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THIRD DIVISION

[G.R. No. 156225, January 29, 2008]

LETRAN CALAMBA FACULTY and EMPLOYEES ASSOCIATION, Petitioner, vs. NATIONAL LABOR RELATIONS COMMISSION and COLEGIO DE SAN JUAN DE LETRAN CALAMBA, INC., Respondents.

D E C I S I O N

AUSTRIA-MARTINEZ, J.:

Assailed in the present Petition for Review on *Certiorari* under Rule 45 of the Rules of Court is the Decision[1] of the Court of Appeals (CA) promulgated on May 14, 2002 in CA-G.R. SP No. 61552 dismissing the special civil action for *certiorari* filed before it; and the Resolution[2] dated November 28, 2002, denying petitioner's Motion for Reconsideration.

The facts of the case are as follows:

On October 8, 1992, the Letran Calamba Faculty and Employees Association (petitioner) filed with Regional Arbitration Branch No. IV of the National Labor Relations Commission (NLRC) a Complaint[3] against Colegio de San Juan de Letran, Calamba, Inc. (respondent) for collection of various monetary claims due its members. Petitioner alleged in its Position Paper that:

> x x x x
>
> 2) [It] has filed this complaint in behalf of its members whose names and positions appear in the list hereto attached as Annex "A".
>
> 3) In the computation of the thirteenth month pay of its academic personnel, respondent does not include as basis therefor their compensation for overloads. It only takes into account the pay the faculty members receive for their teaching loads not exceeding eighteen (18) units. The teaching overloads are rendered within eight (8) hours a day.
>
> 4) Respondent has not paid the wage increases required by Wage Order No. 5 to its employees who qualify thereunder.
>
> 5) Respondent has not followed the formula prescribed by DECS Memorandum Circular No. 2 dated March 10, 1989 in the computation of the compensation per unit of excess load or overload of faculty members. This has resulted in the diminution of the compensation of faculty members.
>
> 6) The salary increases due the non-academic personnel as a result of

job grading has not been given. Job grading has been an annual practice of the school since 1980; the same is done for the purpose of increasing the salaries of non-academic personnel and as the counterpart of the ranking systems of faculty members.

7) Respondent has not paid to its employees the balances of seventy (70%) percent of the tuition fee increases for the years 1990, 1991 and 1992.

8) Respondent has not also paid its employees the holiday pay for the ten (10) regular holidays as provided for in Article 94 of the Labor Code.

9) Respondent has refused without justifiable reasons and despite repeated demands to pay its obligations mentioned in paragraphs 3 to 7 hereof.

x x x x[4]

The complaint was docketed as NLRC Case No. RAB-IV-10-4560-92-L.

On January 29, 1993, respondent filed its Position Paper denying all the allegations of petitioner.

On March 10, 1993, petitioner filed its Reply.

Prior to the filing of the above-mentioned complaint, petitioner filed a separate complaint against the respondent for money claims with Regional Office No. IV of the Department of Labor and Employment (DOLE).

On the other hand, pending resolution of NLRC Case No. RAB-IV-10-4560-92-L, respondent filed with Regional Arbitration Branch No. IV of the NLRC a petition to declare as illegal a strike staged by petitioner in January 1994.

Subsequently, these three cases were consolidated. The case for money claims originally filed by petitioner with the DOLE was later docketed as NLRC Case No. RAB-IV-11-4624-92-L, while the petition to declare the subject strike illegal filed by respondent was docketed as NLRC Case No. RAB-IV-3-6555-94-L.

On September 28, 1998, the Labor Arbiter (LA) handling the consolidated cases rendered a Decision with the following dispositive portion:

WHEREFORE, premises considered, judgment is hereby rendered, as follows:

1. The money claims cases (RAB-IV-10-4560-92-L and RAB-IV-11-4624-92-L) are hereby dismissed for lack of merit;

2. The petition to declare strike illegal (NLRC Case No. RAB-IV-3-6555-94-L) is hereby dismissed, but the officers of the Union, particularly its President, Mr. Edmundo F. Marifosque, Sr., are hereby reprimanded and sternly warned that future conduct similar

to what was displayed in this case will warrant a more severe sanction from this Office.

SO ORDERED.[5]

Both parties appealed to the NLRC.

On July 28, 1999, the NLRC promulgated its Decision[6] dismissing both appeals. Petitioner filed a Motion for Reconsideration[7] but the same was denied by the NLRC in its Resolution[8] dated June 21, 2000.

Petitioner then filed a special civil action for *certiorari* with the CA assailing the above-mentioned NLRC Decision and Resolution.

On May 14, 2002, the CA rendered the presently assailed judgment dismissing the petition.

Petitioner filed a Motion for Reconsideration but the CA denied it in its Resolution promulgated on November 28, 2002.

Hence, herein petition for review based on the following assignment of errors:

I

THE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT THE FACTUAL FINDINGS OF THE NATIONAL LABOR RELATIONS COMMISSION CANNOT BE REVIEWED IN CERTIORARI PROCEEDINGS.

II

THE COURT OF APPEALS GRAVELY ERRED IN REFUSING TO RULE SQUARELY ON THE ISSUE OF WHETHER OR NOT THE PAY OF FACULTY MEMBERS FOR TEACHING OVERLOADS SHOULD BE INCLUDED AS BASIS IN THE COMPUTATION OF THEIR THIRTEENTH MONTH PAY.

III

THE COURT OF APPEALS GRAVELY ERRED IN HOLDING THAT THE DECISION OF THE NATIONAL LABOR RELATIONS COMMISSION IS SUPPORTED BY SUBSTANTIAL EVIDENCE AND IN NOT GRANTING PETITIONER'S MONETARY CLAIMS.[9]

Citing *Agustilo v. Court of Appeals*,[10] petitioner contends that in a special civil action for *certiorari* brought before the CA, the appellate court can review the factual findings and the legal conclusions of the NLRC.

As to the inclusion of the overloads of respondent's faculty members in the computation of their 13th-month pay, petitioner argues that under the Revised Guidelines on the Implementation of the 13th-Month Pay Law, promulgated by the Secretary of Labor on November 16, 1987, the basic pay of an employee includes remunerations or earnings paid by his employer for services rendered, and that

excluded therefrom are the cash equivalents of unused vacation and sick leave credits, overtime, premium, night differential, holiday pay and cost-of-living allowances. Petitioner claims that since the pay for excess loads or overloads does not fall under any of the enumerated exclusions and considering that the said overloads are being performed within the normal working period of eight hours a day, it only follows that the overloads should be included in the computation of the faculty members' 13th-month pay.

To support its argument, petitioner cites the opinion of the Bureau of Working Conditions of the DOLE that payment of teaching overload performed within eight hours of work a day shall be considered in the computation of the 13th-month pay. [11]

Petitioner further contends that DOLE-DECS-CHED-TESDA Order No. 02, Series of 1996 (DOLE Order) which was relied upon by the LA and the NLRC in their respective Decisions cannot be applied to the instant case because the DOLE Order was issued long after the commencement of petitioner's complaints for monetary claims; that the prevailing rule at the time of the commencement of petitioner's complaints was to include compensations for overloads in determining a faculty member's 13th-month pay; that to give retroactive application to the DOLE Order issued in 1996 is to deprive workers of benefits which have become vested and is a clear violation of the constitutional mandate on protection of labor; and that, in any case, all doubts in the implementation and interpretation of labor laws, including implementing rules and regulations, should be resolved in favor of labor.

Lastly, petitioner avers that the CA, in concluding that the NLRC Decision was supported by substantial evidence, failed to specify what constituted said evidence. Thus, petitioner asserts that the CA acted arbitrarily in affirming the Decision of the NLRC.

In its Comment, respondent contends that the ruling in *Agustilo* is an exception rather than the general rule; that the general rule is that in a petition for *certiorari*, judicial review by this Court or by the CA in labor cases does not go so far as to evaluate the sufficiency of the evidence upon which the proper labor officer or office based his or its determination but is limited only to issues of jurisdiction or grave abuse of discretion amounting to lack of jurisdiction; that before a party may ask that the CA or this Court review the factual findings of the NLRC, there must first be a convincing argument that the NLRC acted in a capricious, whimsical, arbitrary or despotic manner; and that in its petition for *certiorari* filed with the CA, herein petitioner failed to prove that the NLRC acted without or in excess of jurisdiction or with grave abuse of discretion.

Respondent argues that *Agustilo* is not applicable to the present case because in the former case, the findings of fact of the LA and the NLRC are at variance with each other; while in the present case, the findings of fact and conclusions of law of the LA and the NLRC are the same.

Respondent also avers that in a special civil action for *certiorari*, the discretionary power to review factual findings of the NLRC rests upon the CA; and that absent any findings by the CA of the need to resolve any unclear or ambiguous factual findings of the NLRC, the grant of the writ of *certiorari* is not warranted.

Further, respondent contends that even granting that the factual findings of the CA, NLRC and the LA may be reviewed in the present case, petitioner failed to present valid arguments to warrant the reversal of the assailed decision.

Respondent avers that the DOLE Order is an administrative regulation which interprets the 13th-Month Pay Law (P.D. No. 851) and, as such, it is mandatory for the LA to apply the same to the present case.

Moreover, respondent contends that the Legal Services Office of the DOLE issued an opinion dated March 4, 1992,[12] that remunerations for teaching in excess of the regular load, which includes overload pay for work performed within an eight-hour work day, may not be included as part of the basic salary in the computation of the 13th-month pay unless this has been included by company practice or policy; that petitioner intentionally omitted any reference to the above-mentioned opinion of the Legal Services Office of the DOLE because it is fatal to its cause; and that the DOLE Order is an affirmation of the opinion rendered by the said Office of the DOLE.

Furthermore, respondent claims that, contrary to the asseveration of petitioner, prior to the issuance of the DOLE Order, the prevailing rule is to exclude excess teaching load, which is akin to overtime, in the computation of a teacher's basic salary and, ultimately, in the computation of his 13th-month pay.

As to respondent's alleged non-payment of petitioner's consolidated money claims, respondent contends that the findings of the LA regarding these matters, which were affirmed by the NLRC and the CA, have clear and convincing factual and legal bases to stand on.

The Court's Ruling

The Court finds the petition bereft of merit.

As to the first and third assigned errors, petitioner would have this Court review the factual findings of the LA as affirmed by the NLRC and the CA, to wit.

> With respect to the alleged non-payment of benefits under Wage Order No. 5, this Office is convinced that after the lapse of the one-year period of exemption from compliance with Wage Order No. 5 (Exhibit "1-B), which exemption was granted by then Labor Minister Blas Ople, the School settled its obligations to its employees, conformably with the agreement reached during the management-employees meeting of June 26, 1985 (Exhibits "4-B" up to "4-D", also Exhibit "6-x-1"). The Union has presented no evidence that the settlement reached during the June 26, 1985 meeting was the result of coercion. Indeed, what is significant is that the agreement of June 26, 1985 was signed by Mr. Porferio Ferrer, then Faculty President and an officer of the complaining Union. Moreover, the samples from the payroll journal of the School, identified and offered in evidence in these cases (Exhibits "1-C" and 1-D"), shows that the School paid its employees the benefits under Wage Order No. 5 (and even Wage Order No. 6) beginning June 16, 1985.