

FELIX CARDOZ, TERESA VDA. DE ALITAO, FERNANDO CABALLERO, RODITO CANILLADA, ET AL., OSCAR CORNEJA, CAROLINA VDA. DE DERLA, REMEDIOS VDA. DE VERGARA, ROBERTO DORIGUEZ, DIONISIA GO...*G.R. Nos. 54768-54878. June 08, 1988*

Ponente: YAP, C.J.

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This is a petition for review of the order of the Ministry of Labor, dated November 20, 1979, denying petitioners' motions for execution of the awards for workmen's compensation benefits under the Workmen's Compensation Act before the phasing out of the Workmen's Compensation Commission by the Labor Code (P.D. No. 442).

The petition involves some 111 workmen's compensation cases that were originally filed with the Workmen's Compensation Unit, Department of Labor Office, Bacolod City. Of said number, 71 cases were against respondent Talisay-Silay Milling Co., Inc., (Talisay-Silay for brevity) while the remaining 40 cases were against respondent Bacolod-Murcia Milling Co., Inc. (Bacolod-Murcia for brevity).

The facts as shown by the available records disclose that in the early part of 1975, in anticipation of the abolition of the Workmen's Compensation Commission established under Act No. 3428, in accordance with P.D. No. 442 (Labor Code), more than 100 employees of Talisay-Silay filed claims for workmen's compensation and more than 100 employees of Bacolod-Murcia filed workmen's compensation claim against their respective companies. Awards of compensation benefits in favor of these employees were granted by the Workmen's Compensation Unit of the Department of Labor, Bacolod City. Instead of appealing the awards, the respondents Talisay-Silay and Bacolod-Murcia entered into an amicable settlement with the employees, in line with Department Order No. 3 of the Ministry of Labor, which authorized settlement of workmen's compensation claims, provided such settlement was free and voluntary and written in a language known to the parties. The said order declared that the settlement was final and binding between the parties. In the amicable settlement, the amounts specified in the document were the same as the amounts awarded to the claimants by the Bacolod Labor Office in the decision or award in the cases filed by the claimants before said office.

With respect to the claimants against Talisay-Silay, there were 71 who only received a partial payment of the amounts stated in the amicable settlement. These 71 employees are the petitioners herein who are demanding payment of the unpaid balance of the settlement.

As to the employees of Bacolod-Murcia, 40 failed to receive the full amount of the settlement; these are the petitioners in the instant case.

The corresponding check vouchers in favor of the petitioner-claimants showed that the amounts received by them were less than the agreed amounts stated in the amicable settlement. There is no question in our mind that the respondents still owe the petitioners the unpaid balance of the agreed amount. This is admitted by the Solicitor

General, as counsel for public respondents.

To collect the unpaid balance, the petitioners filed individual motions for execution before the Bacolod Regional Office, which elevated the matter to the Office of the Ministry of Labor. In an order dated November 20, 1979, the Deputy Minister of Labor denied the motions for lack of merit. The order states, among others, as follows:

"The terms of the settlement which incidentally were contained in a form prepared by the Workmen's Compensation Commission used simple words in English with Tagalog translation which are easily understandable. This document of settlement is accompanied by a motion to withdraw/dismiss. In both the document of settlement and the accompanying motion of dismissal, the parties were assisted by their respective counsels, demonstrating that they were the free and voluntary acts of the parties. At this stage, the intention of claimants, in reopening the cases becomes suspect, what with the lapse of more than four (4) years from the date of settlement. To say the least, there is bad faith behind the action.

This is one instance we believe exempted from the coverage of the provision of the Workmen's Compensation Act, as amended, on the prohibition on reduction of benefits. The terms of the settlement are fair and just. The agreement was entered when settlement of pending Workmen's Compensation cases was encouraged by the government as embodied in LOI 190 and Department Order No. 3 (Series of 1974). There is no reason to defeat the intention of the government in those policy setting instruments by punishing those who answered in good faith the call for early disposition of pending cases by later disregarding the actions made by virtue of the representation.

Accordingly, we uphold the validity of the settlement which are final and binding upon the parties."

The basis for the denial of petitioners' claim for the unpaid balance of the agreed amount embodied in the compromise settlement is obviously the mistaken perception of the Deputy Minister of Labor that the agreed amount had been fully paid and satisfied. Such premise, however, is incorrect, and the Solicitor General himself in his memorandum admits that "each claimant was paid the amount by respondent employer less than the amount stated in the document of settlement."

While we do not agree with the Solicitor General's conclusion that procedurally the Deputy Minister of Labor was correct in denying claimant-petitioners' motions for writ of execution of the awards in view of their withdrawal of their claim for workmen's compensation, we do not find it necessary to dwell at length on the matter. The motions of the claimants were filed after the claims had been decided and the awards had been made; moreover, it is not shown that the motions for withdrawal had been acted upon by the Bacolod Office of the Workmen's Compensation Unit, Department of Labor. In any event, the Solicitor General has taken the position that the respondent employers should be ordered to pay the amounts corresponding to the balance respectively due the petitioners, to be computed by the Ministry of Labor in accordance with the documents of settlement executed by the parties. We agree with the recommended action in the interest of giving substantial justice to petitioners who have waited all these years to receive payment of the unpaid balance of the agreed amounts due them.

WHEREFORE, the appealed order of the Ministry of Labor dated November 20, 1979 is set aside. The public respondent is hereby ordered to compute the balance due to each of herein petitioners under the documents of settlement executed by the parties in the workmen's compensation cases, and private respondent Talisay-Silay Milling Co., Inc. and Bacolod-Murcia Milling Co., Inc. are ordered to pay the amounts as computed, corresponding to the balance respectively due the petitioners herein. This decision is immediately executory.

SO ORDERED.

Melencio-Herrera, Paras, Padilla, and Sarmiento, JJ., concur.

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