

SOCIAL SECURITY SYSTEM, PETITIONER, VS. SSS SUPERVISORS[&] UNION CUGCO AND COURT OF INDUSTRIAL RELATIONS, RESPONDENTS.

G.R. No. L-31832. October 23, 1982

Ponente: MELENCIO-HERRERA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/94e8251a9066/>

MELENCIO-HERRERA, J.:

This Petition seeks to review on Certiorari the Orders of respondent Court of Industrial Relations (CIR) on the issue of whether or not petitioner Social Security System (SSS) may be held liable for the payment of wages of members of respondent Union who admittedly did not work during the 17-day strike declared in 1968 by the rank and file Union (the Philippine Association of Free Labor Unions [PAFLU]).

For a brief factual background, it should be stated that the instant case is an offshoot of Case No. 46-IPA (49) certified to the CIR by the President of the Philippines for compulsory arbitration of a labor dispute between the SSS and the PAFLU concerning the interpretation of certain provisions of their Collective Bargaining Agreement. The PAFLU had staged a strike in defiance of the CIR Order of August 29, 1968 "enjoining the parties, for the sake of industrial peace x x x to maintain the status quo - the Union not to declare any strike and the Management not to dis-miss nor suspend any of its employees nor to declare any lockout." On 3 September 1968, in that same case, the SSS filed an Urgent Petition to declare the strike illegal.

On 26 September 1968, respondent Union (the SSS Supervisors' Union) filed a Motion for Intervention in the said case averring, inter alia, that it had not participated in the strike; that its members wanted to report for work but were prevented by the picketers from entering the work premises; that under the circumstances, they were entitled to their salaries corresponding to the duration of the strike, which could be deducted from the accrued leave credits of their members.

The SSS had no objection to the intervention sought but opposed the demand for the payment of salaries pertaining to the entire period of the strike.

In its Order of 12 March 1969, intervention was allowed by respondent Court, and pending resolution of the claim for salaries, the SSS was directed to pay the same, chargeable in the meantime to the accrued leave credits of the members^[1] pending the determination of the question of the illegality of the strike. Reconsideration of that Order sought by the SSS was denied on 6 November 1969.

On 24 November 1969, respondent Court issued an Order^[2] directing the CIR Examining Division to compute immediately the money equivalent of the salaries of the members of respondent Union as well as the salaries of those employees who were not members of the striking Union (PAFLU) and to deposit the amount computed, for further disposition.

The SSS challenged on Certiorari the said Orders before this Court (G.R. No. L-31234), particularly the order to deposit, grounded on the overlapping membership in the two Unions and the impossibility of compliance. We

denied the Petition on 2 December 1969 and the proceedings below were resumed.

Upon a joint Motion for clarification of its Order of 24 November 1969, respondent Court, through Judge Joaquin M. Salvador, issued the Order of 3 March 1970, ordering the payment of salaries of the members of respondent Union during the strike period, but not to be chargeable to accrued leave credits. The reasons given were that this Court had already declared the strike premature, and that the members of respondent Union had not participated in the strike and had actually manifested their desire to work but could not cross the heavy picket lines during the height of the strike.

The SSS moved to reconsider the Order of 3 March 1970 arguing that since respondent Union members actually rendered no service at all during the strike, they were not entitled to the payment of salaries. Respondent Court, en banc, denied reconsideration on 25 March 1970 for lack of sufficient justification.

Contending that the Industrial Court had no authority to issue the Order dated 3 March 1970 and its Resolution en banc dated 25 March 1970, petitioner asks this Tribunal to have them annulled.

We find for the petitioner based on the equitable tenet of a "fair day's wage for a fair day's labor".

"The age-old rule governing the relation between labor and capital or management and employee is that of a 'fair day's wage for a fair day's labor.' If there is no work performed by the employee there can be no wage or pay, unless of course the laborer was able, willing and ready to work but was illegally locked out, dismissed or suspended. It is hardly fair or just for an employee or laborer to fight or litigate against his employer on the employer's time." [3]

In this case, the failure to work on the part of the members of respondent Union was due to circumstances not attributable to themselves. But neither should the burden of the economic loss suffered by them be shifted to their employer, the SSS, which was equally faultless, considering that the situation was not a direct consequence of the employer's lockout or unfair labor practice. Under the circumstances, it is but fair that each party must bear his own loss.

"Considering, therefore, that the parties had no hand or participation in the situation they were in, and that the stoppage of the work was not the direct consequence of the company's lockout or unfair labor practice, 'the economic loss should not be shifted to the employer'. Justice and equity demand that each must have to bear its own loss, thus placing the parties in equal footing where none should profit from the other there being no fault of either." [4]

WHEREFORE, we hereby set aside respondent Court's Order dated 3 March 1970 as affirmed by its Resolution en banc dated 25 March 1970, without pronouncement as to costs.

SO ORDERED.

Plana, Vasquez, Relova, and Gutierrez, Jr., JJ., concur.
Teehankee, (Chairman), J., on official leave.

[1] p. 20, Rollo.

[2] p. 21, *ibid*.

[3] J. P. Heilbronn Co. vs. National Labor Union, 92 Phil. 577 (1953).

[4] Pan American World Airways, Inc. vs. CIR, et al., 17 SCRA 821 (1966).

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.