

SECOND DIVISION

[G.R. No. 197494, March 25, 2019]

**COCA-COLA[*] BOTTLERS PHILIPPINES, INC., PETITIONER, V.
CCBPI STA. ROSA PLANT EMPLOYEES UNION, RESPONDENT.**

DECISION

J. REYES, JR., J.:

Before us is a Petition for Review on *Certiorari*^[1] under Rule 45 of the Rules of Court, assailing the Decision^[2] dated January 27, 2011 and the Resolution^[3] dated June 23, 2011 of the Court of Appeals (CA) in CA-G.R. SP No. 113138, which affirmed the ruling of the Voluntary Arbitrator.

Relevant Antecedents

Coca-Cola Bottlers Philippines, Inc. (CCBPI, hereinafter referred to as petitioner) is engaged in the business of manufacturing, distributing, and marketing beverage products while CCBPI Sta. Rosa Plant Employees' Union (respondent Union) is a recognized labor union organized and registered with the Department of Labor and Employment (DOLE) and the sole representative of all regular daily paid employees and monthly paid non-commission earning employees within petitioner's Sta. Rosa, Laguna plant.^[4]

A dispute arose when petitioner implemented a policy which limits the total amount of loan which its employees may obtain from the company and other sources such as the Social Security System (SSS), PAG-IBIG, and employees' cooperative to 50% of their respective monthly pay.

Respondent Union interpreted such policy as violative of a provision in the Collective Bargaining Agreement (CBA), which states that petitioner shall process all SSS loans of its employees, in spite of any outstanding company loan of said employees, subject to SSS rules and regulations.^[5]

After conciliation efforts failed, respondent Union submitted the matter before the Voluntary Arbitrator on October 5, 2009.^[6]

Petitioner anchored on its stand and argued that the company policy is in compliance with the Labor Code considering that it ensures that the employees' wages are directly paid to the employees themselves and not to third party creditors.^[7]

In a Decision^[8] dated February 12, 2010, the Voluntary Arbitrator ruled in favor of the respondent Union. The Voluntary Arbitrator maintained that Section 2, Article 14 of the CBA is clear when it provided that petitioner shall process all SSS loans, subject only to SSS rules and regulations. As there was no modification of said

stipulation, petitioner was ordered to implement said provision without restrictions, viz.:

WHEREFORE, in light of the foregoing facts and [evidence] and circumstances, decision is hereby rendered in favor of the complainant union[.] Respondent is hereby ordered to immediately implement Article 14, Sec. 2 without restrictions and in its literal meaning.

SO ORDERED.^[9]

Unsatisfied, petitioner elevated the matter before the CA via Rule 43 of the Rules of Court.

On appeal, petitioner insisted that it did not violate the CBA in enforcing the company policy as the limitation was aimed to protect and promote the welfare of the employees and prevent them from becoming saddled with indebtedness.^[10]

Affirming the Decision of the Voluntary Arbitrator, the CA rendered the assailed Decision^[11] dated January 27, 2011. The CA observed that such company policy is violative of the CBA in the absence of any SSS regulation supporting the same. The *fallo* thereof reads:

WHEREFORE, premises considered, the petition is **DENIED** for lack of merit. Accordingly, the Decision of the Voluntary Arbitrator dated February 12, 2010 is hereby **AFFIRMED**.

SO ORDERED.^[12]

Petitioner filed a Motion for Reconsideration which was denied in the assailed Resolution^[13] dated June 23, 2011.

The Issue

In the main, the issue in this case is whether or not petitioner's company policy which limits the availment of loans depending on the average take home pay of its employees violates a provision in the CBA.

The Court's Ruling

It is a familiar and fundamental doctrine in labor law that the CBA is the law between the parties and they are obliged to comply with its provisions.^[14] As in all contracts, the parties in a CBA may establish such stipulations, clauses, terms and conditions as they may deem convenient provided these are not contrary to law, morals, good customs, public order, or public policy. Thus, where the CBA is clear and unambiguous, it becomes the law between the parties and compliance therewith is mandated by the express policy of the law.^[15]

Verily, the force and effect of the CBA is that of a law, requiring that parties thereto yield to its provisions; otherwise, the purpose for which the same was executed would be rendered futile.

The resolution of this instant case would inevitably delve into a reading of the CBA in relation to the company policy, which allegedly translated into a violation of the former.

The concerned CBA provision provides:

Article XIII

x x x x

SECTION 2. SSS Salary Loans. The COMPANY:shall process all SSS loan applications, notwithstanding the fact that the employee concerned may have outstanding COMPANY loans, subject to SSS rules and regulations.^[16]

On the other hand, the company policy puts a cap relative to the loan availment by the employees depending on the employees' monthly basic net pay. In other words, petitioner shall disapprove the loan application of an employee whose net take home pay falls below 50% of his average monthly basic pay. Petitioner cited an illustration^[17] to exemplify the policy's application:

Average monthly basic pay	P26,365.00
Average monthly standard and statutory deductions (e.g. tax, SSS contribution, etc.)	P 4,160.00
Average monthly non-standard deductions (e.g. union dues, insurance premium, etc.)	P 8,508.76
Average monthly net pay	P13,696.24
% of total deductions over basic pay	48.05%
Monthly net disposable income based on the 50% salary cap	P 513.74

Thus, ZZZ may secure a loan from other sources provided that the monthly amortization does not exceed P513.74, considering that any amortization exceeding such net disposable income would exceed the 50% limitation of net take home pay. Stated otherwise, the net take home pay would be less than 50% of the average monthly basic pay if ZZZ would still be allowed to secure loans from any sources with monthly amortizations exceeding P513.74.^[18]

A plain reading of the CBA provision provides for the commitment of the petitioner to process SSS salary loans, in particular, of its employees. The only limitation is the application of SSS rules and regulations pertaining to the same. Undoubtedly, the company policy is not an SSS rule or regulation. Hence, it is important to discuss whether said company policy is sanctioned under SSS rules and regulations.

The Terms and Conditions of a Member Loan Application, pursuant to Social Security Commission Regulation No. 669, is stipulated at the back of every SSS loan application. It specifies for the requirements for eligibility of the member and the responsibilities of an employer relative to loan application, to wit:

A. SALARY LOANS

ELIGIBILITY REQUIREMENTS