

****Title**:** Norberto Soriano vs. Offshore Shipping and Manning Corporation, Knut Knutsen O.A.S., and National Labor Relations Commission

****Facts**:**

Norberto Soriano, a licensed Second Marine Engineer, sought employment for better opportunities and was hired by Knut Knutsen O.A.S. through Offshore Shipping and Manning Corporation as its Philippine agent. Soriano was engaged to work as the Third Marine Engineer on the “Knut Provider” with a salary of US\$800 for a 15-day conduction period, later mutually extended to six months with a promise of promotion to Second Engineer. Soriano was on board from July 23, 1985, until November 27, 1985. He, however, left because the promotion to Second Engineer was not fulfilled and his salary was unilaterally reduced from US\$800 to US\$560, forcing him to shoulder his return airfare to Manila.

Upon his return, Soriano filed a complaint with the Philippine Overseas Employment Administration (POEA) claiming for:

1. Unpaid salary for November 1985
2. Leave pay
3. Salary differentials
4. Fixed overtime pay
5. Overtime for Sundays
6. Repatriation costs
7. Refund of a cash bond (allegedly P20,000)

The POEA ruled that Soriano’s total monthly salary of US\$800 included fixed overtime. It dismissed the allegations of contract substitution and manipulation of records, clarifying the amounts were in line with POEA-approved Wage Scales. Repatriation expenses requested by Soriano justified the withholding of certain sums. POEA awarded Soriano a reimbursement of P15,000 only as it found this was his total cash bond deposit.

Both parties appealed the POEA decision to the National Labor Relations Commission (NLRC). Soriano’s appeal was dismissed for lack of merit, and the respondents’ appeal was denied for being late. Subsequently, Soriano sought review via a petition for certiorari to the Supreme Court.

****Issues**:**

1. Whether the alteration of Soriano’s employment contract by his employer constituted a

violation of Article 34 of the Philippine Labor Code.

2. Whether Soriano was entitled to the claimed salary differentials, overtime pay, and reimbursement of return airfare and full cash bond as alleged.

Court's Decision:

1. **Alteration of the Employment Contract:**

- The Supreme Court found no alteration in the employment contract that violated Article 34 of the Labor Code. The handwritten corrections in the Crew Agreement were clarifications specifying the breakdown of the agreed US\$800 monthly salary into US\$560 for basic wages and US\$240 for overtime pay. They were not substantive changes.

2. **Entitlement to Salary Differentials and Overtime Pay:**

- The Court held that Soriano's claim for salary differentials and overtime pay lacked merit. The employment contract and the Wage Scale approved by the POEA showed that his total monthly emolument of US\$800 already included fixed overtime pay.

3. **Reimbursement of Airfare and Cash Bond:**

- The Court found that Soriano requested his repatriation which justified the employer's deduction for repatriation expenses from his entitlements. The evidence showed Soriano deposited a cash bond of P15,000, not P20,000, thus the POEA's decision to reimburse P15,000 was correct.

The Supreme Court denied Soriano's petition and affirmed the NLRC's decision.

Doctrine:

- Annotations or corrections in employment contracts that do not substantively change the agreed terms but merely clarify compensation details are not considered violations of Article 34 of the Philippine Labor Code.

- Factual findings of labor agencies like the POEA or NLRC, when supported by substantial evidence, are generally respected and upheld by higher courts.

Class Notes:

- **Article 34 of the Labor Code:** Prohibits unauthorized alteration of employment contracts once verified by the Department of Labor.

- **Substantial Evidence Rule:** Factual findings by specialized labor tribunals, supported by substantial evidence, are generally accorded respect and finality.

- **Doctrine of Non-alteration:** The law proscribes unauthorized changes that materially affect employment terms to protect worker and employer rights.

- **Importance of Clarity in Contracts**: Annotations intended to clarify rather than alter terms legitimize employer actions within the legal framework.

Historical Background:

- During the 1980s, the Philippine labor market, especially for overseas contractual workers, faced numerous challenges including alterations and substitutions of employment contracts post-approval. This case encapsulates the legal protections established to curb these practices and ensure fair treatment of Filipino overseas workers. The labor issues during this period were characterized by strict governmental oversight and adherence to approved standards for overseas employment contracts.