

FIRST DIVISION

[G.R. No. 161713, August 20, 2008]

**LEPANTO CONSOLIDATED MINING COMPANY, PETITIONER, VS.
LEPANTO LOCAL STAFF UNION, RESPONDENT.**

R E S O L U T I O N

CARPIO, J.:

The Case

Before the Court is a petition for review^[1] assailing the 22 July 2003 Decision^[2] and 20 January 2004 Resolution^[3] of the Court of Appeals in CA-G.R. SP No. 60644.

The Antecedent Facts

Lepanto Consolidated Mining Company^[4] (petitioner) is a domestic mining corporation. Lepanto Local Staff Union (respondent) is the duly certified bargaining agent of petitioner's employees occupying staff positions.

On 28 November 1998, petitioner and respondent entered into their fourth Collective Bargaining Agreement (4th CBA) for the period from 1 July 1998 to 30 June 2000. The 4th CBA provides:

ARTICLE VIII - NIGHT SHIFT DIFFERENTIAL

Section 3. Night Differential pay. - The Company shall continue to pay nightshift differential for work during the first and third shifts to all covered employees within the bargaining unit as follows:

For the First Shift (11:00 p.m. to 7:00 a.m.), the differential pay will be 20% of the basic rate. For the Third Shift (3:00 p.m. to 11:00 p.m.), the differential pay will be 15% of the basic rate.

However, for overtime work, which extends beyond the regular day shift (7:00 a.m. to 3:00 p.m.), there [will] be no night differential pay added before the overtime pay is calculated.

ARTICLE XII - RIGHTS, PRIVILEGES AND OTHER BENEFITS

Section 9. Longevity pay - The company shall grant longevity pay of P30.00 per month effective July 1, 1998 and every year thereafter.^[5]

On 23 April 2000, respondent filed a complaint with the National Conciliation and Mediation Board, Cordillera Administrative Region (NCMB-CAR) alleging that petitioner failed to pay the night shift differential and longevity pay of respondent's

members as provided in the 4th CBA. Petitioner and respondent failed to amicably settle the dispute. They agreed to submit the issues to Voluntary Arbitrator Norma B. Advincula (Voluntary Arbitrator) for resolution.

The Ruling of the Voluntary Arbitrator

In a Decision dated 26 May 2000,^[6] the Voluntary Arbitrator ruled in favor of respondent as follows:

WHEREFORE, foregoing considered, this Office holds and so orders respondent Lepanto Consolidated Mining Corporation (LCMC) to grant complainant Lepanto Local Staff Union (LLSU) the following benefits:

Longevity pay of P30.00 per month which shall be reckoned from July 1, 1998 and every year thereafter in consonance with their contract; and

Night shift differential pay of 15% of the basic rate for hours of work rendered beyond 3:00 p.m. for the following shifts: 7:00 A.M. to 4:00 P.M., 7:30 A.M. to 4:30 P.M. and 8:00 A.M. to 5:00 P.M. to be reckoned from the date of the effectivity of the 4th CBA which was on July 1, 1998.

SO ORDERED.^[7]

The Voluntary Arbitrator ruled that petitioner had the legal obligation to pay longevity pay of P30 per month effective 1 July 1998. The Voluntary Arbitrator rejected petitioner's contention that "effective" should be understood as the reckoning period from which the employees start earning their right to longevity pay, and that the longevity pay should be paid only on 1 July 1999. The Voluntary Arbitrator ruled that 1 July 1998 was the reckoning date that indicated when the amounts due were to be given.

The Voluntary Arbitrator agreed with respondent that surface workers on the second shift who performed work after 3:00 p.m. should be given an additional night shift differential pay equivalent to 15% of their basic rate. Interpreting paragraph 3, Section 3, Article VIII of the 4th CBA, the Voluntary Arbitrator ruled that it only meant that an employee who extends work beyond the second shift shall receive overtime pay which shall be computed before the night shift differential pay. In other words, it excludes the night shift differential in the computation of overtime pay.

The Voluntary Arbitrator ruled that the inclusion of paragraph 3, Section 3, Article VIII of the 4th CBA disclosed the intent of the parties to grant night shift differential benefits to employees who rendered work beyond the regular day shift. The Voluntary Arbitrator ruled that if the intention were otherwise, paragraph 3 would have been deleted.

Finally, the Voluntary Arbitrator ruled that the respondent's claim for night shift differential arising from the 1st, 2nd, and 3rd CBAs had already prescribed.

Petitioner filed a motion for reconsideration. In her Resolution dated 5 August 2000,^[8] the Voluntary Arbitrator denied the motion for reconsideration for lack of merit.