Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

POWERHOUSE STAFFBUILDERS INTERNATIONAL, INC.,
Petitioner,

- versus -

ROMELIA REY, LIZA CABAD, EVANGELINE NICMIC, EVA LAMEYRA, ROSARIO ABORDAJE, LILYBETH MAGALANG, VENIA BUYAG, JAYNALYN NOLLEDO, IREN NICOLAS, AILEEN SAMALEA, SUSAN YBAÑEZ,• CHERYL ANN ORIA, MA. LIZA SERASPI, KATHERINE ORACION, and JEJ INTERNATIONAL MANPOWER SERVICES CORPORATION,
Respondents.

G.R. No. 190203

Present:
VELASCO, JR., *J.*, *Chairperson*,*
PERALTA, *Acting Chairperson*,**
PEREZ,
REYES, and
JARDELEZA, *JJ.*

Promulgated:

November 7, 2016

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DECISION

JARDELEZA, *J.*:

Before us is a petition for review on *certiorari* [1] under Rule 45 of the Revised Rules of Court filed by petitioner Powerhouse Staffbuilders International, Inc. (Powerhouse), seeking the review and reversal of the Decision[2] dated March 24, 2009 and the Resolution[3] dated November 10, 2009 of the Court of Appeals (CA) in CA-G.R. SP No. 100196 which dismissed its petition for *certiorari*.

• Also referred to as Susan Ybanez in other parts of the record.

* On leave.

** Designated as Acting Chairperson per Special Order No. 2395 dated October 19, 2016.

1 *Rollo*, pp. 21-61.

2 *Id.* at 65-84; penned by Associate Justice Mariflor P. Punzalan Castillo and concurred in by Associate Justices Lucas P. Bersamin (now Member of this Court) and Sixto C. Marella, Jr. (Special Fifteenth Division).

3 *Id.* at 86-89.

Facts

Powerhouse hired respondents Romelia Rey, Liza Cabad, Evangeline Nicmic, Eva Lameyra, Rosario Abordaje, Lilybeth Magalang, Venia Buyag, Jaynalyn Nolledo, Iren Nicolas, Aileen Samalea, Susan Ybañez, Cheryl Ann Oria, Ma. Liza Seraspi and Katherine Oracion (respondent employees) as operators for its foreign principal, Catcher Technical Co. Ltd./Catcher Industrial Co. Ltd. (Catcher), based in Taiwan, each with a monthly salary of NT$15,840.00 for the duration of two years commencing upon their arrival at the jobsite. They were deployed on June 2, 2000. Sometime in February 2001, Catcher informed respondent employees that they would be reducing their working days due to low orders and financial difficulties. The respondent employees were repatriated to the Philippines on March 11, 2001.[4]

On March 22, 2001, respondent employees filed separate complaints for illegal dismissal, refund of placement fees, moral and exemplary damages, as well as attorney's fees, against Powerhouse and Catcher before the Labor Arbiter[5] (LA) which were later consolidated upon their motion.[6] They alleged that on March 2, 2001, Catcher informed them that they would all be repatriated due to low orders of Catcher. Initially, they refused to be repatriated but they eventually gave in because Catcher stopped providing them food and they had to live by the donations/dole outs from sympathetic friends and the church.[7] Furthermore, during their employment with Catcher, the amount of NT$10,000.00 was unjustifiably deducted every month for eight to nine months from their individual salaries.[8]

On the other hand, Powerhouse maintained that respondent employees voluntarily gave up their jobs following their rejection of Catcher's proposal to reduce their working days. It contended that before their repatriation, each of the respondents accepted payments by way of settlement, with the assistance of Labor Attaché Romulo Salud.[9]

During the proceedings before the LA, Powerhouse moved to implead JEJ International Manpower Services (JEJ) as respondent on account of the alleged transfer to the latter of Catcher's accreditation.[10] The motion was granted and JEJ submitted its position paper, arguing that the supposed transfer of accreditation to it did not affect the joint and solidary liability of Powerhouse in favor of respondent employees. It averred that any contract between JEJ and Powerhouse could not be enforced in the case as it involved

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4 *Id.* at 175-176.
5 *Id.* at 176.
6 NLRC records, pp. 26-27; 52.
7 *Id.* at 66-67.
8 *Id.* at 66.
9 *Id.* at 99-100.
10 *Id.* at 32-34.

no employer-employee relationship and is therefore outside the jurisdiction of the labor arbiter.[12]

The LA, in a Decision[13] dated September 27, 2002, ruled in favor of the respondents, finding the respondent employees' dismissal and/or pre-termination of their employment contracts illegal. The dispositive portion of the LA's Decision reads:

> WHEREFORE, judgment is hereby rendered ordering [Powerhouse], William Go, [Catcher], Chen Wei, [JEJ] and Benedicto Javier to jointly and severally pay complainants the following amounts corresponding to the unexpired term of their employment contracts or three (3) months salaries whichever is less and refund of illegally deducted amounts in their wages:

NAME	REFUND OF DEDUCTED AMOUNTS IN WAGES IN NT$	UNEXPIRED[ ]TERM/ 3 MONTHS WAGES IN NT$
1. ROMELIA REY	NT$80,000.00	NT$47,520.00
2. LIZA CABAD	NT$80,000.00	NT$47,520.00
3. EVANGELINE NICMIC	NT$80,000.00	NT$47,520.00
4. EVA LAMEYRA	NT$80,000.00	NT$47,520.00
5. ROSARIO ABORDAJE	NT$80,000.00	NT$47,520.00
6. LILYBETH MAGALANG	NT$80,000.00	NT$47,520.00
7. VENIA BUYAG	NT$80,000.00	NT$47,520.00
8. JAYNALYN NOLLEDO	NT$80,000.00	NT$47,520.00
9. IREN NICOLAS	NT$80,000.00	NT$47,520.00
10. AILEEN SAMALEA	NT$80,000.00	NT$47,520.00
11. SUSAN YBA[Ñ]EZ	NT$80,000.00	NT$47,520.00
12. CHERYL ANN ORIA	NT$80,000.00	NT$47,520.00
13. MA. LIZA SERASPI	NT$80,000.00	NT$47,520.00
14. KATHERINE ORACION	NT$80,000.00	NT$47,520.00

> Respondents are further ordered to pay 10% attorney's fees.
>
> The complaint for moral damages, exemplary damages and other money claims are hereby disallowed for lack of merit.
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> SO ORDERED.[14]

The LA found that Powerhouse failed to substantiate its allegations that the respondent employees voluntarily pre-terminated their respective contracts of employment and received payments in consideration thereof and it was also unable to rebut respondents' alleged entitlement to refund of the amounts illegally deducted from their salaries. However, the LA also ruled that in accordance with Section 10 of Republic Act (R.A.) No. 8042,[15] the amount of wages the respondent employees are entitled to by reason of the

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12 *Id.* at 163-164.
13 *Rollo*, pp. 174-187.
14 *Id.* at 185-187.
15 Migrant Workers and Overseas Filipinos Act of 1995.

illegal dismissal/pre-termination of their employment contracts is equivalent to the unexpired term thereof or to three months for every year of service whichever is less.[15]

All the parties appealed to the National Labor Relations Commission (NLRC).

On appeal, the NLRC, in its Decision[16] dated July 31, 2006, affirmed the LA's Decision with modification. The NLRC absolved JEJ from liability, upon the NLRC's findings that it was not privy to the respondents' deployment.[17] It also held Powerhouse jointly and severally liable with William Go, Catcher, and Chen Wei to reimburse to respondents Magalang, Nicolas, Ybañez and Oria their placement fee of ₱19,000.00 each and ₱17,000.00 each to respondents Rey, Cabad, Nicmic, Lameyra, Abordaje, Buyag, Nolledo, Samalea, Seraspi and Oracion.[18]

Powerhouse moved for reconsideration but its motion was denied by the NLRC in its Resolution[19] dated May 31, 2007.

Aggrieved, Powerhouse elevated the matter to the CA via a Petition for *Certiorari*[20] imputing grave abuse of discretion on the part of the NLRC in declaring the repatriation of respondent employees as an act of illegal dismissal, awarding reimbursement of alleged salary deduction without factual basis or concrete and direct evidence, ordering the refund of the placement fees which is subject to the jurisdiction of the POEA, and dropping JEJ as a party respondent in total disregard of the POEA rules.[21]

On March 24, 2009, the CA rendered a Decision[22] dismissing Powerhouse's petition. The CA ruled that Powerhouse failed to comply with the 60-day period within which to file a petition for *certiorari* under Rule 65 of the Rules of Court. As alleged by Powerhouse itself, it received a copy of the May 31, 2007 Order of the NLRC on June 21, 2007; thus, the Rule 65 petition filed before the CA on August 21, 2007 was filed a day late, warranting its dismissal.[23] The CA ruled that Powerhouse's failure to perfect its appeal is not a mere technicality as it raises a jurisdictional problem, depriving it of jurisdiction.[24] The CA also found that Powerhouse failed to substantially comply with the requirements of certificate of forum shopping in its petition and ruled that the belated submission of the Secretary's

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15 *Rollo*, pp. 182-183.
16 *Id.* at 291-299.
17 *Id.* at 297-298.
18 *Id.* at 298.
19 *Id.* at 327.
20 *Id.* at 328-351.
21 *Id.* at 333.
22 *Id.* at 65-84.
23 *Id.* at 73-74.
24 *Id.* at 74.

Certificate in compliance with the CA's resolution did not cure the defect of Powerhouse's petition.[25]

Even on the merits, the CA found the petition deficient. It ruled that Powerhouse failed to prove that respondent employees were not illegally dismissed, or that they voluntarily resigned. The CA found that respondent employees were made to resign against their will as they were forced to sign resignation letters prepared by Catcher as an act of self-preservation, since Catcher stopped providing them food for their subsistence nine days before they were finally repatriated on March 11, 2001.[26] Respondent employees' intention to leave their work, as well as their act of relinquishment, is not present in this case. On the contrary, they vigorously pursued their complaint against Powerhouse and resignation is inconsistent with the filing of a complaint for illegal dismissal.[27] Furthermore, the photocopy of the undated and unsigned list supposedly furnished by Catcher to Powerhouse as proof that respondent employees received the amounts stated therein was not considered by the CA because these were not authenticated and are devoid of probative value.[28]

The CA likewise ruled that JEJ's liability for the monetary claims of respondent employees on account of the alleged transfer of accreditation to it has not been established absent any substantial evidence to show that such transfer had in fact been effected. Nothing in the letters attached by Powerhouse in its motion for reconsideration before the NLRC shows or even remotely suggests that the transfer pushed through with POEA's *imprimatur*. Powerhouse presented the Affidavit of Assumption of Responsibility executed by the president of respondent JEJ to the CA, but the CA ruled that it could not consider the same without running afoul with the requirements of due process, as it would deprive the respondents of the opportunity to examine and controvert the same.[29]

Powerhouse moved for reconsideration of the CA Decision but the same was denied in a Resolution[30] dated November 10, 2009. Powerhouse's Omnibus Motion for Leave of Court to Present Additional Evidence and to Set Case for Oral Arguments was denied in the same resolution.

Hence, Powerhouse filed this petition for review on *certiorari,* under Rule 45 of the Revised Rules of Court, challenging the CA Decision. Powerhouse likewise sought injunctive relief in its petition which was granted by this Court through the issuance of a Temporary Restraining Order[31] on March 3, 2010, enjoining the CA, the NLRC, the LA and the respondents from enforcing the assailed Decision and Resolution.

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25 *Id.* at 72.
26 *Id.* at 75-77.
27 *Id.* at 78.
28 *Id.* at 78-80.
29 *Id.* at 82-84.
30 *Supra* note 3.
31 *Rollo*, pp. 441-443.

Issues

In assailing the CA Decision, the petition raises three issues:

> I. WHETHER OR NOT THERE IS ILLEGAL DISMISSAL IF WORKERS CHOOSE TO LEAVE THEIR PLACE OF WORK.
>
> II. WHETHER OR NOT MONETARY AWARDS IN LABOR CASES MAY BE AWARDED BASED ON MERE ALLEGATIONS.
>
> III. WHETHER OR NOT THE TRANSFER OF ACCREDITATION TO ANOTHER RECRUITMENT AND PLACEMENT AGENCY, AS WELL AS THE ASSUMPTION OF ANY LIABILITY AS A CONSEQUENCE OF THIS TRANSFER, RELIEVED THE ORIGINAL RECRUITMENT AND PLACEMENT AGENCY FROM ANY LIABILITY.[32]

Powerhouse, in questioning the appellate court's ruling, also calls the attention of this Court to their substantial compliance with all the procedural requirements in filing their Petition for *Certiorari* before the CA and prays for a liberal interpretation of the rules in the interest of substantial justice.

The Court's Ruling

Before going into the substantive merits of the case, we shall first resolve the procedural issues raised by respondents in their respective Comments.

In their Comment,[33] respondent employees assert that Powerhouse failed to show any justifiable reason why it should be excused from the operation of the rules.[34] Moreover, the CA actually resolved the petition on the merits but Powerhouse showed nothing to earn a favorable ruling.[35]

On the other hand, JEJ, in its Comment,[36] avers that Powerhouse failed to raise as an issue the dismissal of Powerhouse's petition due to its gross and blatant violations of the requirements of Rule 65. Instead, Powerhouse made assignments of errors, or what it called "novel questions of law," which is just a ploy to seek the review of the factual findings of the CA and the NLRC.[37]

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32 *Id.* at 30.
33 *Id.* at 462-474.
34 *Id.* at 463.
35 *Id.* at 463-464.
36 *Id.* at 482-500.
37 *Id.* at 483.

The petition in the CA was timely filed.

Section 4, Rule 65 of the 1997 Rules of Civil Procedure, as amended,[38] provides:

> Sec. 4. *When and where petition filed.* — The petition shall be filed not later than sixty (60) days from notice of the judgment, order or resolution. In case a motion for reconsideration or new trial is timely filed, whether such motion is required or not, the sixty (60) day period shall be counted from notice of the denial of said motion.
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In this case, Powerhouse received on June 21, 2007, a copy of the May 31, 2007 Order of the NLRC denying its motion for reconsideration.[39] Thus, it had 60 days, or until August 20, 2007, to file a petition for *certiorari* before the CA. However, since August 20, 2007 was proclaimed by President Arroyo as a special non-working day pursuant to Proclamation No. 1353, series of 2007, Powerhouse had until the next working day, August 21, 2007 to file its petition. The relevant portion of Rule 22, Section 1 provides: "x x x If the last day of the period, as thus computed, falls on a Saturday, a Sunday, or a legal holiday in the place where the court sits, the time shall not run until the next working day." Thus, the petition filed on August 21, 2007 was timely filed.

Powerhouse substantially complied with the requirements of verification and certification against forum shopping.

In previous cases, we held that the following officials or employees of the company can sign the verification and certification without need of a board resolution: (1) the Chairperson of the Board of Directors; **(2) the President of a corporation; (3) the General Manager or Acting General Manager;** (4) Personnel Officer; and (5) an Employment Specialist in a labor case.[40] The rationale applied in these cases is to justify the authority of corporate officers or representatives of the corporation to sign the

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[38] A.M. No. 00-02-03-SC, *Re: Reglementary Periods to File Petitions for Certiorari,* September 1, 2000.

[39] *Rollo,* p. 333.

[40] *Cagayan Valley Drug Corporation v. Commissioner of Internal Revenue*, G.R. No. 151413, February 13, 2008, 545 SCRA 10, 18, citing *Lepanto Consolidated Mining Company v. WMC Resources International Pty. Ltd. (Lepanto),* G.R. No. 153885, September 24, 2003, 412 SCRA 101, 109; *Novelty Philippines, Inc. v. Court of Appeals*, G.R. No. 146125, September 17, 2003, 411 SCRA 211, 217-220; *Pfizer, Inc. v. Galan,* G.R. No. 143389, May 25, 2001, 358 SCRA 240, 246-248; and *Mactan-Cebu International Airport Authority v. Court of Appeals*, G.R. No. 139495, November 27, 2000, 346 SCRA 126, 132-133.

verification or certificate against forum shopping, being "in a position to verify the truthfulness and correctness of the allegations in the petition."[41]

In this case, the verification and certification[42] attached to the petition before the CA was signed by William C. Go, the President and General Manager of Powerhouse, one of the officers enumerated in the foregoing recognized exception. While the petition was not accompanied by a Secretary's Certificate, his authority was ratified by the Board in its Resolution adopted on October 24, 2007.[43] Thus, even if he was not authorized to execute the Verification and Certification at the time of the filing of the Petition, the ratification by the board of directors retroactively confirms and affirms his authority and gives us more reason to uphold that authority.[44]

Nevertheless, on the merits, the petition must fail.

It bears stressing that in a petition for review on *certiorari*, the scope of the Supreme Court's judicial review of decisions of the CA is generally confined only to errors of law. The Supreme Court is not a trier of facts, and this doctrine applies with greater force in labor cases. Factual questions are for the labor tribunals to resolve.[45]

Respondents maintain that the petition, in the guise of raising novel questions of law, is in reality seeking a review of the factual findings of the CA and the NLRC.[46]

We agree with the respondents.

In this case, although the three issues raised in the petition were stated in a manner in which they would appear to be purely legal issues, they actually assume facts contrary to the factual findings of the LA, the NLRC, and the CA and thus call for a re-examination of the evidence, which this Court cannot entertain.[47] Thus, the three issues presented by Powerhouse—the liability of the transferee agency, the existence of illegal dismissal and the basis for the monetary awards—are factual issues which have all been ruled upon by the LA, the NLRC, and the CA.

The well-entrenched rule, especially in labor cases, is that findings of fact of quasi-judicial bodies, like the NLRC, are accorded with respect, even finality, if supported by substantial evidence. Particularly when passed upon and upheld by the CA, they are binding and conclusive upon the Supreme

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41 *Cagayan Valley Drug Corp. v. CIR*, *supra*, at 18-19.
42 CA *rollo*, p. 22.
43 *Id.* at 162.
44 See *Swedish Match Philippines, Inc. v. Treasurer of the City of Manila*, G.R. No. 181277, July 3, 2013, 700 SCRA 428, 437.
45 *Alfaro v. Court of Appeals*, G.R. No. 140812, August 28, 2001, 363 SCRA 799, 806.
46 *Rollo*, pp. 464; 483.
47 *G & M (Phils.), Inc. v. Cruz*, G.R. No. 140495, April 15, 2005, 456 SCRA 215, 220.

Court and will not normally be disturbed.[49]

The Court finds no reason in this case to depart from such doctrine.

The evidence on record supports the findings of the CA and the NLRC.

Respondent employees were illegally dismissed.

The *onus* of proving that an employee was not dismissed or, if dismissed, his dismissal was not illegal, fully rests on the employer, and the failure to discharge the *onus* would mean that the dismissal was not justified and was illegal. The burden of proving the allegations rests upon the party alleging and the proof must be clear, positive, and convincing.[50]

Here, there is no reason to overturn the factual findings of the Labor Arbiter, the NLRC and the CA, all of which have unanimously declared that respondent employees were made to resign against their will after the foreign principal, Catcher, stopped providing them food for their subsistence as early as March 2, 2001, when they were informed that they would be repatriated, until they were repatriated on March 11, 2001.

The filing of complaints for illegal dismissal immediately after repatriation belies the claim that respondent employees voluntarily chose to be separated and repatriated. Voluntary repatriation, much like resignation, is inconsistent with the filing of the complaints.[51]

Respondent employees are entitled to the payment of monetary claims.

We also agree that respondent employees are entitled to money claims and full reimbursement of their respective placement fees. However, the award of the three-month equivalent of respondent employees' salaries should be increased to the amount equivalent to the unexpired term of the employment contract in accordance with our rulings in *Serrano v. Gallant Maritime Services, Inc.*[52] and *Sameer Overseas Placement Agency, Inc. v. Cabiles.*[53]

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[49] *G & M (Phils.), Inc. v. Cruz, supra* at 217; *San Juan De Dios Educational Foundation Employees Union-Alliance of Filipino Workers v. San Juan De Dios Educational Foundation, Inc.*, G.R. No. 143341, May 28, 2004, 430 SCRA 193, 205-206.

[50] *Tatel v. JLFP Investigation and Security Agency, Inc.*, G.R. No. 206942, December 9, 2015.

[51] See *Nationwide Security and Allied Services, Inc. v. Valderama*, G.R. No. 186614, February 23, 2011, 644 SCRA 299; *Talidano v. Falcon Maritime & Allied Services, Inc.*, G.R. No. 172031, July 14, 2008, 558 SCRA 279, 292, citing *Oriental Shipmanagement Co., Inc. v. Court of Appeals*, G.R. No. 153750, January 25, 2006, 480 SCRA 100, 110.

[52] G.R. No. 167614, March 24, 2009, 582 SCRA 255.

[53] G.R. No. 170139, August 5, 2014, 732 SCRA 22.

In *Serrano*, we declared unconstitutional the clause in Section 10 of R.A. No. 8042 limiting the wages that could be recovered by an illegally dismissed overseas worker to three months. We held that the clause "or for three (3) months for every year of the unexpired term, whichever is less" (subject clause) is both a violation of the due process and equal protection clauses of the Constitution.[53] In 2010, upon promulgation of Republic Act No. 10022,[54] the subject clause was reinstated.[55] Presented with the unique situation that the law passed incorporated the exact clause already declared unconstitutional, without any perceived substantial change in the circumstances, in *Sameer*, we, once again, declared the reinstated clause unconstitutional, this time as provided in Section 7 of R.A. No. 10022.[56]

We likewise affirm the refund to the respondent employees of the unauthorized monthly deductions in the amount of NT$10,000.00. Contrary to Powerhouse's contention that the claim for refund was based merely on allegations, respondent employees were able to present proof before the NLRC in the form of the two (2) passbooks given to each of them by their foreign employer. According to respondent employees, the "First Passbooks," where their salaries, including their overtime pay were deposited, were in the custody of the employer, while the "Second Passbooks" where their allowances were deposited, were in their custody. They were only able to make withdrawals from their Second Passbooks, however, their foreign employer made illegal deductions from their First Passbooks.[57] The pertinent pages of these First Passbooks are part of the record of this case.[58] Considering that Powerhouse failed to dispute this claim, the same is deemed admitted.[59]

It must be remembered that the burden of proving monetary claims rests on the employer. The reason for this rule is that the pertinent personnel

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53 *Supra* note 52, at 302-304.

54 An Act Amending Republic Act No. 8042, Otherwise Known as the Migrant Workers and Overseas Filipinos Act of 1995, as amended, Further Improving the Standard of Protection and Promotion of the Welfare of Migrant Workers, their Families and Overseas Filipinos in Distress, and for Other Purposes.

55 R.A. No. 10022, Section 7. Section 10 of Republic Act No. 8042, as amended, is hereby amended to read as follows:

> "SEC. 10. Money Claims. - Notwithstanding any provision of law to the contrary, the Labor Arbiters of the National Labor Relations Commission (NLRC) shall have the original and exclusive jurisdiction to hear and decide, within ninety (90) calendar days after the filing of the complaint, the claims arising out of an employer-employee relationship or by virtue of any law or contract involving Filipino workers for overseas deployment including claims for actual, moral, exemplary and other forms of damage. Consistent with this mandate, the NLRC shall endeavor to update and keep abreast with the developments in the global services industry.
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> "In case of termination of overseas employment without just, valid or authorized cause as defined by law or contract, or any unauthorized deductions from the migrant worker's salary, the worker shall be entitled to the full reimbursement if his placement fee and the deductions made with interest at twelve percent (12%) per annum, plus his salaries for the unexpired portion of his employment contract or **for three (3) months for every year of the unexpired term, whichever is less.**
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> x x x (Emphasis supplied.)

56 *Supra* note 53, at 54-55.

57 *Rollo*, pp. 260-261.

58 NLRC records, pp. 295-322.

59 RULES OF COURT, Rule 8, Sec. 11 in relation to Sec. 3, Rule 1 of the NLRC Rules of Procedure.

files, payrolls, records, remittances and other similar documents are not in the possession of the worker but in the custody and absolute control of the employer.[60] Thus, in failing to present evidence to prove that Catcher, with whom it shares joint and several liability with under Section 10 of R.A. No. 8042, had paid all the monetary claims of respondent employees, Powerhouse has, once again, failed to discharge the *onus probandi*; thus, the LA and the NLRC properly awarded these claims to respondent employees.

Respondent employees are likewise entitled to the payment of interest over their monetary claims.

In the matter of the applicable interest rates over the monetary claims awarded to respondent employees, Section 10 of R.A. No. 8042 provides that "[i]n case of termination of overseas employment without just, valid or authorized cause as defined by law or contract, the workers shall be entitled to the full reimbursement of his placement fee **with interest of twelve percent (12%) *per annum.***" However, this provision does not provide a specific interest rate for the award of salary for the unexpired portion of the employment contract nor for the other money claims the respondent employees are entitled to.

In *Sameer*, we held that *Bangko Sentral ng Pilipinas* Circular No. 799 issued on June 21, 2013,[61] which revised the interest rate for loan or forbearance of money from twelve percent (12%) to six percent (6%) in the absence of stipulation, is not applicable when there is a law that states otherwise. Thus, Circular No. 799 does not have the effect of changing the interest on awards for reimbursement of placement fees from twelve percent (12%), as provided in Section 10 of R.A. No. 8042, to six percent (6%). However, Circular No. 799 applies to the award of salary for the unexpired portion of the employment contract and the other money claims of the employees since the law does not provide a specific interest rate for these awards.[62]

Accordingly, the placement fees in the amount of ₱19,000.00 each which are to be reimbursed to respondents Magalang, Nicolas, Ybañez and Oria, and the placement fees in the amount of ₱17,000.00 each which are to be reimbursed to respondents Rey, Cabad, Nicmic, Lameyra, Abordaje, Buyag, Nolledo, Samalea, Seraspi and Oracion, shall earn interest at a rate of twelve percent (12%) *per annum* from finality of this decision until full payment thereof.

On the other hand, the other monetary awards, specifically respondent employees' salaries for the unexpired term of their employment contract, the illegal deductions which are to be refunded to them, and the award of

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60 *Villar v. National Labor Relations Commission,* G.R. No. 130935, May 11, 2000, 331 SCRA 686, 695.
61 Re: Rate of Interest in the Absence of Stipulation. Circular No. 799 took effect on July 1, 2013.
62 *Supra* note 53, at 64-68.

attorney's fees in their favor, shall earn interest at the rate of six percent (6%) *per annum* from finality of this decision until full payment thereof.[64]

Powerhouse is liable for the monetary claims.

We likewise agree with the CA and the NLRC that JEJ could not be held liable for the monetary claims of respondent employees on account of the alleged transfer of accreditation to it. Nothing in the two letters attached by Powerhouse in its motion for reconsideration before the NLRC proved that the alleged transfer pushed through with POEA's *imprimatur*. At best, these show that Catcher intended to appoint JEJ as its new agent and Powerhouse had no objection to such transfer.[65]

Even the Affidavit of Assumption of Responsibility submitted to the CA cannot absolve Powerhouse of its liability.

The terms of Section 10 of R.A. No. 8042 clearly states the solidary liability of the principal and the recruitment agency to the employees and this liability shall not be affected by any substitution, amendment or modification for the entire duration of the employment contract, to wit:

> Sec. 10. *Monetary Claims*. — Notwithstanding any provision of law to the contrary, the Labor Arbiters of the National Labor Relations Commission (NLRC) shall have the original and exclusive jurisdiction to hear and decide, within ninety (90) calendar days after the filing of the complaint, the claims arising out of an employer-employee relationship or by virtue of any law or contract involving Filipino workers for overseas deployment including claims for actual, moral, exemplary and other forms of damages.
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> **The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several.** This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to be filed by the recruitment/placement agency, as provided by law, shall be answerable for all monetary claims or damages that may be awarded to the workers. **If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarily liable with the corporation or partnership for the aforesaid claims and damages.**
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> **Such liabilities shall continue during the entire period or duration of the employment contract and shall not be affected by any substitution, amendment or**

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64 See *Nacar v. Gallery Frames*, G.R. No. 189871, August 13, 2013, 703 SCRA 439, 458.

65 *Rollo*, pp. 82-84.

modification made locally or in a foreign country of the said contract. (Emphasis supplied.)

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In *Skippers United Pacific, Inc. v. Maguad*,[65] we ruled that the provisions of the POEA Rules and Regulations are clear enough that the manning agreement extends up to and until the expiration of the employment contracts of the employees recruited and employed pursuant to the said recruitment agreement.[66] In that case, we held that the Affidavits of Assumption of Responsibility, though valid as between petitioner Skippers United Pacific Inc. and the other two manning agencies, were not enforceable against the respondents (the employees) because the latter were not parties to those agreements.[67]

In this case, even if there was transfer of accreditation by Catcher from Powerhouse to JEJ, Powerhouse's liability to respondent employees remained intact because respondent employees are not privy to such contract, and in their overseas employment contract approved by POEA, Powerhouse is the recruitment agency of Catcher. To relieve Powerhouse from liability arising from the approved overseas employment contract is to change the contract without the consent from the other contracting party, respondent employees in this case.

To rule otherwise and free Powerhouse of liability against respondent employees would go against the rationale of R.A. No. 8042 to protect and safeguard the rights and interests of overseas Filipinos and overseas Filipino workers, in particular, and run contrary to this law's intention to an additional layer of protection to overseas workers.[68] This ensures that overseas workers have recourse in law despite the circumstances of their employment. By providing that the liability of the foreign employer may be "enforced to the full extent" against the local agent, the overseas worker is assured of immediate and sufficient payment of what is due them. Corollarily, the provision on joint and several liability in R.A. No. 8042 shifts the burden of going after the foreign employer from the overseas worker to the local employment agency. However, the local agency that is held to answer for the overseas worker's money claims is not left without remedy. The law does not preclude it from going after the foreign employer for reimbursement of whatever payment it has made to the employee to answer for the money claims against the foreign employer.[69]

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[65] G.R. No. 166363, August 15, 2006, 498 SCRA 639.

[66] *Id.* at 669.

[67] *Id.*

[68] See *Becmen Service Exporter and Promotion, Inc. v. Cuaresma,* G.R. Nos. 182978-79, April 7, 2009, 584 SCRA 690 and *Sevillana v. I.T. (International) Corp.*, G.R. No. 99047, April 16, 2001, 356 SCRA 451.

[69] *Sameer Overseas Placement Agency, Inc. v. Cabiles*, *supra* note 53 at 70.

WHEREFORE, the petition is **DENIED**. The Decision dated March 24, 2009 of the Court of Appeals **DISMISSING** the petition in CA-G.R. SP No. 100196 is hereby **AFFIRMED** with the **MODIFICATION** that each of the respondent employees are **AWARDED** their salaries for the entire unexpired portion of their respective employment contracts computed at the rate of NT$15,840.00 per month at an interest of six percent (6%) *per annum* from the finality of this decision until full payment thereof.

Further, the award of placement fees in respondent employees' favor shall earn interest at the rate of twelve percent (12%) *per annum* from finality of this decision until full payment thereof.

Furthermore, the illegally deducted amounts which were ordered to be refunded to respondent employees, as well as the attorney's fees awarded to respondent employees, shall earn interest at the rate of six percent (6%) *per annum* from finality of this decision until full payment thereof.

The temporary restraining order issued on March 3, 2010 is hereby **DISSOLVED**.

SO ORDERED.

FRANCIS H. JARDELEZA
Associate Justice

WE CONCUR:

(On Leave)
PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson

DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson

JOSE PORTUGAL PEREZ
Associate Justice

BIENVENIDO L. REYES
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA
Associate Justice
Acting Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Acting Chairperson's attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIA LOURDES P. A. SERENO
Chief Justice

CERTIFIED TRUE COPY
WILFREDO V. LAPITAN
Division Clerk of Court
Third Division
DEC 01 2016