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nothing in the records of this case which indicates in the least bit how the employment of the petitioner's wife could have contributed to the risk of contracting colonic malignancy. As I have stated in earlier cases, employees' compensation benefits are not life insurance benefits. Death by itself does not automatically entitle the heirs to employees' compensation. This Court is enacting its own employment compensation law, contrary to the existing law passed by the proper lawmaking authority, when it rules that any and all causes of death or disability are valid grounds for the payment of employees' compensation benefits.

SECOND DIVISION

[G.R. No. L-64967. September 23, 1985]

ENGINEERING EQUIPMENT, INC., *petitioner, vs.* **MINISTER OF LABOR, DIRECTOR OF EMPLOYMENT SERVICES and MIGUEL V. ASPERA,** *respondents.*

SYLLABUS

LABOR AND SOCIAL LEGISLATION; EMPLOYER AND EMPLOYEE; OVERTIME PAY; A MANAGERIAL EMPLOYEE IS NOT ENTITLED TO OVERTIME PAY.— Aspera had not denied that he was a managerial employee within the meaning of Section 82. As such, he was not entitled to overtime pay.

DECISION

AQUINO, *J.*:

This is a claim for overtime pay. Miguel Aspera, a mechanical engineer, worked for Engineering Equipment, Inc. in Saudi Arabia for nearly a year from April 26, 1977 to April 16, 1978 at a

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monthly salary of ₱750 (₱860) with a six-day work week consisting of *ten* working hours. His written contract of employment provides:

"1. *Work Schedule/Assignment* . x x x Your work days shall be on a six-day work week basis, with a working day consisting of ten (10) working hours. You may be required to work overtime in excess of ten (10) hours each work day and to work on your restdays and on Saudi Arabian legal holidays.

"2. A monthly salary of ₱750.00 plus overtime pay for work rendered during restdays/holidays and or in excess of ten (10) hours during regular working days."

Aspera worked ten hours daily for 335 working days. He claims that his monthly salary should correspond to eight hours of daily work and that for the additional two hours daily, he was entitled to overtime pay at $1.2162 per hour or to $814.85 for 670 hours during 335 working days.

The Director of Employment Services and the National Labor Relations Commission sustained his claim and awarded him that amount as overtime pay. They declared void the stipulation for a ten-hour working day because it was contrary to Section 33 of the Labor Code, formerly Eight-Hour Labor Law, which expressly provides that "the normal hours of work of any employee shall not exceed eight (8) hours a day" and to Section 87 of the same Code which provides that work performed "beyond eight (8) hours a day" is treated as overtime work.

Hence, this recourse by the petitioner. It contends that Aspera was a managerial employee exercising supervision and control over its rank-and-file employees with power to recommend disciplinary action or their dismissal. Section 82 of the Labor Code provides that managerial employees are not entitled to overtime pay.

It also asserts that Aspera was one of several employees who signed written contracts with a "built-in" overtime pay in the ten-hour working day and that their basic monthly pay was adjusted to reflect the higher amount covering the guaranteed two-hour extra time whether worked or unworked.

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Moreover, it argues that the contracts were submitted to BES Director Jonathan M.R.A. de la Cruz, the same director *who rendered the questioned decision. He approved the same.* Without his approval, the petitioner would not have stipulated the ten-hour work schedule and would have provided for a lower basic salary for an eight-hour working day.

In addition to his salary, Aspera was given free board and lodging while in Saudi Arabia and free transportation in going to and returning from that country.

We hold that under the particular circumstances of this case the Acting Minister of Labor and Director De la Cruz committed a grave abuse of discretion amounting to lack of jurisdiction in awarding overtime pay and in disregarding a contract that De la Cruz himself, who is supposed to know the Eight-Hour Labor Law, had previously sealed with his imprimatur. Because of that approval, the petitioner acted in good faith in enforcing the contract.

Furthermore, Aspera had not denied that he was a managerial employee within the meaning of Section 82. As such, he was not entitled to overtime pay.

WHEREFORE, the resolution of the Acting Minister of Labor dated November 16, 1981 is reversed and set aside. Aspera's complaint is dismissed. No costs.

SO ORDERED.

Concepcion Jr., Abad Santos, Escolin, Cuevas, and *Alampay, JJ.*, concur.