

Title: Carlos F. Galvadores, et al. vs. Cresenciano B. Trajano, et al.

Facts:

The case revolves around a dispute over the legality of check-off for attorney's fees amounting to approximately P1M from the monetary benefits awarded to PLDT employees following deadlocked collective bargaining agreement (CBA) negotiations between PLDT and the Free Telephone Workers Union (now Manggagawa ng Komunikasyon sa Pilipinas). The respondents argued that the deductions were for services rendered during compulsory arbitration and not negotiation fees per se. A resolution passed by the Union's Executive Board requested PLDT to deduct P115.00 per employee for these legal services. However, a significant number of employees (over 5,000) opposed this deduction through a letter-complaint, arguing it violated the Labor Code and that individual consents were required. The dispute was eventually referred to the Bureau of Labor Relations, which dismissed the complaint based on a plebiscite affirming the resolution, leading to the Supreme Court's involvement.

Issues:

1. Whether the attorney's fees deducted from the employees' monetary benefits without individual written authorizations are legal.
2. The applicability of Article 242(o) of the Labor Code in relation to the deductions made for attorney's fees from the employees' monetary benefits.

Court's Decision:

The Supreme Court set aside the decision of the Director of the Bureau of Labor Relations, establishing that the deductions for attorney's fees from the employees' monetary benefits were not legal due to the lack of individual written authorizations from the employees. The court clarified that the benefits still formed part of the collective bargaining negotiations and were not excluded from the requirement of individual consents for deductions. Consequently, the attorney's fees could only be charged against Union funds as agreed upon between the parties, following Article 222(b) of the Labor Code.

Doctrine:

The court reiterated the principle that no check-offs (deductions) from any amounts due to employees may be effected without individual written authorizations duly signed by the employees, specifying the amount, purpose, and beneficiary of the deduction. This aligns with Article 242(o) of the Labor Code, safeguarding employees from unwarranted practices that diminish their compensation without their explicit consent.

Class Notes:

- **Key Element:** Individual Written Authorization for Deductions - No deductions from an employee's wages, including attorney's fees, negotiation fees, or special assessments, can be made without a clear, written authorization from the employee, indicating the specific amount, purpose, and beneficiary of the deduction (Article 242(o), Labor Code).
- **Doctrine Established:** Deductions for attorney's fees connected with collective bargaining agreements or negotiations require explicit consent from each employee involved, reflecting the broader protection against unauthorized wage deductions.

Historical Background:

This case arises in the context of labor disputes and collective bargaining in the Philippines, emphasizing the protection of workers' rights to fair compensation and the requirement of their explicit consent for any deductions from their benefits. The Supreme Court's decision underscores a critical aspect of labor law that seeks to guard workers against unauthorized deductions from their wages, ensuring transparency and consent in all transactions affecting their earned benefits.