Republic of the Philippines
Supreme Court
Baguio City

FIRST DIVISION

PHILIPPINE AIRLINES, INC., Petitioner,

G.R. No. 221065

-versus-

ROMEO N. AHMEE, MILLARDO M. AVIÑANTE, represented by his heirs, MARGARITA, MARIO, MAITA, MELANIE and MILLARDO (JR.), all surnamed AVIÑANTE, DANILO K. BAUTISTA, BENJAMIN G. BLANDO, JR., RAMON A. BELMONTE, FILEMON C. CAJATOR, LEVI PATRICK CARDENAS, CATHERINE MARIE A. CASTILLO, RUBEN S. CASTILLO, JR., DONALD B. COSIP, BENJAMIN C. DELFIN, RAUL E. DIAZ, GIOVANNI G.A. DIÑO, JR., RAMON CLARO J. ENRIQUEZ, JOSEPH DC. EVANGELISTA, TEODEFROZO B. FLORES, MANUEL F. FORONDA, CESAR S. FRANCIA, ENRIQUE L. GAONA, JOSE T. GIL, JR., represented by his heirs, CECILIA, JOE HENRI, and JAMES PAUL GIL, MA. AURORA C. GLORIA, ESTRELLITO F. GUTIERREZ, REYNALDO G. ILISCUPIDES, ROBERTO T. JABIER, EMMANUEL MA. C. JUSTO, EDUARDO E. KILAYKO,

PATRICK C. KIMPO, JORGE S. LACSON, ISMAEL C. LAPUS, EXEQUIEL A. LOFRANCO, POTENCIANO M. MALILAY, GERONIMO LAWRENCE S. MAPESO, MAXIMO VICENTE L. MATIAS, JESUS S. MEDINA, D' ARTAGNAN E. MERCANO, RAFAEL B. MISA, ALFREDO M. MOISES, NICOLAS N. MONTENEGRO, ARTURO E. PERLADA, GABRIEL J. PIAMONTE, EDWIN BENEDICT E. PINEDA, NOEL P. PORCUNA, RUBEN A. PULMA, MELVIN B. PUNZALAN, DANTE E. RILLORTA, CARLOS R. TEROL, represented by his heirs, MA. CRISTINA, MARIE CARYL, MARI CHRISTIANNE, MARIE CHARLENE and CARLOS JOSEPH TEROL, EDUARDO SC TORIO, ROBERTO P. USON, and BERNARDO M. VILLEGAS,

Respondents.

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ROMEO N. AHMEE, MILLARDO M. AVIÑANTE, represented by his heirs, MARGARITA, MARIO, MAITA, MELANIE, and MILLARDO (JR.), all surnamed AVIÑANTE, DANILO K. BAUTISTA, BENJAMIN G. BLANDO, JR., RAMON A. BELMONTE, FILEMON C. CAJATOR, LEVI PATRICK CARDENAS, CATHERINE MARIE A. CASTILLO, RUBEN S. CASTILLO, JR., DONALD B. COSIP, BENJAMIN C. DELFIN, RAUL E. DIAZ, GIOVANNI G.A. DIÑO, JR., RAMON CLARO J. ENRIQUEZ, JOSEPH DC. EVANGELISTA, TEODEFROZO

G.R. No. 221164

B. FLORES, MANUEL F. FORONDA, CESAR S. FRANCIA, ENRIQUE L. GAONA, JOSE T. GIL, JR., represented by his heirs, CECILIA, JOE HENRI, and JAMES PAUL, all surnamed GIL, MA. AURORA C. GLORIA, ESTRELLITO F. GUTIERREZ, REYNALDO G. ILISCUPIDES, ROBERTO T. JABIER, EMMANUEL MA. C. JUSTO, EDUARDO E. KILAYKO, PATRICK C. KIMPO, JORGE S. LACSON, ISMAEL C. LAPUS,* EXEQUIEL A. LOFRANCO, POTENCIANO M. MALILAY, GERONIMO LAWRENCE S. MAPESO, MAXIMO VICENTE L. MATIAS, JESUS S. MEDINA, D' ARTAGNAN E. MERCANO, RAFAEL B. MISA, ALFREDO M. MOISES, NICOLAS N. MONTENEGRO, ARTURO E. PERLADA, GABRIEL J. PIAMONTE, EDWIN BENEDICT E. PINEDA, NOEL P. PORCUNA, RUBEN A. PULMA, MELVIN B. PUNZALAN, DANTE E. RILLORTA, CARLOS R. TEROL, represented by his heirs, MA. CRISTINA, MARIE CARYL, MARIE CHRISTIANNE, MARIE CHARLENE and CARLOS JOSEPH, all surnamed TEROL, EDUARDO SC. TORIO, ROBERTO P. USON, and BERNARDO M. VILLEGAS,
Petitioners,

-versus-

PHILIPPINE AIRLINES, INC.,
Respondent.

Present:

GESMUNDO, *C.J., Chairperson,*
HERNANDO,
ZALAMEDA,
ROSARIO, and
MARQUEZ, *JJ.*

Promulgated:

APR 0 7 2025

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* Also referred to as "Ismael C. Lapus, Jr." in some parts of the *rollo*.

DECISION

GESMUNDO, *C.J.*:

An employer with a bank crediting arrangement for its employees' salaries and benefits may prove payment of the same by submitting evidence that it transmitted a copy of the payroll or advisory to the bank, and that such was duly received by the latter. Once the employer submits valid proof of receipt by the crediting bank, the burden of evidence shifts to the employees who will have to refute the claim of payment by submitting evidence that their respective bank accounts were not credited with the amounts subject of their claim.

The Case

The Court resolves these consolidated Petitions for Review on *Certiorari* assailing the Decision[1] and Resolution[2] of the Court of Appeals (CA). The CA remanded the case to the National Labor Relations Commission (NLRC) to determine the monetary benefits being claimed by 18 former employees of Philippine Airlines, Inc. (PAL).

Antecedents

The petitioners in G.R. No. 221164, numbering 49 employees (referred herein as "PAL employees"), worked as pilots for PAL and held the ranks of captain, first officer, second officer, and system engineers.[3] They were all members of the Airline Pilots' Association of the Philippines (ALPAP), the sole and exclusive bargaining agent of PAL pilots.[4]

The present controversy may be traced from the December 9, 1997 notice of strike filed by ALPAP with the Department of Labor and Employment (DOLE) imputing unfair labor practice (ULP) against PAL.[5] On December 23, 1997, DOLE Secretary Cresencio B. Trajano (Secretary

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1 *Rollo* (G.R. No. 221065), pp. 614–637; *rollo* (G.R. No. 221164), pp. 79–102. The March 31, 2015 Decision in CA-G.R. SP No. 128092 was penned by Associate Justice Carmelita Salandanan Manahan and concurred in by Associate Justice Japar B. Dimaampao (now a Member of this Court) and Associate Justice Franchito N. Diamante of the Tenth Division of the Court of Appeals, Manila.

2 *Id.* at 716–719; *id.* at 104–107. The October 5, 2015 Resolution in CA-G.R. SP No. 128092 was penned by Associate Justice Carmelita Salandanan Manahan and concurred in by Associate Justice Japar B. Dimaampao (now a Member of this Court) and Associate Justice Franchito N. Diamante of the Tenth Division of the Court of Appeals, Manila.

3 *Rollo* (G.R. No. 221164), p. 16.

4 *Id.* at 541.

5 *Id.*

Trajano) issued an order assuming jurisdiction over the labor dispute.[6] While the labor dispute was still in the process of being settled, ALPAP went on strike on June 5, 1998. Consequently, Secretary Trajano issued a return-to-work order on June 7, 1998.[7] The PAL employees failed to report for work despite efforts by PAL to reach them. PAL then considered them as strikers, and consequently, terminated their employment on June 7, 1998.[8]

On June 23, 1998, PAL was placed under receivership.[9] Meanwhile, the PAL employees continued to hold their picket until June 25, 1998. They reported to work the following day, but PAL refused to accept them.[10] Later, the Securities and Exchange Commission (SEC) issued an Order dated July 1, 1998 declaring that all claims against PAL are deemed suspended.[11]

On June 7, 2001, the PAL employees filed a complaint for illegal dismissal, ULP, payment of certain monetary benefits, damages, and attorney's fees with the NLRC.[12] The PAL employees asserted their right to earned benefits under the following circumstances:

> a. With respect their *unpaid salaries*, as of their dismissal from employment on 9 June 1998, [the PAL employees] had already rendered services to respondent PAL from and after the last payday of 31 May 1998. However, respondent PAL no longer paid [the PAL employees] their salaries earned for the remaining period of their employment, which should have been given them on the 15th and 30th of the next month;
>
> b. As regards their *transportation allowances*, in view of the two-month processing of the payment of the same to [the PAL employees], the latter were all due to receive such pay for the months of April and May 1998 only on 7 June 1998. However, to date, respondent PAL has not paid [the PAL employees] such benefit due for the months of April and May 1998 as well as for the period 1-7 June 1998;
>
> c. As to [the PAL employees'] *rice subsidies*, respondent PAL has not given [the PAL employees] the same for May 1998 and for the period 1-7 June 1998;
>
> d. With regard to their *productivity pay*, on account of the one-month processing of the payment thereof, [the PAL employees] were due to receive such pay for the month of May 1998 only on 25 June 1998. Respondent PAL, however, has to this time failed to pay such wages already earned by [the PAL employees] for May of 1998 and from 1-7 June 1998;

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[6] *Id.* at 543.
[7] *Id.* at 544.
[8] *Id.*
[9] *Id.* at 548.
[10] *Id.* at 546.
[11] *Id.* at 548.
[12] *Id.* at 81.

> e. Under respondent PAL's Collective Bargaining Agreement (["CBA"] with [the PAL employees'] union then in effect, [the PAL employees] were to receive their *13th month pay* in May of 1998, yet they never received the same from respondent PAL;
>
> f. Under the same CBA, [the PAL employees] were also entitled to a separate *Christmas bonus* in any year when respondent PAL grants the same to all other employees of the airline. This bonus, however, [the PAL employees] never received;
>
> g. Under the parties' CBA, all of a pilot's *unutilized days off* shall be paid. To date, however, respondent PAL has not given [the PAL employees] the pro-rated cash conversion of the same;
>
> h. Likewise, under the same CBA, [the PAL employees] were entitled to the payment of *vacation time earned but not taken.* Respondent [PAL] has, however, never paid them the same for 1998;
>
> i. Under the parties' Retirement Plan and the Rules and Regulations thereof, [the PAL employees] are entitled to their *proportionate share in the Retirement Fund.* [The PAL employees] , however, have not been given their share thereof; and
>
> j. Similarly, [the PAL employees] are entitled to their *pro-rata share in the Pilot's Occupational Disability Fund.* They have, however, not yet been paid the same, to date.[13] (Emphasis in the original)

On August 28, 2002, Labor Arbiter Dolores M. Peralta-Beley (LA Peralta-Beley) rendered a Decision[14] dismissing the complaint for illegal dismissal and ULP. However, LA Peralta-Beley suspended the resolution of the monetary claims in view of PAL's ongoing corporate rehabilitation, viz.:

> WHEREFORE, premises considered, judgment is hereby rendered as follows:
>
> 1. The complaint for illegal dismissal and unfair labor practice is DISMISSED for lack of merit;
>
> 2. The complaint for unpaid salaries, transportation allowances, rice subsidy and productivity pay is hereby SUSPENDED pursuant to Presidential Decree No. 902-A.
>
> SO ORDERED.[15]

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[13] *Id.* at 109–110.
[14] *Id.* at 540–564.
[15] *Id.* at 564.

The PAL employees appealed to the NLRC, but the latter dismissed the same in its February 4, 2004[16] and June 8, 2004[17] Resolutions. On appeal, the CA affirmed the NLRC in its June 7, 2007 Decision[18] and October 11, 2007 Resolution.[19] In *Ahmee v. PAL*,[20] the Court affirmed the CA through Resolutions dated February 4, 2008,[21] and June 16, 2008,[22] which became final and executory on July 23, 2008.[23]

Meanwhile, the SEC granted PAL's request to exit from rehabilitation on September 28, 2007.[24] In view of this development, as well as the finality of the Court's rulings in *Ahmee*, the PAL employees filed a Motion to Resume Proceedings[25] dated April 17, 2009 before the LA to resolve their pending monetary claims.

During the hearing on May 28, 2009, LA Peralta-Beley directed the PAL employees to submit a computation of their claims. In compliance, they filed a Submission on June 11, 2009 containing the individual claims of only 45 PAL employees,[26] to wit:

1	**Romeo N. Ahmee**		
	Unpaid Salaries	[PHP]	17,968.65
	Rice Subsidy		600.00
	13th Month Pay		79,575.00
	Vacation Leave		49,707.04
	TOTAL	**[PHP]**	**147,850.69**
2	**Millardo M. Aviñante**		
	Unpaid Salaries	[PHP]	28,926.38
	Transportation Allowance		780.00
	Rice Subsidy		600.00
	Productivity Pay		50,000.00
	13th Month Pay		125,692.00
	Unutilized Days Off		61,384.30
	Vacation Leave		1,239,699.00
	TOTAL	**[PHP]**	**1,507,081.68**
3	**Danilo K. Bautista**		
	Unpaid Salaries	[PHP]	28,926.31
	Transportation Allowance		1,500.00
	Rice Subsidy		600.00
	Productivity Pay		19,400.00

16 *Id.* at 567–578.
17 *Id.* at 579–581.
18 *Id.* at 585–599.
19 *Id.* at 601–602.
20 G.R. No. 180152, July 23, 2008 [Notice, Third Division].
21 *Rollo* (G.R. No. 221164), p. 686.
22 *Id.* at 688.
23 Entry of Judgment, *id.* at 689-690.
24 *Id.* at 488.
25 *Id.* at 452–457.
26 *Id.* at 211.

	13th Month Pay		125,692.00
	Unutilized Days Off		41,325.50
	Vacation Leave		1,429,793.10
	TOTAL	**[PHP]**	**1,647,236.91**
4	**Benjamin G. Blando, Jr.**		
	Unpaid Salaries	[PHP]	18,428.20
	Transportation Allowance		6,000.00
	Rice Subsidy		600.00
	Productivity Pay		6,600.13
	13th Month Pay		80,075.00
	Unutilized Days Off		15,792.00
	Vacation Leave		289,520.00
	TOTAL	**[PHP]**	**417,015.33**
5	**Ramon A. Belmonte, Jr.**		
	Unpaid Salaries	[PHP]	32,098.78
	Transportation Allowance		780.00
	Rice Subsidy		600.00
	13th Month Pay		139,477.00
	Vacation Leave		1,238,098.50
	TOTAL	**[PHP]**	**1,411,054.28**
6	**Filemon C. Cajator**		
	Unpaid Salaries	[PHP]	28,696.22
	Transportation Allowance		1,040.00
	Rice Subsidy		1,200.00
	Productivity Pay		7,609.30
	13th Month Pay		124,692.00
	Unutilized Days Off		29,076.85
	Vacation Leave		1,221,964.70
	TOTAL	**[PHP]**	**1,414,279.07**
7	**Levi Patrick Cardenas**		
	Unpaid Salaries	[PHP]	7,498.96
	Transportation Allowance		1,300.00
	Rice Subsidy		600.00
	Productivity Pay		7,650.00
	13th Month Pay		32,585.00
	Vacation Leave		10,702.80
	TOTAL	**[PHP]**	**60,336.76**
8	**Catherine Marie A. Castillo**		
	Unpaid Salaries	[PHP]	7,497.00
	Transportation Allowance		10,400.00
	Rice Subsidy		1,200.00
	Productivity Pay		15,612.00
	13th Month Pay		32,585.00
	Vacation Leave		21,420.00
	TOTAL	**[PHP]**	**88,714.00**

9	**Ruben S. Castillo, Jr.**		
	Unpaid Salaries	[PHP]	28,926.31
	Transportation Allowance		1,300.00
	Rice Subsidy		600.00
	Productivity Pay		19,400.00
	13th Month Pay		125,692.00
	Vacation Leave		834,396.20
	TOTAL	**[PHP]**	**1,010,314.51**
10	**Raul E. Diaz**		
	Unpaid Salaries	[PHP]	7,479.43
	Transportation Allowance		1,500.000
	Rice Subsidy		600.00
	Productivity Pay		9,000.00
	13th Month Pay		32,500.00
	Vacation Leave		13,000.00
	TOTAL	**[PHP]**	**64,079.43**
11	**Giovanni G.A. Diño. Jr.**		
	Unpaid Salaries	[PHP]	7,071.28
	Transportation Allowance		1,300.00
	Rice Subsidy		600.00
	Productivity Pay		7,500.00
	13th Month Pay		32,585.00
	Unutilized Days Off		29,076.85
	Vacation Leave		9,774.00
	TOTAL	**[PHP]**	**87,907.13**
12	**Ramon Claro J. Enriquez**		
	Unpaid Salaries	[PHP]	20,198.00
	Transportation Allowance		1,560.00
	Rice Subsidy		600.00
	Productivity Pay		6,750.00
	13th Month Pay		87,765.00
	Unutilized Days Off		86,550.00
	Vacation Leave		69,252.00
	TOTAL	**[PHP]**	**272,675.00**
13	**Joseph DC. Evangelista**		
	Unpaid Salaries	[PHP]	11,926.60
	Transportation Allowance		7,800.00
	Rice Subsidy		600.00
	Productivity Pay		5,300.00
	13th Month Pay		51,824.00
	Unutilized Days Off		8,519.00
	Vacation Leave		151,638.20
	TOTAL	**[PHP]**	**237,607.80**
14	**Teodefrozo B. Flores**		
	Unpaid Salaries	[PHP]	11,926.60
	Rice Subsidy		600.00
	Productivity Pay		1,000.00
	13th Month Pay		51,824.00
	Vacation Leave		114,154.60
	TOTAL	**[PHP]**	**179,505.20**

15	**Manuel F. Foronda**		
	Unpaid Salaries	[PHP]	22,600.55
	Transportation Allowance		1,040.00
	Rice Subsidy		600.00
	Productivity Pay		6,000.00
	13th Month Pay		98,205.00
	Unutilized Days Off		4,676.00
	Vacation Leave		45,205.00
	TOTAL	**[PHP]**	**178,326.55**
16	**Cesar S. Francia**		
	Unpaid Salaries	[PHP]	28,926.31
	Transportation Allowance		940.00
	Rice Subsidy		600.00
	Productivity Pay		18,800.00
	13th Month Pay		125,692.00
	Vacation Leave		1,363,668.90
	TOTAL	**[PHP]**	**1,538,627.21**
17	**Enrique L. Gaona**		
	Unpaid Salaries	[PHP]	29,156.47
	Transportation Allowance		7,755.00
	Rice Subsidy		2,606.00
	Productivity Pay		7,755.00
	13th Month Pay		126,692.00
	Unutilized Days Off		12,495.00
	Vacation Leave		541,477.30
	TOTAL	**[PHP]**	**727,936.77**
18	**Jose T. Gil, Jr.**		
	Unpaid Salaries	[PHP]	19,117.00
	Transportation Allowance		4,680.00
	Rice Subsidy		1,800.00
	Productivity Pay		10,758.00
	13th Month Pay		83,075.00
	Vacation Leave		397,763.00
	TOTAL	**[PHP]**	**517,193.00**
19	**Ma. Aurora C. Gloria**		
	Unpaid Salaries	[PHP]	12,041.68
	Transportation Allowance		1,100.68
	Rice Subsidy		1,200.00
	Productivity Pay		8,240.00
	13th Month Pay		52,324.00
	Vacation Leave		15,482.16
	TOTAL	**[PHP]**	**90,388.52**
20	**Estrellito F. Gutierrez**		
	Unpaid Salaries	[PHP]	18,198.11
	Productivity Pay		1,450.00
	13th Month Pay		79,075.00
	Unutilized Days Off		20,791.84
	Vacation Leave		350,963.55
	TOTAL	**[PHP]**	**470,478.50**

21	**Reynaldo G. Iliscupides**		
	Unpaid Salaries	[PHP]	29,041.39
	Transportation Allowance		5,720.00
	Rice Subsidy		1,200.00
	Productivity Pay		15,892.50
	13th Month Pay		126,192.00
	Unutilized Days Off		12,446.34
	Vacation Leave		1,012,302.20
	TOTAL	**[PHP]**	**1,202,794.43**
22	**Roberto T. Jabier**		
	Unpaid Salaries	[PHP]	18,082.96
	Transportation Allowance		520.00
	Rice Subsidy		600.00
	Productivity Pay		4,930.00
	13th Month Pay		78,575.00
	Unutilized Days Off		10,333.20
	Vacation Leave		103,332.00
	TOTAL	**[PHP]**	**216,373.16**
23	**Emmanuel Ma. C. Justo**		
	Unpaid Salaries	[PHP]	7,383.88
	Transportation Allowance		1,030.00
	Rice Subsidy		600.00
	Productivity Pay		1,200.00
	13th Month Pay		32,085.00
	Unutilized Days Off		6,417.00
	Vacation Leave		22,459.50
	TOTAL	**[PHP]**	**71,175.38**
24	**Eduardo E. Kilayko**		
	Unpaid Salaries	[PHP]	28,926.38
	Transportation Allowance		1,300.00
	Rice Subsidy		600.00
	Productivity Pay		14,100.00
	13th Month Pay		125,692.00
	Unutilized Days Off		61,985.10
	Vacation Leave		1,652,936.00
	TOTAL	**[PHP]**	**1,885,539.48**
25	**Jorge S. Lacson**		
	Unpaid Salaries	[PHP]	18,313.12
	Transportation Allowance		921.66
	Rice Subsidy		1,200.00
	Productivity Pay		14,337.33
	13th Month Pay		79,575.00
	Vacation Leave		261,616.00
	TOTAL	**[PHP]**	**375,963.11**
26	**Ismael C. Lapus, Jr.**		
	Unpaid Salaries	[PHP]	28,926.38
	Transportation Allowance		1,300.00
	Rice Subsidy		600.00
	Productivity Pay		20,294.00

	13th Month Pay		125,692.00
	Unutilized Days Off		61,984.95
	Vacation Leave		1,652,932.00
	TOTAL	**[PHP]**	**1,891,729.33**
27	**Exequiel A. Lofranco**		
	Unpaid Salaries	[PHP]	21,003.43
	Transportation Allowance		1,000.00
	Rice Subsidy		1,200.00
	Productivity Pay		9,750.00
	13th Month Pay		91,265.00
	Unutilized Days Off		15,002.45
	Vacation Leave		360,000.00
	TOTAL	**[PHP]**	**499,220.88**
28	**Potenciano M. Malilay**		
	Unpaid Salaries	[PHP]	29,156.47
	13th Month Pay		126,692.00
	Vacation Leave		1,486,983.50
	Share in Retirement Fund		26,730.00
	TOTAL	**[PHP]**	**1,669,561.97**
29	**Geronimo Lawrence S. Mapeso**		
	Unpaid Salaries	[PHP]	11,926.60
	Transportation Allowance		9,334.00
	Rice Subsidy		600.00
	Productivity Pay		6,600.13
	13th Month Pay		51,824.00
	Unutilized Days Off		13,813.73
	Vacation Leave		103,648.00
	TOTAL	**[PHP]**	**197,746.46**
30	**Maximo Vicente L. Matias**		
	Unpaid Salaries	[PHP]	18,082.96
	Transportation Allowance		476.00
	Rice Subsidy		600.00
	Productivity Pay		18,515.00
	13th Month Pay		78,575.00
	Unutilized Days Off		18,334.12
	Vacation Leave		284,160.80
	TOTAL	**[PHP]**	**418,743.88**
31	**Jesus S. Medina**		
	Unpaid Salaries	[PHP]	7,383.88
	Transportation Allowance		4,420.00
	Rice Subsidy		600.00
	Productivity Pay		1,200.00
	13th Month Pay		32,085.00
	Unutilized Days Off		3,000.00
	Vacation Leave		66,454.92
	TOTAL	**[PHP]**	**115,143.80**

32	**D' Artagnan E. Mercano**		
	Unpaid Salaries	[PHP]	29,156.47
	Productivity Pay		21,150.00
	13th Month Pay		126,692.00
	Vacation Leave		1,365,614.00
	TOTAL	**[PHP]**	**1,542,612.47**
33	**Rafael B. Misa**		
	Unpaid Salaries	[PHP]	19,003.53
	Transportation Allowance		2,560.00
	Rice Subsidy		600.00
	Productivity Pay		5,746.35
	13th Month Pay		82,575.00
	Unutilized Days Off		16,534.80
	Vacation Leave		278,341.00
	TOTAL	**[PHP]**	**405,360.68**
34	**Alfredo M. Moises**		
	Unpaid Salaries	[PHP]	23,920.00
	Transportation Allowance		2,322.00
	Rice Subsidy		620.00
	Productivity Pay		15,463.00
	13th Month Pay		39,119.16
	Unutilized Days Off		31,591.23
	Vacation Leave		105,304.00
	TOTAL	**[PHP]**	**218,339.39**
35	**Nicolas N. Montenegro**		
	Unpaid Salaries	[PHP]	21,118.51
	Transportation Allowance		5,720.00
	Rice Subsidy		1,200.00
	13th Month Pay		91,765.00
	Vacation Leave		905,079.00
	TOTAL	**[PHP]**	**1,024,882.51**
36	**Arturo E. Perlada, Jr.**		
	Unpaid Salaries	[PHP]	18,313.12
	Transportation Allowance		7,800.00
	Rice Subsidy		1,200.00
	Productivity Pay		12,000.00
	13th Month Pay		79,575.00
	Unutilized Days Off		10,500.00
	Vacation Leave		120,000.00
	TOTAL	**[PHP]**	**249,388.12**
37	**Gabriel J. Piamonte**		
	Unpaid Salaries	[PHP]	31,987.70
	Transportation Allowance		260.00
	Rice Subsidy		600.00
	13th Month Pay		138,977.00
	Vacation Leave		1,069,169.40
	TOTAL	**[PHP]**	**1,240,994.10**

38	**Noel P. Porcuna**		
	Unpaid Salaries	[PHP]	28,924.00
	Transportation Allowance		2,600.00
	Rice Subsidy		600.00
	Productivity Pay		1,200.00
	13th Month Pay		125,692.00
	Unutilized Days Off		6,417.00
	Vacation Leave		371,909.70
	TOTAL	**[PHP]**	**537,342.70**
39	**Ruben A. Pulma**		
	Unpaid Salaries	[PHP]	21,104.65
	Productivity Pay		7,752.00
	13th Month Pay		91,705.00
	Vacation Leave		633,139.50
	TOTAL	**[PHP]**	**753,701.15**
40	**Melvin B. Punzalan**		
	Unpaid Salaries	[PHP]	28,696.22
	Transportation Allowance		1,040.00
	Rice Subsidy		1,200.00
	Productivity Pay		18,800.00
	13th Month Pay		124,692.00
	Unutilized Days Off		40,994.60
	Vacation Leave		1,229,838.00
	TOTAL	**[PHP]**	**1,445,260.82**
41	**Dante E. Rillorta**		
	Unpaid Salaries	[PHP]	7,959.28
	Rice Subsidy		600.00
	Productivity Pay		16,200.00
	13th Month Pay		34,858.00
	Vacation Leave		70,496.48
	TOTAL	**[PHP]**	**130,113.76**
42	**Carlos R. Terol**		
	Unpaid Salaries	[PHP]	19,101.32
	Transportation Allowance		1,000.00
	Rice Subsidy		1,200.00
	Productivity Pay		9,000.00
	13th Month Pay		83,000.00
	Unutilized Days Off		13,835.00
	Vacation Leave		1,009,641.20
	TOTAL	**[PHP]**	**1,136.777.52**
43	**Eduardo SC. Torio**		
	Unpaid Salaries	[PHP]	12,041.68
	Transportation Allowance		5,200.00
	Rice Subsidy		600.00
	Productivity Pay		6,000.00
	13th Month Pay		52,324.00
	Unutilized Days Off		4,676.00
	Vacation Leave		34,000.00
	TOTAL	**[PHP]**	**114,841.68**

44	**Roberto P. Uson**		
	Unpaid Salaries	[PHP]	2,537.99
	Transportation Allowance		4,400.00
	Rice Subsidy		600.00
	Productivity Pay		12,000.00
	13th Month Pay		11,028.33
	Unutilized Days Off		6,723.60
	Vacation Leave		39,221.00
	TOTAL	**[PHP]**	**76,510.92**
45	**Bernardo M. Villegas**		
	Unpaid Salaries	[PHP]	18,082.96
	Transportation Allowance		1,500.00
	Rice Subsidy		600.00
	Productivity Pay		10,326.00
	13th Month Pay		78,575.00
	Vacation Leave		162,747.27
	TOTAL	**[PHP]**	**271,831.23**[27]

(Emphasis supplied)

Ruling of the Labor Arbiter

On September 22, 2011, LA Quintin B. Cueto III issued an Order[28] partially granting the claims of the PAL employees, thus:

> *WHEREFORE, premises considered, complainants' salaries for 16-31 May 1998 and Thirteenth Month Pay are deemed paid and PAL is directed to submit its computation of transportation allowance and productivity pay based on complainants' actual services rendered. All other claims are hereby dismissed.*
>
> *SO ORDERED.*[29] (Emphasis in the original)

As regards the claim of unpaid salaries, the LA found that PAL had already paid the salaries for the period of May 16 to 31, 1998 based on the May 31, 1998 payroll and cash vouchers showing the amounts credited to the PAL employees' bank payroll accounts. Similarly, the LA held that the 13th month pay had also been paid based on the 1998 13th Month Pay Payroll Register submitted by PAL.[30]

Anent the claim for transportation allowance and productivity pay, the LA held that the parties' CBA provided that the same should be paid based on actual services rendered. However, since the CBA was silent on whether the

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27 *Id.* at 18–31.
28 *Id.* at 206–219.
29 *Id.* at 219.
30 *Id.* at 217–218.

dismissed employees are entitled to Christmas bonus, rice subsidy, unused days off and vacation leaves, the LA denied the PAL employees' claims. The LA also rejected the employees' share in the retirement and pilot's occupational disability funds, and held that the action should be directed against the trustee bank instead of PAL.[31]

Aggrieved, the PAL employees filed a Memorandum of Appeal[32] and attached the Verification and Certification[33] of 10 PAL Employees, namely: Millardo M. Aviñante (Aviñante), Carlos R. Terol (Terol),[34] Eduardo SC Torio (Torio), Jorge S. Lacson (Lacson), Catherine Marie A. Castillo (Castillo), Ismael C. Lapus (Lapus), Benjamin G. Blando, Jr. (Blando), Eduardo E. Kilayko (Kilayko), Gabriel J. Piamonte (Piamonte), and Rafael B. Misa (Misa).

The NLRC Ruling

On April 4, 2012, the NLRC Second Division promulgated a Decision,[35] disposing in the following manner:

> WHEREFORE, premises considered, the Appeal filed by complainants Millardo M. Aviñante, Eduardo SC Torio, Jorge S. Lacson, Catherine Marie A. Castillo, Ismael C. Lapus, Benjamin G. Blando, Jr., Eduardo E. Kilayko, Gabriel J. Piamonte, Carlos Terol and Rafael B. Misa, is hereby dismissed for lack of merit and the Labor Arbiter's Decision dated September 22, 2011 is AFFIRMED.
>
> The said Decision of the Labor Arbiter is deemed final insofar as the other complainants are concerned.
>
> SO ORDERED.[36]

The NLRC found that the appeal suffered from a defective or insufficient verification, hence, it may only be deemed perfected as to those 10 PAL employees who signed the same.

As regards the claim for 13th month pay, the NLRC ruled that PAL's 13th Month Payroll Register sufficiently proved payment of such benefits by PAL.[37] It also ruled that the PAL employees failed to prove that they had

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31 *Id.* at 218–219.
32 *Id.* at 220–257.
33 *Id.* at 247–256.
34 Represented by his heir, Ma. Cristina R. Terol.
35 *Rollo* (G.R. No. 221164), pp. 794–803.
36 *Id.* at 802.
37 *Rollo* (G.R. No. 221605), p. 432.

rendered service to be entitled to their claim for unpaid salaries[38] As for their share in the retirement and occupational disability funds, the NLRC shared the findings of the LA that the said funds are administered by a Retirement Committee whose members are not appointed by PAL.[39]

The PAL employees filed a Motion for Reconsideration, but the NLRC denied the same in its October 29, 2012 Resolution.[40]

Aggrieved, the PAL employees filed a Petition for *Certiorari*[41] before the CA, which was accompanied by a verification and certification separately signed by 9 PAL employees, namely: Ramon A. Belmonte (Belmonte), Blando, Castillo, Reynaldo G. Iliscupides (Iliscupides), Roberto T. Jabier (Jabier), Lapus, D' Artagnan Mercano (Mercano), Misa, and Torio.[42]

On January 28, 2013, the CA issued a Resolution,[43] allowing the PAL employees to rectify, within 10 days from notice, the defective and insufficient verification attached to the Petition for *Certiorari*, among others.[44] In compliance, Lacson, Terol, Ruben S. Castillo, Jr. (R. Castillo), Ramon Claro J. Enriquez (Enriquez), Enrique L. Gaona (Gaona), Estrellito F. Gutierrez (Gutierrez), Noel P. Porcuna (Porcuna) and Roberto T. Uson (Uson)[45] submitted their verification.

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[38] *Id.* at 433.
[39] *Id.*
[40] *Id.* at 436–438.
[41] *Id.* at 439-480.
[42] *Id.* at 481–489.
[43] *Id.* at 494–496.
[44] *Id.* at 495–496. The CA found the following defects in the petition:

1. Forty-nine (49) petitioners are enumerated in the caption of the petition but only nine (9) executed separate verifications and certifications of non-forum shopping that are attached to the petition. There is also no indication that these nine (9) persons are authorized to file the petition on behalf of the others.

. . . .

2. The Verification and Certification [of Non-Forum Shopping] individually executed by nine (9) of the petitioners are based on "own personal knowledge and based on available documents". The rules require a verification to be "true and correct of his personal knowledge or based on authentic records".

3. The Verification and Certification [of Non-Forum Shopping] separately executed by the nine (9) petitioners have defective notarial certificates as the notary public failed to indicate his notarial commission number and office address as required by the 2004 Rules of Notarial Practice.

4. The Affidavit of Service of this petition contains a defective notarial certificate as the notary public failed to indicate his notarial commission number and the province/city where he was commissioned as required [by] the 2004 Rules of Notarial Practice.

[45] *Rollo* (G.R. No. 221065), p. 511.

The CA Ruling

In the now appealed Decision, the appellate court granted the Petition for *Certiorari* and decreed:

> WHEREFORE, premises considered, the Petition is PARTLY GRANTED. The *Decision* dated 4 April 2012 and the *Resolution* dated 29 October 2012 of the NLRC are hereby REVERSED AND SET ASIDE.
>
> Petitioners Ramon A. Belmonte, Benjamin G. Blando, Jr., Catherine Marie A. Castillo, Ruben S. Castillo, Jr., Ramon Claro J. Enriquez, Enrique L. Gaona, Estrellito F. Gutierrez, Roberto T. Jabier, Ismael C. Lapus, Jorge S. Lacson, D'Artagnan Mercano, Rafael B. Misa, Gabriel J. Piamonte, Noel P. Porcuna, Roberto P. Uson, the heirs of Carlos P. Terol, the heirs of Reynaldo G. Iliscupides, and Eduardo SC. Torio are hereby declared ENTITLED to their unpaid salaries, their proportionate thirteenth month pay, transportation allowance based on actual services rendered, productivity pay based on actual services rendered, the equivalent proportionate rate for May 1998 and for the period of 1-7 June 1998 of their rice subsidy, unpaid unutilized days off and vacation leave earned but not taken.
>
> This case is REMANDED to the NLRC to conduct further proceedings to determine the exact amount and to make a detailed computation of the monetary benefits due to petitioners with dispatch and to furnish this Court its compliance.
>
> SO ORDERED.[46]

The CA found that the 18 PAL employees who signed the verification were not authorized by the remaining 31 PAL employees to sign on their behalf. It noted that the PAL employees were provided with sufficient time to rectify the incomplete verification, but they failed to fully comply with the same. As such, the CA applied the ruling in *Loquias v. Office of the Ombudsman*[47] and declared that the Petition for *Certiorari* satisfied the formal requirements only with regard to those who signed the same.[48]

On the monetary claims, the CA ruled that the PAL Payroll Listing for Allied Bank and the 1998 13th Month Pay Payroll Register did not prove payment of the employees' salaries and 13th month pay, respectively. The payroll listing merely listed the names and account numbers of the employees, as well as their net pay, similar to the 13th month payroll, which merely specified each employee's details. PAL did not present any proof showing that the PAL employees received the amounts indicated in the payroll.[49]

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[46] *Id.* at 636–637.
[47] 392 Phil. 596 (2000) [Per J. Gonzaga-Reyes, Third Division].
[48] *Rollo* (G.R. No. 221065), pp. 623–624.
[49] *Id.* at 625–628.

As regards the benefits provided under the CBA, the CA held that the employees were able to prove that they are entitled to the same.[50] The CA noted that some employees appeared to have rendered actual service, which entitled them to transportation and productivity allowance. Hence, it directed PAL to submit a computation of the transportation allowance and productivity pay due to the employees based on actual services rendered pursuant to Article III, Sections 3 and 4 of the CBA.[51] Likewise, the employees are entitled to the rice subsidy since PAL had not proved that it paid them for the period of May 1988 and June 1 to 7, 1998, based on Article III, Section 15 of the CBA.[52] Similarly, the PAL employees are entitled to unutilized days off and vacation leaves as provided under Article VI, Section 11(A), and Article XVIII, Section 7 in relation to Article XVIII, Section 1 of the CBA, respectively.[53]

However, the CA held that the employees are not entitled to the Christmas bonus because they failed to present proof that the other employees were granted by PAL with the same benefits under Article III, Section 12 of the CBA.[54] It also declared that the LA and NLRC had correctly ruled that the claims for their appropriate share in the Retirement Fund and Occupational Disability Fund should be directed to the Trustee Fund.[55]

Both parties filed their respective Motions for Partial Reconsideration, but the CA denied them in its October 5, 2015 Resolution.

Hence, this Petition for Review.

Issues

In G.R. No. 221065, PAL submits that: (1) the PAL employees are already barred by *res judicata* in proceeding against PAL in view of the decision of the Court in *Ahmee*; (2) the CA should have dismissed the Petition as to Belmonte, R. Castillo, Enriquez, Gaona, Guttierez, Iliscupides, Jabier, Mercano, Porcuna and Uson because they had been earlier dropped as parties by the NLRC; and (3) the CA erred in awarding the 18 PAL employees with their monetary claims.[56]

On the other hand, G.R. No. 221164 is anchored on the sole issue of whether the 31 PAL employees who were dropped from the case are also

[50] *Id.* at 629–630.
[51] *Id.* at 631–632.
[52] *Id.* at 632–633.
[53] *Id.* at 633–635.
[54] *Id.* at 633.
[55] *Id.* at 635–636.
[56] *Id.* at 28–31.

entitled to the judgment award. The PAL employees maintain that compelling reasons and special circumstances attendant to the case justify the failure of these 31 employees from complying with the rules on verification and certification against forum shopping.[57]

Ruling of the Court

The Court affirms with modification the assailed Decision of the CA.

Signatures of the 18 PAL employees substantially complied with the rules on verification and certification against forum shopping

The procedural controversy in the instant Petition lies on the allowance made by the CA to the 10[58] PAL employees, who were originally dropped by the NLRC due to their failure to submit a verification and certification against forum shopping. PAL emphasizes that said 10 PAL employees no longer had legal standing and that their belated compliance before the CA could not have resurrected their legal standing as parties to the case. On the other hand, the PAL employees maintain that nobody should have been dropped from the case because they all have the same cause of action against PAL.

This issue is not novel.

In *Altres v. Empleo*,[59] the Court summarized the doctrines related to noncompliance with the requirements or submission of defective verification and certification against forum shopping, viz.:

> 1. A distinction must be made between non-compliance with the requirement on or submission of defective verification, and non-compliance with the requirement on or submission of defective certification against forum shopping.
>
> 2. As to verification, non-compliance therewith or a defect therein does not necessarily render the pleading fatally defective. The court may order its submission or correction or act on the pleading if the attending circumstances are such that strict compliance with the Rule may be dispensed with in order that the ends of justice may be served thereby.

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57 *Rollo* (G.R. No. 221164), p. 33.

58 Namely, Belmonte, R. Castillo, Enriquez, Gaona, Gutierrez, Iliscupides, Jabier, Mercano, Porcuna and Uson; *see rollo* (G.R. No. 221065), p. 34.

59 594 Phil. 246 (2008) [Per J. Carpio-Morales, *En Banc*].

3. Verification is deemed *substantially complied* with when one who has ample knowledge to swear to the truth of the allegations in the complaint or petition signs the verification, and when matters alleged in the petition have been made in good faith or are true and correct.

4. As to certification against forum shopping, non-compliance therewith or a defect therein, unlike in verification, is generally not curable by its subsequent submission or correction thereof, unless there is a need to relax the Rule on the ground of "substantial compliance" or presence of "special circumstances or compelling reasons."

5. The certification against forum shopping must be signed by all the plaintiffs or petitioners in a case; otherwise, those who did not sign will be dropped as parties to the case. Under reasonable or justifiable circumstances, however, as when all the plaintiffs or petitioners share a common interest and invoke a common cause of action or defense, the signature of only one of them in the certification against forum shopping substantially complies with the Rule.

6. Finally, the certification against forum shopping must be executed by the party-pleader, not by his counsel. If, however, for reasonable or justifiable reasons, the party-pleader is unable to sign, he must execute a Special Power of Attorney designating his counsel of record to sign on his behalf.[60] (Emphasis supplied, citations omitted)

Evident from *Altres* that the rules treat verification and certification against forum shopping differently, especially in appreciating substantial compliance with the rules.

In verification, there is substantial compliance when a person who has sufficient knowledge to swear to the truth of the allegations in the complaint or petition signs the verification, and matters alleged therein have been made in good faith or are true and correct. In *Bacolor v. VL Makabali Memorial Hospital, Inc.*,[61] the Court held that there was substantial compliance if at least one of the petitioners made a proper verification.[62] "Such verification is deemed sufficient assurance that the matters alleged in the petition have been made in good faith or are true and correct, not merely speculative."[63]

In here, the PAL employees have shown that they are similarly situated, thus vesting each one of them with sufficient knowledge to attest to the truth of the allegations contained in their Petition for *Certiorari*. Any one of them can attest not only as to the veracity of the allegations in their Petition for *Certiorari*, but that they were all made in good faith, as well. As such, it becomes immaterial whether only 18 out of the 49 PAL employees were able

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60 *Id.* at 261–262.
61 784 Phil. 822 (2016) [Per J. Del Castillo, Second Division].
62 *Id.* at 836.
63 *Gloria v. Builders Savings and Loan Association, Inc.*, 832 Phil. 64, 78 (2018) [Per J. Del Castillo, First Division]. (Citation omitted)

to verify their Petition for *Certiorari* before the CA. Any of them may validly sign the verification on behalf of their co-employees, and such constitutes substantial compliance with the rule on verification.

However, the rule on certification against forum shopping is stricter, in that noncompliance or a defective certification cannot be cured. The settled rule is that the certification against forum shopping must be signed by all the plaintiffs or petitioners in a case; otherwise, those who did not sign will be dropped as parties to the case.[64]

Regardless of the stringent requirement of the rule on certification against forum shopping, there may still be substantial compliance if reasonable or justifiable circumstances exist. It has been held that substantial compliance is justified when all the plaintiffs or petitioners share a common interest and invoke a common cause of action or defense. The signature of only one of them in the certification against forum shopping substantially complies with the rule.[65]

Thus, the collective nature of the case in *HLC Construction and Development Corporation v. Emily Homes Subdivision Homeowners Association*,[66] where the plaintiffs raised one cause of action and shared a common interest, has effectively authorized one of the plaintiffs to sign the certificate of non-forum shopping on behalf of his co-plaintiffs. The Court even emphasized that if strict compliance with the rule becomes highly impractical to require all plaintiffs who share a common cause of action or defense to sign the certification against forum shopping, then substantial compliance may be allowed in order not to defeat the ends of justice.[67]

The Court issued a similar ruling in *San Miguel Corporation v. Aballa*,[68] where only three out of the 97 employees who filed a complaint for illegal dismissal due to the closure of the Bacolod Shrimp Processing Plant of San Miguel Corporation, were able to sign the verification and certification against forum shopping. Owing to the collective nature of the employees' appeal filed before the CA, the Court held that the signatures of the three petitioners on behalf of their co-petitioners constitute substantial compliance with the rules.[69]

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64 *Abaria v. National Labor Relations Commission*, 678 Phil. 64, 87 (2011) [Per J. Villarama, Jr., First Division].
65 *Id.*
66 458 Phil. 392 (2003) [Per J. Corona, Third Division].
67 *Id.* at 399.
68 500 Phil. 170 (2005) [Per J. Carpio-Morales, Third Division].
69 *Id.* at 191.

Also in *Espina v. Court of Appeals*,[70] the employees who complained of the illegal closure of M.Y. San Monde and its subsequent sale to Monde, which resulted in the termination of their services, were deemed to share a common interest and common defense in their complaint for illegal dismissal. As such, the signatures of only 25 out of the 28 employees in the certification against forum shopping attached to their appeal, were deemed as substantial compliance with the rules.[71]

The Court also held in *Abaria v. National Labor Relations Commission*[72] that the certification by 47 out of 88 employees constitute substantial compliance in view of their common interest and common cause of action against their employer, Metro Cebu Community Hospital, Inc. The Court held that since they filed the complaint questioning their termination and imputing ULP against their employer, they pursued the appeal before the CA as a collective body and raised only one argument in support of their common cause of action. The CA therefore erred when it dropped the employees who did not sign the certification against forum shopping because the 47 employees who complied with the rule may speak for and in their behalf.

Indeed, the Court has consistently allowed petitions to prosper despite the signing of the certification against forum shopping by only one or some of the petitioners who share a common interest.[73] To reiterate, when the parties share a common interest in the case or filed the case as a "collective," raising only one common cause of action or defense, then the signature of one of the petitioners, acting as representative, is sufficient compliance.[74]

Furthermore, to merit the leniency of the Court in case of noncompliance with the rule, petitioners must show reasonable cause for failure to personally sign the certification. The petitioners must convince the Court that the outright dismissal of the petition would defeat the administration of justice.[75] Thus, the merits of the substantive aspect of the case, may also be deemed as "special circumstance" or "compelling reason" to take cognizance of a petition although the certification against forum shopping was not executed and signed by all of the petitioners.[76]

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70 548 Phil. 255 (2007) [Per J. Chico-Nazario, Third Division].
71 *Id.* at 271.
72 678 Phil. 64 (2011) [Per J. Villarama, Jr., First Division].
73 *See The Bases Conversion and Development Authority v. Uy*, 537 Phil. 18 (2006) [Per J. Velasco, Jr., Third Division]; *Ateneo de Naga University v. Manalo*, 497 Phil. 635 (2005) [Per C.J. Davide, Jr., First Division].
74 *Enopia v. Court of Appeals*, 529 Phil. 209, 217 (2006) [Per J. Austria-Martinez, First Division].
75 *Spouses Ortiz v. Court of Appeals*, 360 Phil. 95, 99 (1998) [Per J. Quisumbing, First Division].
76 *San Miguel Corporation v. Aballa*, 500 Phil. 170, 192 (2005) [Per J. Carpio-Morales, Third Division].

Applying the aforecited rulings, the Court is convinced that the signing of the certification against forum shopping by only 18 of the PAL employees had benefitted the others who failed to do so. Notable herein that all the 49 PAL employees had been motivated by a common interest—that of claiming the alleged unpaid but accrued salaries and benefits from PAL. As previously stated, they were all similarly situated, and raised common allegations and defenses against PAL. As such, their case is "collective" and the signature of the 18 PAL employees sufficiently complies with the rule on certification against forum shopping.

Moreover, the PAL employees were able to raise a justifiable reason for the failure of the other employees to comply with the rule. It is worthy to note that almost ten years have passed since the PAL employees filed their complaint with the labor arbiter until the latter rendered a decision on their monetary claims. The PAL employees had constantly manifested that while their case remained pending, some of them had retired, others had obtained employment in other countries or were relocated to other parts of the country, and, unfortunately, some had died.[77] These circumstances constitute justifiable reasons that merit the leniency of the Court in not applying the stringent rule on certification against forum shopping. Furthermore, the substantive aspect of the Petition, that of seeking payment of not only their salaries and 13th month pay, but also accrued CBA benefits, constitutes another compelling reason to allow a relaxation of the rule.

Ineluctably, both the CA and the NLRC committed grave error in dropping the PAL employees who failed to comply with the rule on certification against forum shopping. The Court is aware that the CA provided the PAL employees an extension of 10 days to comply with the rule. However, the CA failed to consider the difficulty of tracing all the employees after almost 15 years since they were separated from employment, including the seven years that their monetary claims remained suspended and uncertain as to when it may find resolution. To be sure, the 10-day extended period was not enough for them to locate and establish immediate communication with each other. To reiterate, the collective nature of the present case, and the existence of special and compelling circumstances, are justifiable reasons to excuse the PAL employees from complying with the strict requirement of individually signing a certification against forum shopping. It is worthy to emphasize that:

> While the general rule is that the certificate of non-forum shopping must be signed by all the plaintiffs or petitioners in a case and the signature of only one of them is insufficient, this Court has stressed that the rules on forum shopping, which were designed to promote and facilitate the orderly

[77] *Rollo* (G.R. No. 221164), pp. 34, 310.

> administration of justice, should not be interpreted with such absolute literalness as to subvert its own ultimate and legitimate objective. Strict compliance with the provisions regarding the certificate of non-forum shopping merely underscores its mandatory nature in that the certification cannot be altogether dispensed with or its requirements completely disregarded. It does not, however, thereby interdict substantial compliance with its provisions under justifiable circumstances.[78] (Citations omitted)

Claim for unpaid salaries and monetary benefits not barred by res judicata

PAL argues that the monetary claims of the PAL employees have already been barred by the earlier ruling in *Ahmee*. Since the PAL employees insisted and prayed for the resolution of their salaries and monetary benefits in *Ahmee*, then the finality of the February 4, 2008 resolution of the Court constitutes as *res judicata*, which precludes them from claiming the said benefits.

The argument is unpersuasive.

Res judicata is defined as a matter adjudged; a thing judicially acted upon or decided; a thing or matter settled by judgment.[79] It refers to the rule that a final judgment or decree on the merits by a court of competent jurisdiction is conclusive of the rights of the parties or their privies in all later suits on all points and matters determined in the former suit. For *res judicata* to apply, all the essential requisites must concur: (1) the former judgment or order must be final; (2) the judgment or order must be on the merits; (3) it must have been rendered by a court having jurisdiction over the subject matter and the parties; and (4) there must be, between the first and the second action, identity of parties, of subject matter and cause of action.[80]

The subject monetary claims are not barred by *res judicata*. The ruling in *Ahmee* did not make any judgment pertaining to the said claims of the PAL employees.

It can be recalled that the controversy in *Ahmee* stemmed from the August 28, 2002 Decision of LA Peralta-Beley, which dismissed the PAL employees' complaint for illegal dismissal, and at the same time, deferred resolving their claims for allowances and conversion of vacation leaves. This ruling has been consistently affirmed by the NLRC and the CA. Hence, when

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[78] *San Miguel Corporation v. Aballa*, 500 Phil. 170, 190 (2005) [Per J. Carpio-Morales, Third Division].
[79] *Denila v. Republic of the Phils.*, 877 Phil. 380, 457 (2020) [Per J. Gesmundo, Third Division].
[80] *P03 Ines v. Pangandaman*, 881 Phil. 211, 223 (2020) [Per J. Gesmundo, Third Division].

the matter reached the Court via *Ahmee*, the affirmance was merely confined to the finding that PAL did not unjustly terminate the PAL employees from service, and that their claims for allowances and vacation leaves shall not be resolved until PAL is no longer placed under receivership. In other words, the ruling in *Ahmee* is only conclusive with respect to the complaint for illegal dismissal, but not as to the claims for allowances and monetization of vacation leaves, which then remained suspended. As such, the ruling in *Ahmee* does not bar the PAL employees from claiming the subject monetary benefits.

No substantial evidence to prove payment of the salaries and 13th month pay

PAL also contends that the PAL Payroll Listing for Allied Bank and the 1998 13th Month Pay Payroll Register are not mere scintillae or traces of evidence, but sufficient and substantial evidence of payment of the purported unpaid salaries and 13th month pay. These documents allegedly show the amounts credited to the PAL employees' bank accounts as their salaries and 13th month pay, which to a reasonable mind, constitute as acceptable proof of payment. Hence, in requiring further receipts or a bank certification, the CA was seeking "more substantial" evidence of actual receipt, which virtually demanded proof beyond reasonable doubt.[81]

PAL's argument is flawed.

Foremost, it is basic rule that in labor cases, the quantum of proof necessary is substantial evidence, or such amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.[82]

Second, the burden of proving payment of monetary claims rests on the employer. It is a rule that one who pleads payment has the burden of proving it. Even when the plaintiff alleges non-payment, still the general rule is that the burden rests on the defendant to prove payment, rather than on the plaintiff to prove non-payment.[83] The Court has consistently emphasized the reasonability of this rule because the pertinent personnel files, payrolls, records, remittances and other similar documents—which will show that overtime, differentials, service incentive leave and other claims of workers

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81 *Rollo* (G.R. No. 221065), pp. 56–57.

82 *Vergara v. ANZ Global Services and Operations Manila, Inc.*, 897 Phil. 487, 498 (2021) [Per J. Inting, Third Division].

83 *Pigcaulan v. Security and Credit Investigation, Inc.*, 679 Phil. 1, 17 (2012) [Per J. Del Castillo, Jr., First Division].

have been paid—are not in the possession of the worker but in the custody and absolute control of the employer.[84]

Verily, in determining whether an employer has paid the salary or benefits being claimed by the employee, there must be substantial evidence of payment. The Court has generally treated payroll sheets or vouchers submitted by the employer as substantial evidence of payment of the employee's monetary claims.

Thus, in *Salvaloza v. National Labor Relations Commission*,[85] the Court found that the payroll sheets submitted by the employer had substantially established that the employee's salaries and other benefits had already been paid by the employer. Also in *Career Philippines Shipmanagement, Inc. v. Silvestre*,[86] the Court rejected the seafarer's claim for sickness allowance because the vouchers presented by his employer proved that he had already received the same.

It should be emphasized, however, that payroll and vouchers are treated as substantial evidence of payment only if they sufficiently show both receipt of payment by the employee and the date or period covering the alleged payment.

For instance, in *Iran v. National Labor Relations Commission*,[87] the vouchers presented in evidence only covered a particular year and failed to cover amounts being claimed for the other years. As such, the employer was still held liable for the employee's claims not covered by the vouchers. Also in *Pro Maximum Security Agency, Inc. v. Padojinog*,[88] the employer failed to establish payment despite its submission of the payroll sheets because they did not cover all the periods by which the employee claimed nonpayment of salaries, holiday pay, night shift differential, and 13th month pay. In another case, the Court, in *Lusabia v. Super K Drug Corp.*,[89] recognized that the payroll submitted by the employer were incomplete, and therefore, did not sufficiently establish that the employees were fully paid their salaries under applicable wage orders.

Accordingly, the Court only treats payrolls and vouchers as substantial evidence of payment when they: (1) indicate that the employee has actually

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84 *Marby Food Ventures Corp. v. Dela Cruz*, 878 Phil. 509, 520 (2020) [Per J. Reyes, Jr., First Division].
85 650 Phil. 543 (2010) [Per J. Nachura, Second Division].
86 823 Phil. 44 (2018) [Per J. Peralta, Second Division].
87 352 Phil. 261 (1998) [Per J. Romero, Third Division].
88 G.R. No. 210184, February 5, 2014 [Notice, Second Division].
89 877 Phil. 575 (2020) [Per J. Carandang, Third Division].

received the alleged unpaid salaries or monetary benefits; and (2) reflect the dates or period covering the alleged unpaid money claims.[90]

The novelty, however, of the instant case is that PAL makes reference to the automatic crediting of salaries and monetary benefits to the employees' bank accounts. It argues that the payrolls constitute substantial evidence that the salaries and 13th month pay had been credited to the claimants' bank accounts. Unfortunately, this position cannot be sustained.

The Court is not unaware of the workplace arrangement of automatic crediting of salaries to the bank payroll accounts of the employees. Under this arrangement, the employer will have to prepare the payroll showing the employees' names, bank accounts, and the amounts that they are entitled to. Depending on the bank's regulations and policies, the employer will then furnish the bank with a copy of the payroll or submit a bank advisory. Based on the payroll or advisory, the bank will now credit the amounts to the employees' respective bank accounts.

From here, We can identify three stages in a bank crediting arrangement of employees' salaries and other benefits: (1) the preparation of payroll by the employer; (2) the employer's submission and corresponding receipt by the bank of the payroll or advisory; and (3) the crediting of the amounts to the employees' bank accounts. In the first stage, the employer is the only actor, while in the second, the employer and the bank play active roles in the process. The third stage, however, concerns purely bank operations, to which the employer has no control and active participation. It should be pointed out that in this last stage, the employer as a client of the bank, can reasonably presume that the latter has fulfilled its duty to immediately deposit the amounts to the employees' bank accounts.

Thus, the *minimum* requirement to prove payment by an employer with an existing bank crediting arrangement of its employees' salaries and other benefits is evidence of the second stage, i.e., proof of submission or receipt by the bank of the payroll or advisory. The submission by the employer of the payroll or bank advisory or the acknowledgment receipt by the bank constitutes substantial evidence of payment of the employees' salaries and monetary benefits. Such document showing the receipt by the bank of the payroll or bank advisory will lead a reasonable person to conclude that payment has been made by the employer of the salaries and monetary benefits of the employees. Once the employer submits valid proof of the second stage, the burden of evidence will shift to the employees who will then refute the

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90 *See id.*; *Pro Maximum Security Agency, Inc. v. Padojnog*, G.R. No. 210184, February 5, 2014 [Notice, Second Division]; *Iran v. NLRC*, 352 Phil. 261 (1998) [Per J. Romero, Third Division].

claim of payment and prove that their respective bank accounts were not credited with any amounts during the applicable periods.

Ineluctably, the payrolls submitted by PAL failed to substantially prove that it paid the subject salaries and 13th month pay. Such documents only constitute substantial evidence of the first stage—that PAL had prepared the payrolls for the salaries covering the period of May 16 to 31, 1998 and the 13th month pay for 1998. These payrolls cannot be treated as substantial evidence of payment because they failed to reflect that the same had been submitted to Allied Bank, or that the latter had received them.

Finally, it bears emphasizing that the entries in the payroll, being entries in the course of business, enjoy the presumption of regularity under Rule 130, Section 43[91] of the Rules of Court.[92] The regularity being referred to here only concerns the preparation of the payroll, and not the receipt of salaries or benefits by the employees. To reiterate, the payrolls that PAL submitted only constitute substantial evidence that PAL had prepared the corresponding payrolls. Such did not prove payment because there was no indication of transmittal to Allied Bank for the consequent crediting of the amounts to PAL employees' respective bank accounts.

No forfeiture of productivity and transportation allowances, bonus, rice subsidy, conversion of unused days off and vacation leaves

In arguing against the claimed CBA benefits, PAL contends that the CA should have denied the same in view of paragraph (g) of the PAL Personnel Policies & Procedures Manual (for Philippine-based Employees),[93] which reads:

> g. Due to dismissal
>
> Company officials are enjoined to strictly comply with the Labor Code and with the Code of Discipline.

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[91] RULES OF COURT, Rule 130, sec. 43 states:

> Section 43. *Entries in the course of business.*—Entries made at, or near the time of transactions to which they refer, by a person deceased, or unable to testify, who was in a position to know the facts therein stated, may be received as *prima facie* evidence, if such person made the entries in his professional capacity or in the performance of duty and in the ordinary or regular course of business or duty.

[92] *KAR ASIA, Inc. v. Corona*, 480 Phil. 627, 636 (2004) [Per J. Ynarez-Santiago, First Division].

[93] *Rollo* (G.R. No. 221164), p. 539.

> *Generally, a dismissed employee forfeits all entitlements to company benefits and privileges.*[94] (Emphasis supplied)

PAL maintains that entitlement to the CBA benefits did not vest PAL employees with a right to defeat its prerogatives to limit and forfeit such privileges.[95]

The Court is not persuaded.

Management prerogative refers to the right of an employer to regulate all aspects of employment, such as the freedom to prescribe work assignments, working methods, processes to be followed, regulation regarding transfer of employees, supervision of their work, lay-off and discipline, and dismissal and recall of work.[96] However, the exercise of management prerogative is not unlimited. It is subject to the limitations found in law, a collective bargaining agreement, or the general principles of fair play and justice.[97]

Clearly, while management prerogative is a recognized right on the part of the employer, it cannot be wielded with unbridled discretion. One of its limitations is the CBA, which refers to the negotiated contract between a legitimate labor organization and the employer concerning wages, hours of work and all other terms and conditions of employment in a bargaining unit.[98] 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.[99] Since the terms and conditions of a collective bargaining contract constitute the law between the parties, then those who are entitled to its benefits can invoke its provisions.[100]

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94 *Id.*

95 *Rollo* (G.R. No. 221065), p. 73.

96 *Goya, Inc. v. Goya, Inc. Employees Union-FFW*, 701 Phil. 645, 653 (2013) [Per J. Peralta, Third Division]; *SHS Perforated Materials, Inc. v. Diaz*, 647 Phil. 580, 594 (2010) [Per J. Mendoza, Second Division].

97 *Dole Phils. Inc. v. Pawis ng Makabayang Obrero*, 443 Phil. 143, 149 (2003) [Per J. Corona, Third Division].

98 *Coca-Cola Bottlers Philippines, Inc. v. Iloilo Coca-Cola Plant Employees Labor Union*, 844 Phil. 696, 710 (2018) [Per J. Reyes, Jr. A., Second Division]; *Honda Phils. Inc. v. Samahan ng Malayang Manggagawa sa Honda*, 499 Phil. 174, 179 (2005) [Per J. Ynares-Santiago, First Division].

99 *OSM Maritime Services, Inc. v. Go*, 897 Phil. 373, 382 (2021) [Per J. Delos Santos, Third Division].

100 *Babcock-Hitachi (Phils.) Inc. v. Babcock-Hitachi (Phils.) Inc., Makati Employees Union*, 493 Phil. 312, 318 (2005) [Per J. Sandoval-Gutierrez, Third Division].

A CBA being the law between the parties, they are obliged to comply with its provisions[101] as mandated by the express policy of the law.[102] To ensure compliance, Article 264[103] of the Labor Code proscribes either party from terminating or modifying an existing CBA. Hence, in interpreting and implementing its provisions, only those that are found in the said agreement may be considered, thus:

> The CBA is the law between the contracting parties — the collective bargaining representative and the employer-company. Compliance with a CBA is mandated by the expressed policy to give protection to labor. In the same vein, CBA provisions should be "construed liberally rather than narrowly and technically, and the courts must place a practical and realistic construction upon it, giving due consideration to the context in which it is negotiated and purpose which it is intended to serve." This is founded on the dictum that a CBA is not an ordinary contract but one impressed with public interest. *It goes without saying, however, that only provisions embodied in the CBA should be so interpreted and complied with. Where a proposal raised by a contracting party does not find print in the CBA, it is not a part thereof and the proponent has no claim whatsoever to its implementation.*[104] (Emphasis supplied, citations omitted)

Accordingly, to determine whether the claimed benefits should be forfeited, there must be a showing that parties had expressly included or referred to paragraph (g) of the PAL personnel policies in the CBA. However, a simple perusal of the CBA failed to establish that the parties agreed to include therein the forfeiture provision under the PAL personnel policies.

The prefatory portion of the 1994-2000 PAL-ALPAP CBA states the following:

> The undersigned parties hereby agree to the following as the PAL-ALPAP Collective Bargaining Agreement for the period 16 May 1994 to 31 December 2000:
>
> 1. The parties agree to incorporate all the terms and conditions of the PAL-ALPAP COMPREHENSIVE SETTLEMENT OF PENDING LABOR DISPUTE signed by the parties on December 17, 1996 as forming

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[101] *Ventis Maritime Corp. v. Cayabyab*, 904 Phil. 921, 932 (2021) [Per J. Lopez, J., Third Division].

[102] *Goya, Inc. v. Goya, Inc. Employees Union-FFW*, 701 Phil. 645, 660 (2013) [Per J. Peralta, Third Division].

[103] LABOR CODE, as renumbered in 2015, art. 264 states:

> Article 264. *Duty to Bargain Collectively When There Exists a Collective Bargaining Agreement.* — When there is a collective bargaining agreement, the duty to bargain collectively shall also mean that neither party shall terminate nor modify such agreement during its lifetime. However, either party can serve a written notice to terminate or modify the agreement at least sixty (60) days prior to its expiration date. It shall be the duty of both parties to keep the status quo and to continue in full force and effect the terms and conditions of the existing agreement during the 60-day period and/or until a new agreement is reached by the parties.

[104] *Samahang Manggagawa sa Top Form Manufacturing v. National Labor Relations Commission*, 356 Phil. 480, 490–491 (1998) [Per J. Romero, Third Division].

part of this Agreement, copy of which is hereto attached as Annex "A" and made an integral part hereof.

2. The parties agree that the effectivity date of the following shall be January 1, 1997:

a. Productivity Allowance
b. Transportation Allowance

implementation of which shall be subject to the ratification by the general ALPAP membership of this 1994-2000 PAL-ALPAP Collective Bargaining Agreement.

3. The parties finally agree to consider the Notice of Strike filed with the Office of the Secretary of DOLE as settled considering the resolution of both economic and non-economic issues which are the subject of the Notice of Strike . . . and, therefore, the parties agree to file a joint Motion for Judgment Based on Compromise Agreement.

4. All the provisions of the 1991-1994 PAL-ALPAP CBA and PAL-ALPAP COMPREHENSIVE SETTLEMENT OF PENDING LABOR DISPUTE dated December 17, 1996 not herein expressly or impliedly modified shall remain in full force and effect until December 31, 2000.[105]

Notable likewise that Article XXVII[106] of the CBA, which provides for the retirement benefits, made express reference to the PAL-ALPAP Retirement Plan of 1967 and the corresponding Trust Agreement.

Based on the foregoing, the parties had agreed on four documents, which form part of the 1994-2000 PAL-ALPAP CBA, namely: (1) the terms and conditions of the December 17, 1996 PAL-ALPAP Comprehensive Settlement of Pending Labor Dispute; (2) the provisions of the 1994-2000 PAL-ALPAP CBA, which had not been expressly or impliedly modified by the new CBA; (3) the PAL-ALPAP Retirement Plan of 1967; and (4) the Trust Agreement. The parties neither made any reference nor agreed to incorporate the PAL personnel policies, particularly the forfeiture provision, as also forming part of their agreement. The Court further notes that the pertinent provisions on productivity allowance,[107] transportation allowance,[108] Christmas bonus,[109] rice subsidy,[110] days off,[111] and vacation leave[112] did not make any express or even implied reference to any PAL personnel policies.

[105] *Rollo* (GR. No. 221065), p. 360.
[106] *Id.* at 811.
[107] Article III, sec. 3 of the PAL-ALPAP CBA; *rollo* (G.R. No. 221164), pp. 131–132.
[108] Article III, sec. 4 of the PAL-ALPAP CBA; *id.* at 132.
[109] Article III, sec. 12 of the PAL-ALPAP CBA; *id.* at 133.
[110] Article III, sec. 15 of the PAL-ALPAP CBA; *id.* at 134.
[111] Article VI, sec. 11 of the PAL-ALPAP CBA; *id.* at 136.
[112] Article XII; *id.* at 139–140.

Verily, PAL cannot insist on forfeiting the subject CBA benefits based on its personnel policies. As previously illustrated, the forfeiture policy or any PAL personnel policy, was not made part of the parties' CBA. Not being included in the agreement, the forfeiture provision cannot be applied to defeat the PAL employees' entitlement to the CBA benefits specifically, the productivity allowance, transportation allowance, rice subsidy, unused days off, and vacation leaves.

Nevertheless, PAL argues that the Court has previously ruled in *Sy v. Metropolitan Bank & Trust Company*[113] that a validly dismissed employee is not entitled to retirement benefits. It insists that the ruling in *Sy* finds application in the case at bar.

The Court sees otherwise.

Sy is not on all fours with the instant case. In *Sy,* the retirement benefits being claimed is based on the bank's retirement plan. A company retirement plan is in the nature of a contract of adhesion,[114] hence, not a product of a bilateral agreement between the employer and its employees. In the present case, the claimed benefits are based on the parties' CBA, which is the law of the plant.[115] Both PAL and the ALPAP had agreed to the terms and conditions embodied therein and have committed to abide by its provisions. PAL cannot therefore renege on its obligations under the CBA by applying a personnel policy, which did not form part of the agreement. No less than Article 254 of the Labor Code mandates PAL to respect the CBA and abide by its provisions in good faith. It cannot unilaterally modify the terms of such agreement.

Neither can PAL argue that the subject policy amended or supplemented their CBA. Firstly, a CBA is the product of an agreement between the parties in that neither one of them can unilaterally introduce provisions without the consent of the other. Secondly, the subject CBA specifically provides for the procedure in case of amendment to any of its provisions. Article XXVIII[116] of the CBA reads:

> ARTICLE XXVIII
>
> AMENDMENTS
>
> Either party hereto may, at any time, propose in writing to the other party any amendment or supplement to this Agreement. Any Agreement

[113] 537 Phil. 71 (2006) [Per J. Quisumbing, Third Division].
[114] *See Hongkong and Shanghai Banking Corp., Ltd. Staff Retirement Plan v. Spouses Galang*, 906 Phil. 236, 252 (2021) [Per J. Lazaro-Javier, Second Division]; *Laya, Jr. v. Philippine Veterans Bank,* 823 Phil. 302, 340 (2018) [Per J. Bersamin, *En Banc*].
[115] *Rivera v. San Miguel Brewery Corporation, Inc.*, 133 Phil. 89, 94 (1968) [Per J. Castro].
[116] *Rollo* (G.R. No. 221065), p. 811.

> reached by the parties in regard to such proposals shall be reduced to writing and be duly executed by both parties, whereupon the agreement shall form an integral part of this Agreement.

Article XXVIII clearly reflects the bilateral nature of the CBA, such that both parties will have to secure the consent of the other in case of any amendment or modification thereof. PAL cannot therefore validly insist that the PAL personnel policies supplement the CBA when there has been no compliance with the provisions of Article XXVIII.

Accordingly, the Court finds no merit in PAL's persistence to deny the subject CBA benefits being claimed by the PAL employees because of their dismissal from the service. The PAL employees had accurately averred that extending the forfeiture policy to the parties CBA is an abuse of management prerogative and circumvents the employees' rights enshrined by existing laws and the CBA.[117]

In this light, the Court agrees with the CA that the PAL employees have proven their entitlement to transportation allowance, productivity pay, rice allowance, unutilized days off and monetized vacation leaves based on the 1994-2000 PAL-ALPAP CBA. Likewise, the CA properly rejected the claim for Christmas bonus because based on Article III, Section 12[118] of the CBA, since the said benefit is based on PAL's discretion and may only be awarded upon a showing that it was granted to all other employees of PAL.[119]

ACCORDINGLY, the Court **DENIES** the Petition in G.R. No. 221065 and **GRANTS** the Petition in G.R. No. 221164. The March 31, 2015 Decision and October 5, 2015 Resolution of the Court of Appeals in CA-G.R. SP No. 128092 are **AFFIRMED with MODIFICATION**, to read as follows:

> **WHEREFORE,** premises considered, the Petition is PARTLY GRANTED. The *Decision* dated 4 April 2012 and the *Resolution* dated 29 October 2012 of the NLRC are hereby **REVERSED AND SET ASIDE.**
>
> Petitioners *ROMEO N. AHMEE, MILLARDO M. AVIÑANTE, represented by his heirs, MARGARITA, MARIO, MAITA, MELANIE and MILLARDO (JR.), all surnamed AVIÑANTE, DANILO K. BAUTISTA, BENJAMIN G. BLANDO, JR., RAMON A. BELMONTE, FILEMON C. CAJATOR, LEVI PATRICK CARDENAS, CATHERINE MARIE A. CASTILLO,*

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117 *Id.* at 771-772.

118 Section 12 – Thirteenth Month Pay

. . . .

The pilots shall be granted a separate Christmas bonus at the discretion of the Company but they shall be entitled to the Christmas bonus in any year when the Company grants the same to all other employees of the airline. *See rollo* (G.R. No. 221164), p. 133.

119 *Id.* at 98.

RUBEN S. CASTILLO, JR., DONALD B. COSIP, BENJAMIN C. DELFIN, RAUL E. DIAZ, GIOVANNI G.A. DIÑO, JR., RAMON CLARO J. ENRIQUEZ, JOSEPH DC. EVANGELISTA, TEODEFROZO B. FLORES, MANUEL F. FORONDA, CESAR S. FRANCIA, ENRIQUE L. GAONA, JOSE T. GIL, JR., represented by his heirs, CECILIA, JOE HENRI, and JAMES PAUL, all surnamed GIL, MA. AURORA C. GLORIA, ESTRELLITO F. GUTIERREZ, REYNALDO G. ILISCUPIDES, ROBERTO T. JABIER, EMMANUEL MA. C. JUSTO, EDUARDO E. KILAYKO, PATRICK C. KIMPO, JORGE S. LACSON, ISMAEL C. LAPUS, JR., EXEQUIEL A. LOFRANCO, POTENCIANO M. MALILAY, GERONIMO LAWRENCE S. MAPESO, MAXIMO VICENTE L. MATIAS, JESUS S. MEDINA, D' ARTAGNAN E. MERCANO, RAFAEL B. MISA, ALFREDO M. MOISES, NICOLAS N. MONTENEGRO, ARTURO E. PERLADA, GABRIEL J. PIAMONTE, EDWIN BENEDICT E. PINEDA, NOEL P. PORCUNA, RUBEN A. PULMA, MELVIN B. PUNZALAN, DANTE E. RILLORTA, CARLOS R. TEROL, represented by his heirs, MA. CRISTINA, MARIE CARYL, MARIE CHRISTIANNE, MARIE CHARLENE and CARLOS JOSEPH, all surnamed TEROL, EDUARDO SC. TORIO, ROBERTO P. USON, and BERNARDO M. VILLEGAS, are hereby declared ENTITLED to their unpaid salaries, their proportionate thirteenth month pay, transportation allowance based on actual services rendered, productivity pay based on actual services rendered, the equivalent proportionate rate for May 1998 and for the period of 1-7 June 1998 of their rice subsidy, unpaid unutilized days off and vacation leave earned but not taken.

This case is REMANDED to the NLRC to conduct further proceedings to determine the exact amount and to make a detailed computation of the monetary benefits due to petitioners, *including interest*, with dispatch and to furnish this Court its compliance.

SO ORDERED.

Costs against petitioner Philippine Airlines, Inc. in G.R. No. 221065.

SO ORDERED.

ALEXANDER G. GESMUNDO
Chief Justice

WE CONCUR:

RAMON PAUL L. HERNANDO
Associate Justice

RODIL V. ZALAMEDA
Associate Justice

RICARDO H. ROSARIO
Associate Justice

JOSE MIDAS P. MARQUEZ
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court.

ALEXANDER G. GESMUNDO
Chief Justice