

UNIVERSITY OF THE EAST, PETITIONER, VS. UNIVERSITY OF THE EAST FACULTY ASSOCIATION (UEFA) AND THE PRESIDENTIAL EXECUTIVE ASSISTANT, RESPONDENTS.

G.R. No. 57387. December 10, 1987

Ponente: CORTES, J.

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CORTES, J.:

On September 30, 1982, the Second Division of this Court rendered a Decision (Barredo, J., ponente, concurred in by Guerrero, De Castro, Concepcion, Jr., Abad Santos and Escolin, JJ.) in the present case. On November 26, 1982, the University of the East (UE) and the University of the East Faculty Association (UEFA) filed a Joint Manifestation to comply with and to implement the above-mentioned Decision, pursuant to a "Mechanics of Implementation" duly signed by both parties.

Negotiations were conducted. However, as the parties could not come to an agreement on the proper computation of the amount that may be due under the above decision, on June 19, 1984, private respondent UEFA filed a Motion for Execution alleging that there was "money due to new teachers under the decision" and a reimbursable amount allegedly representing "differential pays . . . unjustly deducted from teacher's increases under PD 451."

In an "Opposition to Motion for Execution," UE stated that there was no residue at all but an overpayment of about P7.5 million. The petitioner maintained that since the total sixty (60%) percent incremental proceeds from three tuition-fee increases amounted to P65,807,263.00 and the actual disbursement to the teaching and non-teaching employees amounted to P73,308,756.00, it was alleged that there was an overpayment.

On August 15, 1984, the Second Division issued a Resolution ordering the City Sheriff of Manila to execute paragraph (3) of the decision of the Office of the President. Two days later, on August 17, 1984, the corresponding Writ of Execution was issued.

On September 12, 1984, UE properties consisting of blackboards, classroom chairs, tables, bookshelves and others were sold on execution for P250,000.00 to UEFA as the highest bidder. In two (2) separate execution sales conducted on October 29, 1982 and December 11, 1984, real properties of UE consisting of its Recto and Caloocan campuses were sold for P25,228,806.00 to UEFA as the highest bidder. On October 24, 1985, even as the certificates of sale had not yet been registered with the Register of Deeds, UE paid the redemption price of P22,690,007.20 for some of the real properties. In the meantime, however, UE has been filing various pleadings all of which question the correctness of the resolution granting execution and pointing out alleged irregularities in the execution proceedings. UE likewise claims that due to these errors and irregularities, it had paid the faculty association more than what is due under the decision of September 30, 1982. It thus prayed for "equitable relief of set-off."

In its "Comment with Motion for Further Execution" private respondent UEFA traversed all the arguments of petitioner University. It further contended that if there was any overpayment, it was altogether a new cause of action which had to be ventilated in a trial court. The faculty association likewise prayed for the issuance of a writ

of execution in satisfaction of their claim for P38,312,917 allegedly representing unincorporated salary increases, fringe benefits, and the faculty share in other fees collected by the university.

On May 5, 1987, the City Sheriff of Manila submitted to this Court the Sheriff's Return on the conduct of the execution proceedings.

We have before Us two opposing claims of the parties-litigants: 1) UE's claim of overpayment; and 2) UEFA's claim of underpayment.

This labor dispute traces its origin in a bargaining deadlock between the UE and the UEFA for the renewal of their collective bargaining agreement for the period June 1, 1978 to May 31, 1981. Consequently, the judgment, to be valid, must be deemed to refer only to what the contractual rights of the parties should be for the given period. Corollarily, any writ of execution in this case must likewise be so limited. That is, execution must be limited to the enforcement of these contractual rights. A writ of execution purporting to execute anything beyond this would be void for want of authority. For any other cause of action which was already existent at the time the Ministry of Labor assumed jurisdiction, or which may have arisen in the interregnum, even if intimately related to the original cause of action, would be outside the jurisdiction already acquired unless the pleadings were amended or supplemented.

The dispositive portion of the Court's decision which, on December 7, 1982 became final, consists of three parts, to wit:

1. that there is no need for (the Court) to disturb paragraph 1 of the Malacanang decision because it is, after all, not inconsistent with the position of petitioner (underscoring supplied);
2. that allowances and benefits should be chargeable to the return to investment referred to in the second purpose of Section 3(a), if the schools should happen to have no other resources than incremental proceeds of authorized tuition fee increases, which is a question of fact which can be determined by the proper authorities as controversies may actually arise in relation thereto; and,
3. that paragraph 3 of the Malacanang decision is also affirmed.

Paragraph 1 of the Malacanang decision referred to above reads:

1. That the award of the P1.30 salary increase, as modified by the Agreement of the Parties of November 16, 1979, should, from June 1, 1978 to May 31, 1979, be treated as resulting from collective bargaining negotiation; and that for the succeeding schoolyears, the said salary increase together with the amount corresponding to a faculty members' (sic) share in the 'residue' of the 60% incremental proceeds from the 1979-approved tuition fee increases under Presidential Decree No. 451, should be treated as being in full compliance with the said Decree; (underscoring supplied)

The position of UE, which the Court considered as not inconsistent with the above-quoted portion of the Malacanang decision, was that salary increases, even those secured through collective bargaining, are chargeable against the sixty (60%) percent share of the employees in tuition fee increases.

The decision of this Court itself stated: "We read the latest Malacanang decision to mean that increase of salaries even those secured by collective bargaining may be charged to the sixty (60%) percent incremental proceeds of MEC authorized tuition fee increases. That is precisely the stand of petitioner."

We thus rule that under this Court's decision, salary increases, even those secured through collective bargaining, are chargeable against the sixty (60%) percent.

On the second component of the dispositive portion, the dispute between the parties is with respect to its actual

implementation. The University claims that certain items which it had already paid to the teachers constitute salary increases and are, therefore, deductible from the teachers' sixty (60%) percent share. Whether these payments indeed constitute salary increases or allowances and benefits can best be determined, not by how said items are called, but by the manner they were treated. If the amounts were incorporated into the basic salary, then such payments were intended to be salary increases; and hence, deductible from the sixty (60%) percent. Otherwise, they were intended to be allowances and benefits; hence, not so deductible. Or, as the Malacanang decision described them, allowances are temporary while salary increases are permanent. [Malacanang decision, p. 10.]

Paragraph 3 of the Malacanang decision, which was previously ordered to be executed, refers to the right of new faculty members "to share or participate in the sixty (60%) percent incremental proceeds from the 1974, 1976 and 1977 and/or 1979-approved tuition fee increases under PD 451 assessed and collected in the school-year of their employment and every school-year thereafter during the period of their employment as such."

To fully understand the legal effect of this portion of the decision, We quote the following portion:

A tuition fee increase under PD 451 is of permanent character as it is tacked to the 1974 tuition fee and is effected and collected in the school-year of approval and every school-year thereafter. Thus, the tuition fee increases approved in 1974, 1976 and 1977 were assessed and collected from the students enrolled in 1978, including the 60% incremental proceeds allocated under PD 451 for the salary increases of school teachers and employees.

Inasmuch as said tuition fee increases are permanent components of the basic tuition fees and are collected from the students enrolled in the current school-year, the 1978 new teachers, whether replacement or additional, should share in the 60% incremental proceeds from such tuition fee increases although they may have been approved in 1974, 1976 or 1977.

Consistently, therefore, with the nature of the case -- a bargaining deadlock case -- the third paragraph of the Malacanang decision still referred to what the contractual rights of the parties from 1978 to 1981 would be. The legal import of the third paragraph is that a new faculty member in 1978 would have for his starting pay, not the rate in 1974, but rather the 1974 rate plus whatever share a teacher of the same category was entitled to get under the three tuition fee increases. This increased basic pay, in turn, is the basis for computing salary-related benefits such as overtime and premium pay, holiday pay, vacation and sick leave pay, etc.

The decision was not granting the 1978 new teachers participation in 1974, 1976 and 1977 tuition fee increases collected during those years. To do so would have violated the time-honored principle of "no work, no pay". In fact, UEFA's claim of underpayment with respect to the 1974, 1976 and 1977 salary increases under PD 451 was rightly dismissed by the Office of the President, as it "is unmistakably a labor standard case which may be, or should have been prosecuted before the appropriate authority of primary jurisdiction . . . , and not a labor relations dispute like the instant case," and also because "such claim for underpayment was not one of the issues raised in this case or in this appeal, and therefore could not have been the subject of award or grant in the questioned decision, which in fact does not make such an award or grant."

It was also pointed out that "in the questioned decision, there is no finding that the salary increases given to UEFA's members in 1974, 1976 and 1977 were not in faithful or full compliance with PD 451. Neither is there a specific finding that UE had made some unauthorized or illegal deductions from the said salary increases. If there was a discussion in the questioned decision on such deductions, it was made in general statements without any specific finding that UE had actually made illegal deductions from the said salary increases in 1974, 1976 and 1977"

The parties themselves recognized that claims for underpayment of salary increases under PD 451 in the years 1974, 1976 and 1977 were not properly submitted for adjudication to the Labor Arbiter, the Minister of Labor, the Office of the President and then to this Court, when they stated in their agreed Mechanics of Implementation:

6. Respondent UEFA reserves its right to take proper legal steps to pursue its claim with respect to residues, if any, of the incremental proceeds from tuition fee increases granted in 1974, 1976 and 1977 under PD 451; petitioner likewise reserves its right to contest said claim in proper proceedings;

The City Sheriff of Manila in executing paragraph 3 of the Malacanang decision obviously went beyond said portion of the decision. First, he executed not only paragraph 3 of the decision. In his own words, he executed "the unsatisfied portion of the affirmed decision of the Office of the President which includes paragraph 3."

Second, he also unilaterally awarded to the faculty members amounts corresponding to the faculty members' share in tuition fee increases collected from 1974 to 1983!

A recomputation is therefore necessary for the proper execution of the judgment, and before We can determine whether there was indeed an overpayment, as claimed by UE, or an underpayment, as claimed by the UEFA. As this involves an examination of long accounts, a commissioner with the necessary competence on labor matters is needed.

WHEREFORE, the Court hereby orders the Department of Labor and Employment, to recompute conformably with this resolution, how much is due to the UEFA under the September 30, 1982 decision, and to submit such computation within fifteen (15) days from receipt of this Resolution. Meanwhile, both motions of UE and UEFA to withdraw the deposit now in trust with the bank are hereby DENIED. The recomputation shall be based on the following guidelines:

A. As to the first part of the Dispositive Portion -

1. The P1.30 salary increase shall be charged against the sixty (60%) percent share of the faculty members for the entire period from June 1, 1978 to May 31, 1981.
2. The residue of the sixty (60%) percent incremental proceeds from the 1979-approved tuition fee increases shall be incorporated into the basic salary.

B. As to the second part of the Dispositive Portion -

1. Allowances and benefits during the period shall not be charged against the sixty (60%) percent.
2. Salary increases whether mandated by law or secured by collective bargaining shall be charged against the share of the teachers in the sixty (60%) percent.
3. The payments made by UE shall be charged against the teachers' share in the sixty (60%) percent only if they constitute salary increases.

C. As to the third part of the Dispositive Portion -

1. The starting pay of new teachers appointed from June 1, 1978 onwards shall be the hiring rate in 1974 increased by the share of a teacher of the same category in the 1974, 1976 and 1977-approved tuition fee increases.
2. This increased basic pay shall be the basis for computing salary-related benefits.

SO ORDERED.

Teehankee, C.J., Yap, Melencio-Herrera, Gutierrez, Paras, Feliciano, Gancayco, Padilla, and Bidin, JJ., concur.

Fernan, J., no part. Took a position on this issue before appointment to the court.

Narvasa, J., no part. Prior public statement made on the issue before appointment to the court.

Cruz, J., no part, as a member of the UE faculty affected by the outcome of the case.

Sarmiento J., no part. The President of the petitioner association appeared as my counsel in a case.

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