

MA. GLADYS L. JADIE, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND PHILIPPINE AIRLINES, INC., RESPONDENTS.

Ponente: GONZALES-SISON, M., J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/d846cdd5c1ff/>

GONZALES-SISON, M., J.:

This Petition for Certiorari filed by Ma. Gladys L. Jadie assails the August 29, 2013 Decision[1] and October 8, 2013 Resolution[2] of the National Labor Relations Commission (NLRC) in NLRC-LER Case No. 08-227-13.

The Facts

The facts, as contained in the NLRC decision, are as follows:

On May 27, 2009, petitioner PAL received a letter from private respondent Jadie's counsel asking that it pay their client "her backwages in the amount of P2,024,865.00 plus attorney's fees without prejudice to her other claims as are still pending with the Supreme Court, x x x, to obviate the tedious and time-consuming procedure for execution of the award x x x." Petitioner PAL claimed that it acceded and negotiated with private respondent Jadie on the payment of her monetary award. Petitioner PAL further maintained that it informed private respondent Jadie's counsel through email on August 24, 2009 of their willingness to pay her backwages and attorney's fees, net of withholding taxes, and that they have prepared the check payment for Php1,600,021.72 and the corresponding BIR Form for withholding tax.

Petitioner PAL alleged that thereafter they only heard from private respondent Jadie when they received on October 19, 2009 her motion for execution dated October 1, 2009 in NLRC NCR Case No. 00-06-06290-99 that she filed with the Commission seeking the payment of the award of backwages and attorney's fees, which petitioner PAL asserted they were earlier already willing to pay but net of withholding tax. In her motion for execution, private respondent Jadie manifested that, pursuant to Section 1, Rule XI of the Revised Rules of Procedure of the NLRC, the issuance of a writ is now proper considering that (1) the Commission's decision dated March 25, 2002 has been affirmed by the Court of Appeals in CA-G.R. SP No. 71213 and by the Supreme Court in G.R. No. 184132, and that (2) the Supreme Court's dismissal of the latter petition (G.R. No. 184132) had already become final on February 11, 2009.

Petitioner PAL recounted that when it was directed by Labor Arbiter Romelita N. Rioflorido to comment on private respondent Jadie's motion for execution, it pointed out that the subject of the pending consolidated Supreme Court cases docketed as G.R. No. 178510 (where private respondent Jadie is also a respondent) and G.R. No. 178501 (where private respondent Jadie is one of the petitioners) is interconnected with the Commission's decision dated March 25, 2002. Petitioner PAL further maintained that as early as July 10, 2009 it in fact filed a manifestation and motion to dismiss with the Supreme Court in G.R. No. 178501 stressing that private respondent Jadie's claims had already been fully adjudicated in G.R. No. 184132. In her counter-manifestation and opposition to petitioner PAL's motion to dismiss therein, private respondent Jadie purportedly claimed that the Commission's decision dated March 25, 2002 was not yet final stressing that she and her co-pilots questioned said decision before the Court of Appeals in CA-G.R. SP No. 71190.

On February 3, 2010, Labor Arbiter Rioflorido denied private respondent Jadie's motion for execution holding

that “Out of judicial courtesy, since it appears that the question of whether or not the March 25, 2002 decision of the NLRC has attained finality insofar as Gladys L. Jadie is concerned is now before the Supreme Court as a related issue in G.R. Nos. 178501 and 178510, this Office deems it appropriate to await the ruling of the Supreme Court on such issue to avoid pre-empting the said ruling.” Private respondent Jadie appealed Labor Arbiter Rioflorido's denial of her motion for execution with the Commission in NLRC CA NO. 027348-01 (AE-03-10) but which the latter affirmed in its Resolution dated September 30, 2010 holding that “it is more appropriate to wait for the ruling of the Supreme Court in that pending petition before it, in observance of judicial courtesy.”

Private respondent Jadie elevated the matter before the Court of Appeals through a petition for certiorari docketed as CA G.R. SP No. 118796. On February 10, 2012, the Court of Appeals granted private respondent Jadie's petition reversing and setting aside the Commission's Resolution dated September 30, 2010 in NLRC CA NO. 02-7348-01 (AE-03-10), thus paving the way for the issuance of a writ of execution as to private respondent Jadie's award of backwages. This was no longer appealed by petitioner PAL and thus became final on March 5, 2012, which was also not opposed by petitioner PAL. Petitioner PAL averred that private respondent Jadie was paid her backwages and attorney's fees on October 29, 2012.

Private respondent Jadie filed another motion for execution dated November 15, 2012, for the payment of legal interest on the money award of Php2,227,351.50 based on the March 25, 2002 decision of the Commission computed from its finality on February 11, 2009 until the satisfaction of said monetary award on October 29, 2012. This was opposed by petitioner PAL in its comment dated November 26, 2012.

On July 15, 2013, the assailed Order was promulgated which ordered the issuance of a Writ of Execution for the satisfaction of the amount of Php994,289.70 as legal interests due to private respondent Jadie.

On August 29, 2013, the NLRC promulgated the assailed decision, the fallo of which reads:

WHEREFORE, the petition filed under Rule XII (Extraordinary Remedies) of the 2011 NLRC Rules of Procedure is GRANTED.

Accordingly, the Order dated July 15, 2013 decreeing award of legal interests is hereby SET ASIDE.

SO ORDERED.[3]

The NLRC held that Jadie herself caused the delay in the enforcement of the decision for the payment of backwages amounting to P2,024,865.00 plus attorney's fees in her favor. The NLRC further ruled that the respective decisions of the Labor Arbiter, the NLRC and the Court of Appeals did not order the payment of legal interests.

Petitioner Jadie filed a motion for reconsideration but the NLRC denied the motion in a Resolution dated October 8, 2013.

Hence, this petition. Petitioner assigns the following errors on the part of the NLRC:

- THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION AND/OR ACTED IN EXCESS OF OR WITHOUT JURISDICTION IN ISSUING ITS 29 AUGUST 2013 DECISION, AS REITERATED IN ITS 8 OCTOBER 2013 RESOLUTION, WITHOUT FIRST HEARING PETITIONER, IN VIOLATION OF SECTION 7, RULE XII OF ITS OWN 2011 RULES OF PROCEDURE GIVING PETITIONER A PERIOD OF 10 DAYS FROM RECEIPT OF PAL'S PETITION TO FILE AN ANSWER, AND IN VIOLATION OF PETITIONER'S RIGHT TO DUE PROCESS.

- THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION AND/OR ACTED IN EXCESS OF OR WITHOUT JURISDICTION IN RULING THAT PAL IS NOT LIABLE TO PAY PETITIONER LEGAL INTEREST FOR DELAYED PAYMENT OF HER FINAL AND EXECUTORY MONETARY JUDGMENT,

IN THAT:

A) LEGAL INTEREST IS IMPOSED BY LAW, AND BECOMES DUE AS SOON AS A JUDGMENT FOR A MONETARY AWARD BECOMES FINAL AND EXECUTORY. IT IS NOT REQUIRED TO BE PRAYED FOR, NOR SPECIFICALLY STATED IN THE JUDGMENT. NEITHER DOES IT CONSTITUTE AN “ADDITION” TO AN AWARD WHICH HAS ALREADY BECOME FINAL; NOR DOES IT VARY THE TERMS OF THE FINAL JUDGMENT.

B) THE NLRC COMMITTED GRAVE ERROR IN CONSIDERING THE 26 MAY 2009 LETTER OF PETITIONER'S COUNSEL SEEKING OUT-OF-COURT PAYMENT OF HER FINAL AND EXECUTORY MONETARY JUDGMENT IN ARRIVING AT ITS QUESTIONED 29 AUGUST 2013 DECISION, AS REITERATED IN ITS 8 OCTOBER 2013 RESOLUTION, SAID LETTER BEING INADMISSIBLE EVIDENCE UNDER SECTION 27, RULE 130 OF THE RULES OF COURT.

C) THE HOLDING OF THE NLRC THAT THE WRIT OF EXECUTION ISSUED BY THE LABOR ARBITER DIRECTING THE PAYMENT OF LEGAL INTEREST DUE TO DELAY IN [THE] PAYMENT OF PETITIONER'S FINAL AND EXECUTORY MONETARY JUDGMENT IS NULL AND VOID, BECAUSE IT IS SUPPOSEDLY NOT BASED ON A FINAL JUDICIAL DETERMINATION, IS ILLOGICAL AND ABSURD, BEING UTTERLY WITHOUT BASIS IN FACT AND IN LAW.

D) PAL'S BEING “(WILLING TO PAY (PETITIONER'S) BACKWAGES AND ATTORNEY'S FEES, NET OF WITHHOLDING TAX”, IS NOT THE VALID AND LEGAL TENDER REQUIRED AND PROCEDURALLY OUTLINED BY LAW UNDER ARTICLES 1256, ET SEQ. OF THE CIVIL CODE THAT WOULD RELEASE PAL FROM ITS OBLIGATION TO PAY PETITIONER LEGAL INTEREST DUE TO DELAY IN [THE] PAYMENT OF PETITIONER'S FINAL AND EXECUTORY MONETARY JUDGMENT.

E) PENALIZING PETITIONER FOR AVAILING OF A REMEDY GRANTED TO HER BY RULE 65 OF THE RULES OF COURT HAS NO LEGAL BASIS WHATSOEVER AND IS EXTREMELY UNJUST AND OPPRESSIVE AS WELL.

The Issues

As presented, the issues submitted boil down to: a) whether the NLRC's August 29, 2013 Decision and October 8, 2013 Resolution were issued in violation of petitioner's right to due process, and b) whether petitioner is liable for the payment of legal interest after PAL supposedly tendered its payment of the judgment award.

Petitioner argues that it received a copy of PAL's Petition dated August 12, 2013 before the NLRC on August 22, 2013. Claiming that the 10[th]day of the reglementary period[4] within which to file an answer fell on a Sunday, petitioner filed its Answer with Opposition on September 2, 2013, a Monday and the first working day immediately following such Sunday[5]. The NLRC promulgated its decision on August 29, 2013. Further, petitioner asserts that it is entitled to the payment of legal interest from the finality of the NLRC Decision[6] dated March 25, 2002, directing PAL to pay backwages, separation pay and attorney's fees in favor of petitioner.

In its Comment[7], PAL maintains that the March 25, 2002 NLRC Decision has not yet become final and executory with respect to petitioner because it is the subject of consolidated cases[8] pending before the Supreme

Court. PAL insists that as early as August 20, 2009, it already informed petitioner of its willingness to pay the monetary awards net of withholding taxes. According to PAL, it constitutes a valid tender of payment that was refused by petitioner and thus, should not be faulted for the delay in the payment of the judgment obligation.

Our Ruling

As regards the supposed deprivation of petitioner's right to due process for being denied the opportunity to file an answer, the claim lacks merit. In this case, while it appears on record, and which respondent PAL failed to controvert as pointed out by petitioner, that the 10-day period within which to file an answer had not yet lapsed when the NLRC issued its decision on August 29, 2013, any procedural defect in the proceedings taken against the petitioner was cured by its filing of a motion for reconsideration. The fact that petitioner was heard by the NLRC on its motion for reconsideration negates any violation of due process.[9] For us, it was sufficient compliance with the requirements of due process, the meaning of which was explained in *Vivo v. Philippine Amusement and Gaming Corporation*[10], to wit:

The essence of due process is to be heard, and, as applied to administrative proceedings, this means a fair and reasonable opportunity to explain one's side, or an opportunity to seek a reconsideration of the action or ruling complained of. Administrative due process cannot be fully equated with due process in its strict judicial sense, for in the former a formal or trial-type hearing is not always necessary, and technical rules of procedure are not strictly applied.

The Supreme Court stressed in *Gonzales v. Civil Service Commission*[11] that any defect in the observance of due process is cured by the filing of a motion for reconsideration, and that denial of due process cannot be successfully invoked by a party who was afforded the opportunity to be heard. Moreover, in *Autencio v. Mañara*[12], the high court observed that defects in procedural due process may be cured when the party has been afforded the opportunity to appeal or to seek reconsideration of the action or ruling complained of. Therefore, having had the opportunity to seek a reconsideration of the August 29, 2013 NLRC decision, there is no denial of petitioner's right to due process to speak of.

Moreover, even on the assumption that PAL tendered its payment of the backwages and attorney's fees, net of withholding tax, to petitioner, the same does not relieve PAL of its obligation to pay interest for tender of payment alone does not extinguish an obligation. In addition to the tender of payment, PAL, as judgment debtor, should have consigned the sum due. The relevant rule is set in Article 1256 of the Civil Code, which provides as follows:

Art. 1256. If the creditor to whom tender of payment has been made refuses without just cause to accept it, the debtor shall be released from responsibility by the consignment of the thing or sum due.

Where the creditor unjustly refuses to accept payment, the debtor desirous of being released from his obligation must comply with two (2) conditions: (a) tender of payment; and (b) consignment of the sum due. Tender of payment must be accompanied or followed by consignment in order that the effects of payment may be produced.[13] Thus, the Supreme Court stressed that a written tender of payment alone, without consignment in court of the sum due, does not suspend the accruing of regular or monetary interest.[14]

As further ruled by the high court in *Allandale Sportsline, Inc. v. The Good Development Corporation*[15]:

Tender of payment, without more, produces no effect; rather, tender of payment must be followed by a valid consignment in order to produce the effect of payment and extinguish an obligation.

Tender of payment is but a preparatory act to consignment. It is the manifestation by the debtor of a desire to comply with or pay an obligation. If refused without just cause, the tender of payment will discharge the debtor of the obligation to pay but only after a valid consignment of the sum due shall have been made with the

proper court. [Emphasis ours.]

One of the instances when a creditor may justly refuse the tender of payment is when the payment tendered is not a legal tender. In this case, what PAL had admittedly tendered to settle its obligation is a check. The Supreme Court emphasized that tender of payment involves a positive and unconditional act by the obligor of offering legal tender currency as payment to the obligee for the former's obligation and demanding that the latter accept the same.[16] Moreover, the case of *Far East Bank and Trust Company v. Diaz Realty, Inc.*[17] instructs us that, in general, a check does not constitute legal tender, and that a creditor may validly refuse it. It must be emphasized, however, that this dictum does not prevent a creditor from accepting a check as payment. In other words, the creditor has the option and the discretion of refusing or accepting it. Clearly, petitioner was justified in refusing to accept the check as payment as it is not a legal tender. It was incumbent upon petitioner, as the creditor, to refuse or accept the check as payment and PAL did not have the right to enforce acceptance upon petitioner. Further, PAL failed to prove that petitioner agreed to and accepted the issuance of a check as payment for the outstanding obligation.

PAL likewise did not allege or prove that after its tender of payment was refused by petitioner, it attempted or pursued consignment of the payment with the proper court or body. The tender of payment not having been followed by a valid consignment, it produced no effect whatsoever, least of all the extinguishment of the judgment obligation. Therefore, the prior issue of the validity or invalidity of the tender of payment is completely moot and academic, for either way the discussion will go, it will lead to no other conclusion but that, without an accompanying valid consignment, the tender of payment did not result in the payment and extinguishment of the judgment obligation.[18]

Hence, the fact alone that PAL prepared a check in the amount of P1,600,021.72 and BIR form reflecting the amount of tax withheld did not relieve it from its judgment obligation, including the interest to which petitioner would be entitled. For PAL to continue in possession of the sum due would tantamount to unjust enrichment at the expense of petitioner which Article 1256 of the Civil Code seeks to prevent by requiring, in addition to tender of payment, the consignment of the amount due in the appropriate court or body.

The only issue left to be resolved is whether petitioner is entitled to legal interest. Foremost, it must be noted that the monetary awards in this case were given as a result of the illegal dismissal case. A recomputation of the monetary awards, once the decision becomes final and executory, is a necessary consequence that flows from the nature of the illegal dismissal case declared in the decision. The consequent recomputation does not violate the principle of immutability of final judgments.[19] Under the doctrine of finality of judgment or immutability of judgment, a decision that has acquired finality becomes immutable and unalterable, and may no longer be modified in any respect, even if the modification is meant to correct erroneous conclusions of fact and law, and whether it be made by the court that rendered it or by the Highest Court of the land. Any act which violates this principle must immediately be struck down.[20] More importantly, when the judgment awarding a sum of money becomes final and executory, the rate of legal interest shall be 6% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.[21]

In this case, however, the Court notes the pending consolidated cases docketed as G.R. Nos. 178501 and 178510 before the Supreme Court involving PAL and petitioner arising from the illegal dismissal case filed by petitioner, among others. It is precisely because of these cases that the Labor Arbiter, in its Order dated February 3, 2010, “deem[ed] it appropriate to await the ruling of the Supreme Court on such issue [of whether the March 25, 2002 decision of the NLRC has attained finality insofar as petitioner is concerned] to avoid pre-empting such ruling.”[22]

After careful consideration of the matter, this Court finds it more prudent to defer from deciding the matter of petitioner's entitlement to legal interest raised in this case in deference to the Supreme Court which is now tackling the very same issue in connection with the question of whether the March 25, 2002 NLRC decision had already attained finality with respect to petitioner and if so, the date when the final and executory character of the decision commenced.

Hence, in like manner, out of judicial courtesy and deference to the Supreme Court's action in G.R. Nos. 178501 and 178510, the Court resolves to hold in abeyance its ruling on the same issue for whatever decision the Supreme Court renders in these cases, it shall form part of our judicial system and shall be binding on this Court.[23] Needless to state, to act otherwise would be inviting defiance to the Supreme Court and would render it "inutile with dire consequences resulting in diminution of its power as the final arbiter of legal issues and impairment of the respect due it, and in judicial instability and chaos." [24]

WHEREFORE, premises considered, the instant Petition for Certiorari is hereby DISMISSED.

SO ORDERED.

De Guia-Salvador, R., Chairperson and Cruz, R.A., JJ., concur.

[1] Rollo, pp. 47-61.

[2] Id. at 62-63.

[3] Id. at 60.

[4] See Sec. 7, Rule 12, The 2011 NLRC Rules of Procedure, as amended.

[5] See Sec. 6, id.

[6] Rollo, pp. 192-200.

[7] Id. at 330-348.

[8] G.R. Nos. 178501 and 178510.

[9] See German Management & Services, Inc. v. Court of Appeals, G.R. No. 76217, September 14, 1989.

[10] G.R. No. 187854, November 12, 2013.

[11] G.R. No. 156253, June 15, 2006.

[12] G.R. No. 152752, January 19, 2005.

[13] State Investment House, Inc. v. Court of Appeals, G.R. No. 90676, June 19, 1991

[14] Id. citing *Llamas v. Abaya*, 60 Phil. 502 (1934).

[15] G.R. No. 164521, December 19, 2008.

[16] *Roman Catholic Bishop of Malolos, Inc. v. Intermediate Appellate Court*, 191 SCRA 411, November 16, 1990.

[17] G.R. No. 138588, August 23, 2001.

[18] See *Banco Filipino Savings and Mortgage Bank v. Diaz*, G.R. No. 153134, June 27, 2006.

[19] See *Nacar v. Gallery Frames*, G.R. No. 189871, August 13, 2013.

[20] *Gadrinab v. Salamanca*, G.R. No. 194560, June 11, 2014.

[21] *Id.*, citing the guidelines laid down in *Eastern Shipping Lines, Inc. v. Court of Appeals*, G.R. No. 97412, July 12, 1994, as modified by *Bangko Sentral ng Pilipinas - Monetary Board Circular No. 799, Series of 2013*, effective July 1, 2013.

[22] *Rollo*, pp. 380-381.

[23] See Art. 8, CIVIL CODE.

[24] *Golangco v. Villanueva*, A.M. No. RTJ-96-1355, September 4, 1997.

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.