON, MANUEL ANTOLE F.,
TUAZON, GLORIA C., TUMAMPOS, MA. VISITACION, TUPAS,
JOSEFA S., UY, ALFREDO V., VALDEZ, FEDERICO S., JR.,
VAQUILAR, DIVINA GRACE B., VERA, ELENA MAY S.,
VERGAVERA, NOEL B., VERSOLA, MARIA LUISA C., VICADA,
JULITO T., VICTORIO, RODRIGO P., VILLALON, VISA ABAS,
VILLACRUZ, JORLY L., VILLASIN, ELPIDIO A., JR., YAP,
EMMANUEL J., ZAFRA, CARLOS T., ZAMORAS, ESTANISLAO L.,
RESPONDENTS.

DECISION

GAERLAN, J.:

Assailed in this petition for review on *certiorari*^[1] under Rule 45 of the 1997 Rules of Civil Procedure are the Decision^[2] dated June 6, 2012 and the Resolution^[3] dated December 19, 2012 of the Court of Appeals (CA) in CA G.R. SP. No. 118640 which affirmed with modifications the Decision^[4] dated September 22, 2010 of the Regional Trial Court (RTC) of Quezon City, Branch 98 in Special Civil Action No. Q-08-63099 for mandamus.

The Facts

On May 22, 1985, the Development Bank of the Philippines (DBP) Executive Committee approved Resolution No. 0236 which granted Additional Cost of Living Allowance (COLA) to the bank's officials and employees to be computed as follows:

1. Officials and employees receiving a monthly basic salary of P1,500.00 and below shall be granted a P150.00 per month additional COLA while those receiving a basic salary of P1,501.00 and above shall receive P100.00 additional COLA per month; x x x^[5]

On April 13, 1988, the DBP Board of Directors issued Resolution No. 0210 which granted COLA of P200.00 per month to all bank personnel effective January 1, 1988.^[6]

On July 1, 1989, the Congress enacted Republic Act (R.A.) No. 6758 otherwise known as the Compensation and Position Classification Act of 1989. Section 12 of the said law provides:

Section 12. Consolidation of Allowances and Compensation. - All allowances, except for representation and transportation allowances; clothing and laundry allowances; subsistence allowance of marine officers and crew on board government vessels and hospital personnel; hazard pay; allowances of foreign service personnel stationed abroad; and such other additional compensation not otherwise specified herein as may be determined by the DBM, shall be deemed included in the standardized salary rates herein prescribed. Such other additional compensation, whether in cash or in kind, being received by incumbents only as of July 1, 1989 not integrated into the standardized salary rates shall continue to be authorized.

Existing additional compensation of any national government official or employee paid from local funds of a local government unit shall be absorbed into the basic salary of said official or employee and shall be paid by the National Government.

For the purpose of implementation of the said law, the Department of Budget and Management (DBM) issued Corporate Compensation Circular (CCC) No. 10 on October 2, 1989 which discontinued all allowances and fringe benefits, to wit:

Payment of other allowances/fringe benefits and all other forms of compensation granted on top of basic salary, whether in cash or in kind, x x x shall be discontinued effective 1 November 1989. Payment made for such allowances/fringe benefits after said date shall be considered as illegal disbursements of public funds.^[7]

In light of the passage of R.A. No. 6758, implemented by DBP through CCC No. 10, payment of COLA to its officials and employees was discontinued.^[8]

On August 12, 1998, the Court *en banc*, in the case of *De Jesus, et al. v. Commission on Audit, et al.*^[9] declared CCC No. 10 as ineffective and unenforceable because of its lack of publication in either the Official Gazette or in a newspaper of general circulation.^[10]

Sometime in 1999, DBP offered its officers and employees an Early Retirement Incentive Program (ERIP). Under which, the availing employees were given additional cash benefits called "gratuities" in consideration for their early retirement.^[11] Some of the respondents availed of the ERIP and received the gratuities. While some of them either retired under the regular retirement laws, resigned, dismissed from service or were still employed as of May 9, 2003.

On May 9, 2003, DBP issued Resolution No. 0137 which granted COLA to its personnel concerned covering the period of July 1, 1989 to February 28, 1999 to enable all its regular employees to pay off the soft loan granted under the Provident Fund in June 2002.^[12]

On November 16, 2005, DBP, through its Executive Committee, issued Resolution No. 0151^[13] which granted Amelioration Allowance (AA) to the bank's employees except the retirees or resignees who have executed any document waiving their claims against the bank.^[14]

Respondents repeatedly made written and verbal demands to DBP for back payment of COLA and AA.^[15]

On June 4, 2008, DBP, through its Chief Legal Counsel, wrote a letter addressed to the counsel of the respondents unequivocally denying their claims.^[16]

In July 24, 2008, the respondents filed a petition for *writ of mandamus* against DBP under Section 3, Rule 65 of the 1997 Rules of Civil Procedure to enforce their alleged rights over the back payment of their COLA and AA^[17] before the RTC of Quezon City, which was docketed as Special Civil Action No. Q-08-63099.

On September 22, 2010, the RTC rendered its Decision^[18] on the petition. It denied and consequently dismissed the petition insofar as the respondents who availed of the ERIP ruling that their quitclaims barred them from claiming for COLA and AA. As for the other respondents, the trial court granted the petition, ruling that the concerned respondents are entitled to COLA and AA, and ordered DBP and its officers to settle and grant their claims and pay legal interest on the differentials, attorney's fees, and cost of suit. The dispositive portion of the Decision reads:

WHEREFORE, premises considered, the instant Petition for Mandamus is hereby ***DENIED DUE COURSE*** and is ordered ***DISMISSED*** on the part of petitioners who availed of the Early Retirement Incentive Program (ERIP).

Insofar as petitioners **Nicolas Alcover, Nelly Ferrolino, Isidro Reyes, Lili Ramirez, Federico Remo, Eleuterio Pabilloro, Ma. Cristina Simon and Eduardo Villalon** are concerned, their petition is however