

**NATIONAL WATERWORKS AND SEWERAGE  
AUTHORITY, PETITIONER, VS. NWSA CONSOLIDATED UNIONS,  
AMADO L. GUEVARA, MAGTANGGOL A. GUEVARA, AMANDO RULE,  
EMILIANO SEXON, ADELAIDO C. TOLENTINO,...**

*G.R. No. L-32715. September 30, 1977*

Ponente: FERNANDEZ, J.

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**FERNANDEZ, J.:**

These are petitions to review the order dated August 11, 1970 and the order dated February 24, 1971 of the Court of Industrial Relations in Case No. 19-IPA (6), and Case No. 19-IPA (4), respectively, both entitled 'NWSA Consolidated Unions, petitioner vs. National Waterworks and Sewerage Authority, Respondent, Jesus Centeno, et al., Intervenor' approving the petitions to extend benefits and ordering the respondent NWSA to deposit with the CIR the amounts of P34,581.56 and P12,037.18, respectively, representing the salary adjustment differential of the claimants for further disposition.[1]

In G.R. No. L-32715 the petitioner National Waterworks and Sewerage Authority (NWSA) prays that the order dated August 11, 1970 approving the petition to extend benefits to six (6) claimants in the total amount of P34,581.56 and the resolution en banc denying its motion for reconsideration of the CIR be set aside.[2]

The petitioner National Waterworks and Sewerage Authority (NWSA) in G.R. No. L-33908 seeks to set aside the order of the Court of Industrial Relations in Case No. 19-IPA (4) (Chongco Incident) dated February 24, 1971 directing the NWSA to deposit with the cashier of the CIR for further disposition the amount of P12,037.18 representing the salary adjustment and additional differentials of the claimant Simeon Chongco and the resolution en banc denying the motion for reconsideration.[3]

The two cases were ordered consolidated in a resolution of this Court dated August 31, 1971.[4]

On March 20, 1969 the six private respondents Amado L. Guevara, Magtanggol A. Guevara, Amando Rule, Emiliano Sexon, Adelaido C. Tolentino, and Iluminado C. Vicente filed against the National Waterworks and Sewerage Authority with the Court of Industrial Relations a petition to extend benefits docketed as Case No. 19-IPA (6). The amended petition alleged, among others, that they are employees of the National Waterworks and Sewerage Authority (NWSA) since its creation in 1955 until that time; that they were required by the NWSA to render services, and did render services, seven (7) days a week, including Sundays and legal holidays, since before April 1957 until after June 1957; that pursuant to a ruling of the Supreme Court in "National Waterworks and Sewerage Authority vs. NWSA Consolidated Unions, et al.," G.R. No. L-18938 promulgated on August 31, 1964, the employees and laborers of the NWSA who were made to work, and did work, seven (7) days a week, three months prior to June 30, 1957, are entitled to a salary adjustment equivalent to over seven-fifths (7/5) of their salaries beginning July 1, 1957 arising from the implementation of Republic Act No. 1880; that the NWSA has implemented the aforesaid ruling of the Supreme Court by granting the salary adjustment to most of its workers, but despite repeated demands, the NWSA refused to extend said benefit to the six employees, private

respondents herein; and that the amount pertaining to each employee and the corresponding period covered are:

"Name

Period Covered

Amount

1.

Amado L. Guevara --

-- 7/1/57-6/30/65 --

**P6.086.40**

2.

Magtangol A. Guevara --

-- 7/1/57-6/30/65 --

6,923.52

3.

AmadoRule --

-- 7/1/57-6/30/65 --

5,821.44

4.

Emiliano Sexon --

--7/1/57-6/30/65 --

6,245.28

5.

Adelaido C. Tolentino --

-- 7/1/57-6/30/65 --

6,415.20

6.

Illuminado C. Vicente --

-- 7/1/57-6/30/65 --

3,089.72

Total --

**P34,581.56"[5]**

In its opposition to the petition dated March 17, 1969 the National Waterworks and Sewerage Authority averred as affirmative defenses that the petition states no cause of action; that the claimants are not entitled to the benefits provided for in G.R. No. L-18938 entitled "National Waterworks & Sewerage Authority vs. NWSA Consolidated Unions, et al and that the cause of action has prescribed.[6]

The CIR granted the petition to extend benefits in an order dated August 11, 1970, the dispositive part of which reads:

"WHEREFORE, the petition to extend benefits filed on March 17, 1969 is hereby approved, and the respondent NWSA is hereby ordered to deposit with the Court the amount of P34,581.66 representing the salary adjustment differential of the petitioners, for further disposition.

SO ORDERED.

Manila, Philippines, August 11, 1970.

(Sgd.) JOAQUIN M. SALVADOR  
Associate Judge"[7]

The petitioner, NWSA, avers that the Court of Industrial Relations committed the following errors:

"I

RESPONDENT CIR COMMITTED A GRAVE ABUSE OF DISCRETION TANTAMOUNT TO LACK OF JURISDICTION IN HOLDING THAT INDIVIDUAL RESPONDENTS, WHO ARE MONTHLY SALARIED EMPLOYEES OF THE NATIONAL WATERWORKS AND SEWERAGE AUTHORITY, ARE ENTITLED TO SALARY INCREASES AND/OR ADJUSTMENTS UNDER THE PROVISIONS OF REP. ACT NO. 1880.

**II**

RESPONDENT CIR COMMITTED A GRAVE ABUSE OF DISCRETION TANTAMOUNT TO LACK OF JURISDICTION IN HOLDING THAT YOUR PETITIONER'S MOTION FOR RECONSIDERATION OF THE ORDER OF AUGUST 11. 1970, EXHIBITS "D" AND "D-I" OF THE PETITION FOR CERTIORARI, WERE FILED OUT OF TIME DESPITE THE FACT THAT THEY WERE FILED WITHIN THE PERIOD DIRECTED IN THE NOTICE OF ORDER. EXHIBIT "C" OF THE PETITION FOR CERTIORARI.

**III**

RESPONDENT CIR ERRED IN HOLDING THAT THE AMOUNT DUE CLAIMANTS IS P34,581.56."[8]

In Case No. 19-IPA (4) (Chongco Incident) Simeon Chongco filed a motion to extend benefits dated October 23, 1967. The motion alleged that Simeon Chongco had been an employee of the former Metropolitan Water District in January 1955, occupying the position of administrative assistant with quarters at Balara, Quezon City, at a salary of P3,120.00 per annum, and continued in the employ of the National Waterworks and Sewerage Authority when he latter took over the function of the Metropolitan Water District in July 1955, until that time under the category of Chief Section of Recreation, with quarters, at P4,860.00 per annum in June 1965; that from January 1955 up to June 1965, Simeon Chongco rendered overtime, night time, Sundays and holidays and basic time services, but was not paid in full by the NWSA for such services, despite the decision of the Supreme Court in G.R. No. L-18938 entitled ""National Waterworks and Sewerage Authority vs. NWSA Consolidated Unions, et al." promulgated on August 31, 1964; that by virtue of the aforestated decision, movant is also entitled to an

adjustment of his basic weekly salary beginning July 1, 1957, equivalent to seven-fifths (7/5) of his overall weekly wage prior to said date, but said adjustment has not yet been effected by the NWSA; and that in order to expedite proceedings, it is necessary that the Court Examiner be directed to compute the money value of the movant's claim, so that the merits of this motion and the correctness of the amount of the claim be heard together during the trial, in accordance with the ruling of the Court of Industrial Relations in the Vitanzos-Esplana incident. CIR Case No. 19-IPA(3).[9]

The National Waterworks and Sewerage Authority (NWSA) alleged in its opposition to the motion to extend benefits the affirmative defenses that the claim for overtime compensation accruing for more than three (3) years prior to the filing of the instant motion has already prescribed; that the movant has no written authority from the NWSA to render overtime, night time; and Sundays and legal holidays work; and that Republic Act No. 1880 does not apply to employees receiving salaries on monthly basis such as movant.[10]

After hearing, the Court of Industrial Relations issued an order dated February 24, 1971, granting the motion to extend benefits, the dispositive part of which reads:

"WHEREFORE, the NWSA is hereby ordered to deposit with the Cashier of the Court for further disposition the amount of Twelve Thousand, Thirty Seven pesos and 18/100 (P12,037.18) representing the salary adjustment and additional differentials of movant Simeon Chongco, within fifteen (15) days from receipt hereof. Should the respondent fail to deposit the stated amount within the required period, the Clerk of Court is hereby directed to issue the corresponding Writ of Execution.

SO ORDERED.

Manila, Philippines, February 24, 1971.

(SGD.)JOAQUIN M. SALVADOR  
Associate Judge"[11]

The petitioner, National Waterworks and Sewerage Authority, (NWSA) states in its petition for review that the respondent Court of industrial Relations committed the following errors:

(1) RESPONDENT CIR COMMITTED A GRAVE ABUSE OF DISCRETION TANTAMOUNT TO LACK OF JURISDICTION IN HOLDING THAT RESPONDENT SIMEON CHONGCO, A MONTHLY SALARIED EMPLOYEE OF THE NATIONAL WATERWORKS AND SEWERAGE AUTHORITY, IS ENTITLED TO SALARY INCREASE AND/OR SALARY ADJUSTMENT UNDER THE PROVISIONS OF REP. ACT NO. 1880.

(2) RESPONDENT CIR COMMITTED A GRAVE ABUSE OF DISCRETION TANTAMOUNT TO LACK OF JURISDICTION WHEN IT HELD THAT THE MONEY VALUE OF THE QUARTERS FURNISHED RESPONDENT SIMEON CHONGCO BY YOUR PETITIONER, SHOULD BE ADDED TO HIS BASIC SALARY FOR PURPOSES OF COMPUTING OVERTIME COMPENSATION."[12]

The Court of Industrial Relations granted the petition to extend benefits in L-32715 because of the following facts:

"The records show that the petitioners comply with the criteria set forth by the Supreme Court in order to be entitled to the benefit under consideration. They have been employees of the NWSA since before 1955 as evidenced by their service records (Exhs. 'B', 'D', 'F', 'H', 'J' and 'I'); have worked seven (7) days a week from April 1 to June 30, 1957 as shown by their time cards (Exhs. 'A', 'C', 'F', 'T', and 'K' 'K-1', 'K-2'); and have been continuously receiving 25% Sunday differential for more than three months prior to July 1, 1957 (tsn. pp. 15,43 & 44, May 26, 1969; pp. 6-8, June 4, 1969; pp. 11 & 31, June 6, 1969; p. 40, June 6, 1969; p. 10, July 25, 1969; and p. 18, September 23, 1969). It is to be noted that the petitioners exhibits proving said facts were

not objected to by the NWSA as it neither refuted the testimonies of the petitioners. Under the premises, the Court holds that the petitioners are entitled to said salary adjustment." [13]

The submission of the petitioner NWSA that the individual claimants in both cases are not entitled to salary increases and/or adjustments under Republic Act No. 1880 has no merit. This Court has held that:

"It is evident that Republic Act 1880 does not intend to raise the wages of the employees over what they are actually receiving. Rather, its purpose is to limit the working days in a week to five days, or to 40 hours without however permitting any reduction in the weekly or daily wage of the compensation which was previously received. The question then to be determined is: what is meant by weekly or daily wage? Does the regular wage include differential payments for work on Sundays or at nights, or is the total amount received by the laborer for whatever nature or concept?

It has been held that for purposes of computing overtime compensation a regular wage includes all payments which the parties have agreed shall be received during the work week, including piece work wages, differential payments for working at undesirable times, such as at night or on Sundays and holidays, and the cost of board and lodging customarily furnished the employee (*Walling v. Yangermah-Reynolds Hardwood Co.*, 325 U. S. 419; *Walling v. Harischfeger Corp.*, 325 U. S. 427. The 'regular rate' of pay also ordinarily includes incentive bonus or profit-sharing payments made in addition to the normal basic pay (56 C. J. S., pp. 704-705), and it was also held that the higher rate for night, Sunday and holiday work is just as much a regular rate as the lower rate for daytime work. The higher rate is merely an inducement to accept employment at times which are not as desirable from a workman's standpoint (*International L. Ass'n v. National Terminals Corp.* C. C. Wise, 50 F. Supp. 26, affirmed CCA. *Carbunao v. National Terminals Corp.*, 139F.2d 853).

Respondent court, therefore, correctly included such differential pay in computing the weekly wages of those employees and laborers who worked seven days a week and were continuously receiving 25% Sunday differential for a period of three months immediately preceding the implementation of Republic Act 1880." [14]

As correctly stated by the Court of Industrial Relations, "the Supreme Court did not specify in its decision that only weekly salaried employees should get salary adjustments to the exclusion of monthly salaried employees for it is apparent in the decision that the 'week' was adopted by the High Court only as a convenient method of computing the salaries of the NWSA employees." [15] Moreover, "In case of doubt, all labor legislation x x x shall be construed in favor of the safety and decent living for the laborer." [16]

In L-32715, the Court of Industrial Relations did not commit a reversible error in ruling that the pro forma motion for reconsideration of the petitioner NWSA was filed out of time. The NWSA received a copy of the basic order in Case No. 19-IPA (6) on August 13, 1970 but filed its motion for reconsideration five days later on August 18, 1970 and its argument only on August 27, 1970. It appears that the uniform rule adhered to in IPA cases is that motions for reconsideration together with supporting arguments should be filed within four (4) days from a party's receipt of the basic order or decision. [17]

The petitioner NWSA was not prejudiced because its petition to review on certiorari the order of the Court of Industrial Relations granting the petition to extend benefit was given due course by this Court.

The assertion of the petitioner NWSA in L-32715 that, "There is no evidence in the record and neither was there evidence presented during the hearing of the case as to how the amount of P34,581.56 was arrived at as the total amount due claimants who are individual respondents herein x x x" [18] is not correct. The Court of Industrial Relations explained in detail how the amount of P34,581.56 was arrived at. The pertinent portion of the basic order reads:

"The next thing to consider is the amount of the claims. From the nature of the award it is obvious that the controlling factor in the determination of the amounts involved in the salary adjustment the salaries received by

the petitioners in June 1957.

In the aforesaid report of the Court Examiner dated March 20, 1970, it is attested that aside from their basic salaries, the petitioners were receiving temporary salary increases immediately prior to July 1, 1957, and that the said temporary increases are not included in their basic salaries appearing in their service records.

The petitioners alleged that in June 1957, the rank and file of the NWSA workers, including the petitioners herein were receiving temporary salary increases in the aggregate sum of P49.00 per month. In support thereof, the claimants point out the Court Examiner's report of March 17, 1968, in Case No. 19-IPA(4), which refers to Mr. Simeon Chongco's claim. The petitioners aver that on page 2 of said report the temporary increases of Mr. Simeon Chongco are indicated as follows: P15.00 — 1949; P20.00— 1954; P14.00 — 1956. 'Or a total of P49.00/month. The petitioners note that in the case above adverted to the existence of said temporary increases and its total amount of P49.00 were never disputed. Besides, the petitioners further alleged that the above-mentioned report of the Court Examiner was approved by this Court in its Order of February 25, 1970.

After scrutinizing the appendices of the Court Examiner's report of March 20, 1970, we are satisfied that the allegations of the petitioners, regarding their temporary increases, are substantially correct.

Appendix '1' is a certified true copy of Resolution No. 163, series 1949, of the MWD Board of Directors, passed on October 31, 1949, confirming payments of P15.00 per month temporary increase to the laborers and employees of the Metropolitan Water District, predecessor of the NWSA.

Appendix '2' is also a certified true copy of Resolution 167, series 1954, of the MWD Board of Directors adopted on October 20, 1954, authorizing among others payment of a P20.00 per month temporary increase to the monthly salaried employees of the MWD receiving below P6,000 per annum.

Appendix '3' is also a certified true copy of Resolution No. 130, series 1957, approved by the NWSA Board of Directors on February 7, 1957, authorizing among others immediate payment of a general salary and wage increases to the employees and laborers of Manila and Suburbs (MWD), at such rates as may be considered equitable.

Taking into account all documents and evidence submitted, this Court is convinced that the petitioners were receiving the amount of P49.00 as temporary increases immediately prior to July 1, 1957.

Consequently, the said amount of P49.00 plus the basic salaries of the claimants appearing in their service records should be the basis in computing their salary adjustment differentials.

Attached to the memorandum of the petitioners and marked as Annex 'A' is the mathematical computation of the claims aggregating P34,581.56. This Court is impressed with the logic and clarity of the computation; hence, the sum of P34,581.56 representing the claims of the petitioners is hereby approved." [19]

It does not appear that the petitioner NWSA had pointed to any error in the computation of the private respondents employees.

The claim of movant Simeon Chongco that the cost of board and lodging should be added to the adjusted salary is supported by the decision of this Court in *National Waterworks and Sewerage Authority versus NWSA Consolidated Union, et al*, G.R. No. L-18938, August 31, 1964, the pertinent portion of which read:

"It has been held that for purposes of computing overtime compensation a regular wage includes all payments which the parties have agreed shall be received during the work week, including piece work wages, differential payments for working undesirable times, such as at night or on Sundays and holidays, and the cost of board and lodging customarily furnished the employee." [20]

It is clear from the foregoing that the cost of lodging or quarters should be added to the regular wage of the

employee for purposes of computing his overtime compensation.

The Court of Industrial Relations filed the reasonable cost of Chongco's rental at P150.00 a month because:

"The only point to be considered on the matter of correct overtime computation is the determination of the reasonable amount of the rental of the quarters furnished by NWSA to the claimant. The Auditing Examiner who was directed to compute the added overtime differential of the claimant taking into account the rental in question tentatively appraised it at P100.00 per month and in his Report correspondingly credited the movant with an additional differential of P4,015.02. Claimant Chongco opposed the Report contending that the just and reasonable cost of his quarters is no less than P150.00 per month.

On October 1, 1968 the Court made an ocular inspection of Chongco's quarters and found that the living area was 360 square meters, with one bedroom, one living room, a dining room, a kitchen and a storage area in the first floor; three bedrooms, one hall, a kitchen and a toilet-bath room in the second floor. The Court also noted its spaciousness and pleasant environment located as it was inside the compound of the Balara Filtration Plant of the NWSA surrounded by fruit bearing trees. The neighborhood was quiet and peaceful and the atmosphere clean and refreshing. Considering these factors plus the accessibility and nearness of the place to downtown Manila and the safe neighborhood was quiet and peaceful and the atmosphere clean and refreshing. Considering these factors plus the accessibility and nearness of the place to downtown Manila and the safe neighborhood, we are of the opinion that the amount of P150.00 per month would be a reasonable appraisal of the rent during the entire period of the claim, which amount should be taken into account in computing the overtime and other fringe benefits of the claimant. Consequently, the rental of P100.00 per month, tentatively adopted by this Court in its Order of February 25, 1970 to provide a convenient and easy basis of computing the additional overtime differential, is hereby set aside and the Court hereby permanently fixes the just and reasonable cost of Chongco's rental at P150.00 a month. It is significant that during the trial, respondent never made its own appraisal of the reasonable rental of the said quarters." [21]

Hence, the Court of Industrial Relations fixed the amount of P6,022.53 as the added differential due Simeon Chongco.

In overruling the opposition of the National Waterworks and Sewerage Authority to the report of the examiner, the Court of Industrial Relations explained that:

"In the first place, NWSA has never pointed out where the inaccuracy of the Report lies. By virtue of the Order of October 5, 1964, in the main case, both parties were given twenty (20) days to go over the Court Examiner's Report and verify its legal basis and mathematical accuracy. In the absence of any showing by an opposing party that the Report is erroneous, the same will be considered correct by this Court.

In the second place, on page 2 of the Report it is stated that the original computation of Chongco's claim, covering overtime, Saturdays, Sundays and holidays and basic time differentials, was P20,039.20. The Report also states that, of the said him, P6,022.54 corresponds to the item for 'quarters' on the basis of P150.00 rental per month. On the witness stand, Mr. Aurelio Cruz, the Court Examiner who prepared the Report, testified that the verified and check the computation of the amount of P20,039.20 and found it to be correct (tsn., pp. 6 and 18, July 3, 1970). The testimony was never discredited.

In the light of the context of the Report and the testimony of the Court Examiner, it is safe to conclude that the amount of P20,039.20 is mathematically correct. Indeed, it would be erroneous to assume that because the mathematical operation of how the sum of P20,039.20 was arrived at was not shown or embodied in the Report, the said amount is not mathematically correct. The burden of proof rests on the objecting party." [22]

Not having pointed out any error in the report of the Examiner of the CIR, the NWSA cannot object to the finding that the total amount due to Simeon Chongco is P20,039.20.

WHEREFORE, the order dated August 11, 1970 in Case No. 19-IPA (6) and the order dated February 24, 1971 in Case No. 19-IPA (4) (Chongco Incident) of the Court of Industrial Relations sought to be reviewed are hereby affirmed, with costs against the petitioner NWSA.

**SO ORDERED.**

Makasiar, Muñoz Palma, Martin, and Guerrero, JJ., concur.

Teehankee (Chairman), J., took no part.

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- [1] Exhibit "C L-32715. Rollo, pp. 34-40 and Annex "C", 1,-33908. Rollo, pp. 29-37.
- [2] L-32715. Rollo, pp. 14-15.
- [3] Annex "C", I.-33908. Rollo, pp. 16-17
- [4] L-33908. Rollo, p. 67.
- [5] Amended Petition to Extend Benefits, L-32715, Rollo, pp. 20-22.
- [6] Opposition to Petition to Extend Benefits, L-32715, Rollo, pp. 29-30.
- [7] L-32715. Rollo, p. 40.
- [8] Brief for Petitioner NWSA, p. 5-6. L-32715. Rollo, p. 133.
- [9] L-33908, Rollo, pp. 18-20.
- [10] L-33908, Rollo, pp. 24-25.
- [11] Order. Case No. L-33908. Rollo, pp. 36-37.
- [12] L-33908, Rollo, p. 13.
- [13] Order dated August 11, 1970. L-32715, Rollo, p. 37.
- [14] National Waterworks and Sewerage Authority vs. NWSA Consolidated Unions, et al, G. R. No. L-18938, August 31, 1964, 11 SCRA 766. 782-783.
- [15] Order dated August 11, 1970. L-32715, Rollo, p. 37.
- [16] Article 1702. Civil Code of the Philippines.
- [17] Resolution en banc. 1.-32715. Rollo. p. 64.
- [18] Brief for Petitioner NWSA. p. 13. 1.-32715, Rollo, p. 133.
- [19] Order. 1.-32715. Rollo, pp. 37-40.

**[20] II SCRA 766. 782-783.**

- [21] L-33908, Rollo, pp. 33-34.
- [22] L-33908. Rollo, pp. 35-36.

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