

SECOND DIVISION

[G.R. No. 203957, July 30, 2014]

**UNIVERSITY OF SANTO TOMAS FACULTY UNION, PETITIONER,
VS. UNIVERSITY OF SANTO TOMAS, RESPONDENT.**

DECISION

CARPIO, J.:

The Case

G.R. No. 203957 is a petition for review^[1] assailing the Decision^[2] promulgated on 13 July 2012 as well as the Resolution^[3] promulgated on 19 October 2012 by the Court of Appeals (CA) in CA-G.R. SP No. 120970. The CA set aside the 8 June 2011 Decision^[4] and 29 July 2011 Resolution^[5]

of the Fourth Division of the National Labor Relations Commission (NLRC) in NLRC LAC No. 10-003370-08, as well as the 24 September 2010 Decision^[6] of the Labor Arbiter (LA) in NLRC-NCR Case No. 09-09745-07.

In its 24 September 2010 decision, the LA ordered the University of Santo Tomas (UST) to remit P18,000,000.00 to the hospitalization and medical benefits fund (fund) pursuant to the mandate of the 1996-2001 Collective Bargaining Agreement (CBA). The LA also ordered UST to pay 10% of the total monetary award as attorney's fees. The other claims were dismissed for lack of merit.

In its 8 June 2011 decision, the NLRC ordered UST to remit to the University of Santo Tomas Faculty Union (USTFU) the amounts of P80,000,000.00 for the fund pursuant to the CBA and P8,000,000.00 as attorney's fees equivalent to 10% of the monetary award. The NLRC denied UST's motion for reconsideration for lack of merit.

In its 13 July 2012 decision, the CA found grave abuse of discretion on the part of NLRC and granted UST's petition. The CA set aside the decisions of the NLRC and the LA, without prejudice to the refiling of USTFU's complaint in the proper forum. The CA denied USTFU's motion for reconsideration for lack of merit.

The Facts

The CA recited the facts as follows:

In a letter dated February 6, 2007, [USTFU] demanded from [UST], through its Rector, Fr. Ernesto M. Arceo, O.P. ("Fr. Arceo"), remittance of the total amount of P65,000,000.00 plus legal interest thereon, representing deficiency in its contribution to the medical and

hospitalization fund ("fund") of [UST's] faculty members. [USTFU] also sent [UST] a letter dated February 26, 2007, accompanied by a summary of its claims pursuant to their 1996-2001 CBA.

On March 2, 2007, Fr. Arceo informed [USTFU] that the aforesaid benefits were not meant to be given annually but rather as a one-time allocation or contribution to the fund. [USTFU] then sent [UST] another demand letter dated June 24, 2007 reiterating its position that [UST] is obliged to remit to the fund, its contributions not only for the years 1996-1997 but also for the subsequent years, but to no avail.

Thus, on September 5, 2007 [USTFU] filed against [UST], a complaint for unfair labor practice, as well as for moral and exemplary damages plus attorney's fees before the arbitration branch of the NLRC.

[UST] sought the dismissal of the complaint on the ground of lack of jurisdiction. It contended that the case falls within the exclusive jurisdiction of the voluntary arbitrator or panel of voluntary arbitrators because it involves the interpretation and implementation of the provisions of the CBA; and the conflict between the herein parties must be resolved as grievance under the CBA and not as unfair labor practice.

[UST's] motion to dismiss was denied by the LA in its August 8, 2008 order. [UST] appealed the Order to the NLRC. The NLRC Seventh Division, however, dismissed the appeal on May 12, 2009 and remanded the case to the LA for further proceedings.

The NLRC, in its assailed decision, correctly summarized the issues and submissions of the herein parties in their respective position papers, as follows:

According to [UST], the parties had, in the past, concluded several Collective Bargaining Agreements for the mutual benefit of the union members and [UST], and one of these agreements was the 1996-2001 CBA. It is undisputed that one of the economic benefits granted by [UST] under the said CBA was the "Hospitalization Fund," provided under Section 1-A(4) of the Article XIII thereof, the pertinent provisions of which state:

ARTICLE XIII ECONOMIC BENEFITS

Section 1. ECONOMIC BENEFIT- Upon ratification and approval and for the term of this Agreement, the economic benefits to be granted by the UNIVERSITY and the schedule of such releases are as follows:

A. School Year 1996-97 (June 1, 1996 to May 31,

1997):

x x x

4. Hospitalization Fund: Upon ratification and approval hereof, the UNIVERSITY shall establish a perpetual hospitalization and medical benefits fund in the sum of TWO MILLION PESOS (P2,000,000) to be managed jointly by a hospitalization and medical benefits committee where both management and union are equally represented.

x x x

B. School Year 1997-98 (June 1, 1997-May 31, 1998);

x x x

2. Hospitalization Fund: The UNIVERSITY shall contribute the sum of ONE MILLION PESOS (P1,000,000) to augment the Hospitalization and Medical Benefits fund. The said sum shall be added to the remaining balance of the aforementioned fund;

x x x

C. School Year 1998-99 (June 1, 1998-May 31, 1999);

x x x

2. Hospitalization Fund: The UNIVERSITY shall contribute the sum of ONE MILLION PESOS (P1,000,000) to augment the Hospitalization and Medical Benefits Fund. The said sum shall be added to the remaining balance of the aforementioned fund;

D. Miscellaneous Provisions:

x x x

2. All the economic benefits herein given and those elsewhere provided under this agreement, other than retirement benefits and one-half of the signing bonus, are chargeable to the tuition fee share, if any, of the faculty members;

x x x x x x x x x

[USTFU] added that the amount of four (4) million pesos was agreed to be paid by the University to the Hospitalization Fund annually for the fourth and fifth year of their CBA, pursuant to the parties' Memorandum of Agreement (MOA) which embodied the renegotiated economic provisions of the said CBA for the years 1999-2000 and 2000-2001.

According to [USTFU], Section D(2) of the 1996-2001 CBA provides that:

'All the economic benefits herein given and those elsewhere provided under this agreement, other than retirement benefits and one-half of the signing bonus, are chargeable to the tuition fee share, if any, of the faculty members.'

[USTFU] explained that the rationale for the above-quoted provision is that the economic benefits under the said CBA like the Hospitalization and Medical Benefits Fund, are sourced from the tuition fee increases and pursuant thereto, [UST] is obligated to remit the amount of P2,000,000.00 not only in the first year of the CBA (1996-1997) but also in the subsequent years because the said amount became an integral part of the current or existing tuition fee. Furthermore, [UST] is likewise obligated to slide in the amounts allocated for the Hospitalization and Medical Benefits Fund for the succeeding years to the next CBA year and so on and so forth. [USTFU] claimed that the tuition fee increase once integrated to the old amount of tuition fee becomes and remains an integral part of the existing tuition fee.

[USTFU] averred that while [UST] remitted the amount of P2,000,000.00 during the first year of the 1996-2001 CBA, [UST] did not slide-in or remit the said amount in the succeeding year (1997-1998). [UST] only remitted the amount of P1,000,000,000.00 [sic] for the CBA year 1998-1999. Moreover, [UST] remitted only the amount of P1,000,000.00 on the third year of the CBA instead of P4,000,000.00 (2 Million + 1 Million + 1 Million). And though [UST] remitted the amount of P4,000,000 during the fourth year (2) [sic] of the 1996-2001 CBA, it did not remit any amount at all during the fifth year of the said Agreement.

[USTFU] claimed that during the period of the 1996-2001 CBA, [UST] should have remitted the total amount of P25,000,000.00 instead of P8,000,000.00 only. Thus, a deficiency of P17,000,000.00. [USTFU's] assertion is based on the following illustration:

Year 1 1996-97	Year 2 1997-98	Year 3 1998-99	Year 4 1999-00	Year 5 2000-01	Actual amount remitted	Total amount to [be] remitted
2M remitted	2M did not slide	2M did not slide	2M did not slide	2M did not slide	2M	10M
	1M remitted	1M did not slide	1M did not slide	1M did not slide	1M	4M
		1M	1M did	1M did	1M	3M

		remitted	not slide	not slide		
			4M remitted	4M did not slide	4M	8M
				Total	8M	25M

[USTFU] added that after the fifth year of the CBA, i.e. 2001 onwards, [UST] ought to remit the amount of P8,000,000.00 ([2]M+1M+1M+4M) annually to the Hospitalization and Medical Benefits Fund. Hence, for the school year 2001-2002 up to the school year 2005-2006, an additional amount of P24,000,000.00 (8M x 3) should have been remitted by [UST] to the aforesaid fund. All in all, the total amount yet to be remitted had ballooned to P81,000,000.00.

Furthermore, [USTFU] averred that [UST] likewise failed and refused to render a proper accounting of the monies it paid or released to the covered faculty as well as the money it received as tuition fee increase starting from school year 1997-1998 onwards thereby violating Section D (1), Article XIII of the 1996-2001 CBA which provides that:

'At the end of this agreement, and within three (3) months therefrom, the UNIVERSITY shall render an accounting of the monies it paid or released to the covered faculty in consequence hereof.'

On the other hand, [UST] claimed that it religiously complied with the economic provisions of the 1996-2001 CBA particularly its obligation to remit to the Hospitalization and Medical Benefits Fund as the renegotiated economic provisions under the MOA by remitting the total amount of P8,000,000.00. [UST] claimed that it was never the intention of the parties to the CBA that the amounts deposited to the Hospitalization fund for each year shall be carried over to the succeeding years. UST added that the MOA likewise made no mention that the amount of P4,000,000.00 corresponding to the school year 1999-2000 should be carried over to the next school year. Thus, it was safe to conclude that the clear intention of the parties was that the amounts indicated on the CBA should only be remitted once on the scheduled school year. Accordingly, [UST] averred that it was not guilty of unfair labor practice.

[UST] further argued that the claim of [USTFU] had already been barred by prescription since under Article 290 of the Labor Code all unfair labor practice [cases] should be filed within one (1) year from the accrual thereof otherwise they shall forever be barred. And assuming that the instance [sic] case may be considered as a money claim, the same already prescribed after three (3) years from the time the cause of action accrued.

Finally, [UST] maintained that the present dispute should not be treated as unfair labor practice but should be resolved as a grievance under the CBA and referred to a Voluntary Arbitrator.