SUPREME COURT
THIRD DIVISION

RAJAH HUMABON HOTEL, INC., RAJAH SOLIMAN HOTEL, INC. and/or PETER PO,

***Petitioners*,**

-versus-

G.R. Nos. 100222-23
September 14, 1993

HON. CRESENCIANO B. TRAJANO, as Undersecretary of Department of Labor and Employment, WENCESLAO PEDROSA, VICTOR BUAL, ROBERTO ESPINA, PROSPERO MANIS, PEDRO ABASOLO, WILLY ESPINA, MILA ALQUINO, NOMER HIPULAN, JOSIE LAXAMANA, SENEN POSTRERO, ANTONIO PAQUERA, CELIA TAN, ROLLY TOLIDANO, JULIO TALLE, CARLITO BULALOAN, BONIFACIO BUSTAMANTE, JAIME CHOY, SININIO DAYOHOY, FIDELA GUELEN, CLEMENTA INTOC, ELIEZER LADUCE, ALBERTO ORCULLO, JESUS PANAL, GAVINO PATAN-OG and IRENEO RESMA, JR.,

***Respondents*.**

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D E C I S I O N

MELO, *J.*:

For redress in regard to underpaid wages and non-payment of benefits, the herein respondents-employees turned to the regional director of the Department of Labor and Employment. The jurisdictional competence of such official is, however, disputed and challenged by the employers in the instant petition who contend that it is the labor arbiter who may properly entertain the grievance.

Subsequent to the institution by herein private respondents on March 14, 1989 of the initial pleading with Regional Office No. 7 of the Department of Labor and Employment stationed at Cebu City, herein petitioners were instructed to allow the inspection of the employment records of private respondents on April 4, 1989. However, no inspection could be done on that date on account of the picket staged by other workers at petitioners' premises which prevented the inspectors' entry thereat.

At the re-scheduled examination after the closure of petitioners' business on April 16, 1989, instead of presenting the payrolls and daily time records of private respondents, petitioner Peter Po submitted a motion to dismiss on the supposition that the regional director has no jurisdiction over the case because the employer-employee relationship had been severed as a result of the closure of petitioners' business, apart from the fact that each of the claims of private respondents exceeded the jurisdictional limit of P5,000.00 pegged by Republic Act No. 6715 or the New Labor Relations Law.

Private respondents opposed the motion by advancing the proposition that in addition to the money claims, they were also asking for enforcement of labor standard laws which they assert to be within the authority of the regional director. Petitioners reacted via a reply by reiterating their previous stance on the labor arbiter's jurisdiction.

Petitioners' formal plea in avoidance did not merit the regional director's approval who observed in the process of sustaining his competencia on September 25, 1989 that:

> x x x since this case was filed at the time where employer-employee relationship still existed the subsequent termination of the complainants' employment does not divest this Office of its jurisdiction to hear this case on the merits thru summary investigation, for the separation of the complainants is a scheme to elude the inspection of the payrolls and daily time records in order that no complete relief can be laid down by this Office. Respondent was given a chance to contest the claims of the complainants for violations of labor standards laws thru summary investigation on two occasions but instead filed a Motion to Dismiss which is not meritorious considering that this Office has original and exclusive jurisdiction to conduct summary investigation on the merits of the case. The complainants executed individual affidavits to support their claims and after a careful perusal of the same it was noted that respondent has been found to have violated the following, to wit:
>
> 1. Underpayment of minimum wage covering the period from December 14, 1987 to March 31, 1989 in the aggregate amount of TWO HUNDRED EIGHTY SEVEN THOUSAND ONE HUNDRED FORTY ONE AND 55/100 (287,141.55); and
>
> 2. Non-payment of service incentive leave for the years 1987 to 1988 in the aggregate amount of THREE THOUSAND EIGHT HUNDRED FORTY PESOS (P3,840.00).
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> WHEREFORE, in the light of the foregoing circumstances, respondents' Motion to Dismiss is hereby DENIED and further, respondents RAJAH SOLIMAN AND/OR MR. PETER PO AND RAJAH HUMABON HOTEL AND/OR MR. PETER PO are hereby ordered to pay the complainants the aggregate amount of TWO HUNDRED NINETY THOUSAND NINE HUNDRED EIGHTY TWO PESOS & 55/100 (P290,982.55) representing underpayment of minimum wage for the period from December 14, 1987 to March 31, 1989 and service incentive leave for the

years 1987 and 1988 within ten (10) calendar days upon receipt of this Order, broken down as follows:

	Name	Minimum Wage	Service Incentive	Total
1.	Wenceslao Pedrosa	P7,254.00	—	P 7,254.002
2.	Victor Bual	12,090.00	—	12,090.00
3.	Roberto Espina	12,090.00	—	12,090.00
4.	Prospero Manis	12,896.00	P640.00	13,536.00
5.	Pedro Abasolo	7,254.00	—	7,254.00
6.	Willy Espina	13,299.00	—	13,299.00
7.	Mila Alquino	11,687.00	—	11,687.00
8.	Nomer Hipulan	8,060.00	640.00	8,700.00
9.	Josie Laxamana	12,291.50	—	12,291.50
10.	Senen Postrero	10,276.50	640.00	10,916.50
11.	Antonio Paquera	8,060.00	640.00	8,700.00
12.	Celia Tan	12,090.00	—	12,090.00
13.	Rolly Tolidano	12,896.00	—	12,896.00
14.	Julio Talle	12,896.00	—	12,896.00
15.	Carlito Bulaloan	9,269.00	640.00	9,999.00
16.	Bonifacio Bustamante	11,492.00	640.00	12,132.00
17.	Jaime Choy	14,911.00	—	14,911.00
18.	Sininio Dayohoy	10,881.00	—	10,881.00
19.	Fidela Guelen	10,881.00	—	10,881.00
20.	Clemente Intoc	12,231.05	—	12,231.05
21.	Eliezer Laduca	12,896.00	—	12,896.00
22.	Alberto Orcullo	12,896.00	—	12,896.00
23.	Jessie Panal	16,926.00	—	16,926.00
24.	Gavino Patan-og	7,917.00	—	7,917.00
25.	Ireneo Resma, Jr.	13,702.00	—	13,702.00
TOTAL:		P287,142.05	P3,840.00	P290,982.05

(pp. 28-30, Rollo).

The foregoing findings were affirmed, both on the aspect of the regional director's authority and the awards, when the propriety thereof was raised on appeal to the Department of Labor and Employment, thus:

> We cannot agree with the respondents' claim that the subsequent severance of employer-employee relationship between the parties divested the Regional Director of his jurisdiction over the case. It is settled that in labor standards cases the employer-employee relationship at least must exist at

> the time of the filing of the complaint. Any supervening termination of such relationship is immaterial. Thus, the Regional Director continues to have jurisdiction over the case until he finally disposes of the same.
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> In the case at bar, the records show that the complainants filed their complaint on March 14, 1989. It was only on April 16, 1989 that they ceased as employees of the respondents when the latter closed down its business. There is no question then that at the time the complainants filed their complaints, the employer-employee relationship between the parties still existed. Hence, jurisdiction over this case was validly acquired by and remained with the Regional Director.
>
> Likewise, we find without merit respondents' contention that jurisdiction over this case belongs to the Labor Arbiter because complainants' money claim exceeded P5,000.00.

It should be emphasized that the provision of par. 6, Art. 217, refers only to simple money claims of domestic workers. In this case, respondents' employers are not domestic workers. Thus, the foregoing provision should not be made to apply to them. Also, in the Brokenshire Memorial Hospital case (G.R. No. 74621, February 7, 1990), the Supreme Court adopted the view taken by Mr. Justice Andres Narvasa in his separate opinion in the Briad Agro Dev. Corp. vs. Hon. Dionisio C. dela Serna (G.R. No. 82805, June 29, 1989) case, the pertinent portion of which reads as follows, to wit:

> "If the amount involved does not exceed P5,000.00 the Regional Director undeniably has jurisdiction. But even if the amount of the claim exceeds P5,000.00 the claim is not on that account necessarily removed from the Regional Director's competence. In respect thereof, he may still exercise the visitorial and enforcement powers vested in him by Article 128 of the Labor Code, as amended, supra; that is to say he may still direct his labor regulations officers or industrial safety engineers to inspect the employer's premises and examine his records; and if the Officers should find that there have been violations of labor standards provisions the Regional Director may, after due notice and hearing, order compliance by the

> employer therewith and issue writ of execution to the appropriate authority for the enforcement thereof."

In the present case, records show that the complainants were still respondents' employees at the time the complaint was filed and that respondents have not contested the findings of the labor inspector. It is clear, therefore, that jurisdiction here belongs to the Regional Director.

Finally, we find that respondents here were given ample opportunity to contest the claims of the complainants. As the records bear out, two (2) summary investigations were conducted in this case where the respondents appeared and actively defended themselves. Obviously, the respondent were not deprive of their right to due process of law. (pp. 35-37, Rollo).

Petitioners' subsequent motion for re-evaluation failed to elicit the desired response. Hence, the petition at bar.

On July 3, 1991, a temporary restraining order was issued enjoining respondents from implementing the assailed orders of the Department of Labor and Employment until further instructions from the Court (p. 43, Rollo).

Petitioners asseverate that with the severance of employer-employee relations, the claims of private respondents have become simple monetary demands which should instead be ventilated with the labor arbiter, pursuant to the doctrine enunciated in Maternity Children's Hospital vs. Secretary of Labor (174 SCRA 632; 651 [1989]) and the concurring opinion of then Justice, now Chief Justice Narvasa in Briad Agro Development Corp. vs. Dela Serna (174 SCRA 524 [1989]).

Shifting the disquisition to the pertinent provisions of Republic Act No. 6715, petitioners invoke Articles 129 and 217 of the Labor Code which, respectively, read:

> ART. 129. Recovery of wages, simple money claims and other benefits. — Upon complaint of any interested party, the regional director of the Department of Labor and Employment or any of the duly authorized hearing officers of the Department is

empowered, through summary proceeding and after due notice, to hear and decide any matter involving the recovery of wages and other monetary claims and benefits, including legal interest, owing to an employee or person employed in domestic or household service or househelper under this Code, arising from employer-employee relations: Provided, That such complaint does not include a claim for reinstatement, Provided further, that the aggregate money claims of each employee or househelper does not exceed five thousand pesos (P5,000.00). The regional director or hearing officer shall decide or resolve the complaint within thirty (30) calendar days from the date of the filing of the same. Any sum thus recovered on behalf of any employee or househelper pursuant to this Article shall be held in a special deposit account by, and shall be paid on order of, the Secretary of Labor and Employment or the regional director directly to the employee or househelper concerned. Any such sum not paid to the employee or househelper, because he cannot be located after diligent and reasonable effort to locate him within a period of three (3) years, shall be held as a special fund of the Department of Labor and Employment to be used exclusively for the amelioration and benefit of workers.

Any decision or resolution of the regional director or hearing officer pursuant to this provision may be appealed on the same grounds provided in Article 223 of this Code, within five (5) calendar days from receipt of a copy of said decision or resolution, to the National Labor Relations Commission which shall resolve the appeal within ten (10) calendar days from the submission of the last pleading required or allowed under its rules.

The Secretary of Labor and Employment or his duly authorized representative may supervise the payment of unpaid wages and other monetary claims and benefits, including legal interest, found owing to any employee or househelper under this Code.

ART. 217. Jurisdiction of Labor Arbiters and the Commission. — (a) Except as otherwise provided under this Code the Labor Arbiters shall have original and exclusive jurisdiction to hear and decide, within thirty (30) calendar days after the submission of the case by the parties for decision without extension, even in the absence of

stenographic notes, the following cases involving all workers, whether agricultural or non-agricultural:

1. Unfair labor practice cases;

2. Termination disputes;

3. If accompanied with a claim for reinstatement, those cases that workers may file involving wages, rates of pay, hours of work and other terms and conditions of employment;

4. Claims for actual, moral, exemplary and other forms of damages arising from the employer-employee relations.

5. Cases arising from any violation of Article 264 of this Code, including questions involving the legality of strikes and lockouts;

6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.

(b) The Commission shall have exclusive appellate jurisdiction over all cases decided by Labor Arbiters.

(c) Cases arising from the interpretation or implementation of collective bargaining agreements and those arising from the interpretation or enforcement of company personnel policies shall be disposed of by the Labor Arbiter by referring the same to the grievance machinery and voluntary arbitration as may be provided in said agreements.

To stress the argument that the authority of the Regional Director is limited upon the concurrence of three conditions, to wit:

a) The claim is prosecuted by an employee or a person employed in domestic or household service or by a household helper;

b) The claimant, who is no longer employed, does not seek reinstatement; and

c) The aggregate money claim of the employee or househelper does not exceed P5,000.00.

At the opposite side of the controversy is private respondents' thesis that the regional director acted well within his domain considering that petitioners did not controvert private respondents' claims. Private respondents also cite Executive Order No. 111 particularly that portion which amended Article 128(b) of the Labor Code, thus:

> ART. 128. Visitorial and enforcement power. — (a) x x x
>
> (b) The provisions of Article 217 of this Code to the contrary notwithstanding and in cases where the relationship of employer-employee still exists, the Minister of Labor and Employment or his duly authorized representatives shall have the power to order and administer, after due notice and hearing, compliance with the labor standards provisions of this Code and other labor legislation based on the findings of labor regulation officers or industrial safety engineers made in the course of inspection, and to issue writs of execution to the appropriate authority for the enforcement of their orders, except in cases where the employer contests the findings of the labor regulation officer and raises issues which cannot be resolved without considering evidentiary matters that are not verifiable in the normal course of inspection.

For its part, the Office of the Solicitor General initially insisted that private respondents were still employees of petitioners but nonetheless prayed that the petition be given due course inasmuch as the money claims in favor of private respondents were all in excess of the P5,000 limit fixed by R.A. 6715 (p. 7, Comment; p. 65, Rollo).

Resolution of the problem as to who between the regional director and the labor arbiter has jurisdiction over the complaint of private respondents hinges on a determination of which is the applicable law to the complaint, Executive Order No. 111 or Republic Act No. 6715.

When Executive Order No. 111 was promulgated on December 24, 1986 (Maternity Children's Hospital vs. Secretary of Labor, 174 SCRA 632; 638 [1989]) Section 2 thereof which amended Article 128 (b) of the Labor Code was interpreted in Briad Agro Development Corporation vs. Dela Serna (174 SCRA 524; 532 [1989]) as giving concurrent jurisdiction to both the Secretary of Labor (or the various regional directors) and the labor arbiters over money claims among the other cases mentioned by Article 217 of the Labor Code.

Article 128(b) of the Labor Code, as amended, said Justice Medialdea in the Maternity Children's Hospital case "merely confirms/reiterates the enforcement/adjudication authority of the Regional Director over uncontested money claims in cases where an employer-employee relationship still exists." (supra, at p. 646.)

With the enactment of Republic Act No. 6715, which took effect on March 21, 1989 or seven days after the complaint at bar was filed on March 14, 1989, Articles 129 and 217 of the Labor Code, inter alia, were amended and — as a consequence of the subsequent law, the decision in Briad Agro Development Corporation vs. Dela Serna (174 SCRA 524 [1989]) was reconsidered on November 9, 1989 (179 SCRA 269; 274), thus:

> Republic Act No. 6715, like its predecessors, Executive Order No. 111 and Article 217, as amended, has retroactive application. Thus, when this new law divested Regional Directors of the power to hear money claims, the divestment affected pending litigations. It also affected this particular case. (Note that under par. 6, where the claim does not exceed P5,000.00, regional directors have jurisdiction.).

In Garcia vs. Martinez, we categorically held that amendments relative to the jurisdiction of labor arbiters (under Presidential Decree No. 1367, divesting the labor arbiter of jurisdiction) partake of the nature of curative statutes, thus:

> It now appears that at the time this case was decided the lower court had jurisdiction over Velasco's complaint although at the time it was filed said court was not clothed with such jurisdiction. The lack of jurisdiction was cured by the issuance of the amendatory decree which is in the nature of a curative statute with retrospective application to a pending proceedings, like Civil Case No. 9657 (See 82 C.J.S. 1004).

Garcia has since been uniformly applied in subsequent cases. Thus, in Calderon vs. Court of Appeals, reiterated that "PD No. 1367 [is] curative and retrospective in nature.

The Decision of this case, finally, acknowledged the retrospective characteristics of Executive Order No. 111.

The Court hastens to state that it is not reversing itself, but merely applying the new law. (at pp. 274-275.).

Following the consistent doctrine announced by this Court in South Motorists Enterprises vs. Tosoc (181 SCRA 386 [1990]), Brokenshire Memorial Hospital Inc. vs. Minister of Labor and Employment (182 SCRA 5 [1990]), Servando's Inc. vs. Secretary of Labor and Employment (184 SCRA 664 [1990]); 198 SCRA 156 [1991], Baritua vs. Secretary of the Department of Labor and Employment (204 SCRA 332 [1991]), and lately in Midland Insurance Corporation vs. Secretary of Labor and Employment (214 SCRA 578 [1992]), there is no doubt that the regional directors under Republic Act No. 6715, can try money claims only if the following requisites concur:

1. The claim is presented by an employee or person employed in domestic or household service, or househelper under the code;

2. The claimant, no longer being employed, does not seek reinstatement; and

3. The aggregate money claim of the employee or housekeeper does not exceed five thousand pesos (P5,000.00).

The principle of continuous jurisdiction of the regional director, as applied by the Secretary of Labor to the suit filed by herein private respondents on March 14, 1989 prior to the effectivity of Republic Act No. 6715, is therefore incorrect. While a subsequent law can not generally produce a retroactive effect as to affect pending litigation (Article 4, New Civil Code), it is an equally accepted axiom in statutory construction that:

> Where at the time an action is filed in court the latter has no jurisdiction over the subject matter thereof but a subsequent statute clothes it with jurisdiction before the action is decided, the statute is in the nature of a curative law with retroactive operation to pending proceedings and cures the defect of lack of jurisdiction of the court at the commencement of the action. (Abad vs. Phil. American General Inc. Co., Inc., 108 SCRA 717 [1981]; Garcia vs. Martinez, 90 SCRA 331 [1979]; Calderon vs. Court of Appeals, 100 SCRA 459 [1980]; Agpalo, Statutory Construction, 1986 ed., p. 273)."

Verily, further discussion on the retrospective operation of Republic Act No. 6715 to the cause initiated by herein private respondents on March 14, 1989 is now a futile exercise in exegesis considering that the application of the recent legislation to pending cases have been recognized in the South Motorist case (181 SCRA 386; 388 [1990]), along with other kindred cases, especially so when private respondents explicitly acknowledged in their Comment that curative statutes have long been considered valid (p. 5 thereof; p. 53, Rollo; Article 1431, New Civil Code; Section 4, Rule 129; Section 2(a), Rule 131, Revised Rules on Evidence).

A simple examination of the labor arbiter's impugned order dated September 25, 1989 (pp. 29-30, Rollo) readily shows that the aggregate claims of each of the twenty-five employees of petitioner are above the amount of P5,000.00 fixed by Republic Act No. 6715. Therefore, the regional director had no jurisdiction over the case (Fermin vs. Secretary of Labor and Employment, 215 SCRA 10 [1992]; Caños Medical Center, Inc. vs. Trajano, 215 SCRA 828 [1992]).

On the supposed restrictive application of Article 217 (6) of the Labor Code only to domestic workers, it may be recalled that the

Department of Labor and Employment emphasized that said proviso is inapplicable to private respondents since the latter are not domestic workers. But the prefatory statement of Article 217 speaks loudly about the original and exclusive jurisdiction of the labor arbiters over all workers, whether agricultural or non-agricultural, subject to particular cases specified therein. Moreover, Paragraph 6 of the same legal provision is not confined solely to domestic workers:

6. Except claims for Employees Compensation, Social Security, Medicare and maternity benefits, all other claims, arising from employer-employee relations, including those of persons in domestic or household service, involving an amount exceeding five thousand pesos (P5,000.00) regardless of whether accompanied with a claim for reinstatement.

Private respondents' disquisition postulate the view that the grant in Article 217 to the labor arbiter or original and exclusive jurisdiction over claims in excess of P5,000 does not operate to oust the regional director of visitorial and enforcement powers vis-a-vis labor standard infractions under Article 128 (b) involving amounts exceeding such sum. It should, however, be recalled that Justice Padilla already clarified this point in the process of harmonizing Articles 128 (b), 129 and 217(6) of the Labor Code on June 5, 1991 in Servando's Inc. vs. Secretary of Labor and Employment (198 SCRA 156 [1991]), thus:

> A careful consideration of the above-quoted three (3) provisions of the Labor Code leads the Court to reiterate its ruling that the exclusive jurisdiction to hear and decide employees' claims arising from employer-employee relations, exceeding the aggregate amount of P5,000.00 for each employee, is vested in the Labor Arbiter (Article 217 (a) (6). This exclusive jurisdiction of the Labor Arbiter is confirmed by the provisions of Article 129 which excludes from the jurisdiction of the Regional Director or any hearing officer of the Department of Labor the power to hear and decide claims of employees arising from employer-employee relations exceeding the amount of P5,000.00 for each employee.
>
> To construe the visitorial power of the Secretary of Labor to order and enforce compliance with labor laws as including the

> power to hear and decide cases involving employees' claims for wages, arising from employer-employee relations, even if the amount of said claims exceed P5,000.00 for each employee, would, in our considered opinion, emasculate and render meaningless, if not useless, the provisions of Article 217 (a) (6) and Article 129 of the Labor Code which, as above-pointed out, confer exclusive jurisdiction on the Labor Arbiter to hear and decide such employees' claims (exceeding P5,000.00 for each employee). To sustain the respondents' position would, in effect, sanction a situation where all employees' claims, regardless of amount, can be heard and determined by the Secretary of Labor under his visitorial power. This does not, however, appear to be the legislative intent.
>
> We further hold that to harmonize the above-quoted three (3) provisions of the Labor Code, the Secretary of Labor should be held as possessed of his plenary visitorial powers to order the inspection of all establishments where labor is employed, to look into all possible violations of labor laws and regulations but the power to hear and decide employees' claims exceeding P5,000.00 for each employee should be left to the Labor Arbiter as the exclusive repository of the power to hear and decide such claims. In other words, the inspection conducted by the Secretary of Labor, through labor regulation officers or industrial safety engineers, may yield findings of violations of labor standard under labor laws; the Secretary of Labor may order compliance with said labor standards, if necessary, through appropriate writs of execution but when the findings disclose an employee claim of over P5,000.00, the matter should be referred to the Labor Arbiter in recognition of his exclusive jurisdiction over such claims.

Nor is this position devoid of sound reason or purpose, because —

1. The proceedings before the Secretary of Labor (or his agents) exercising his visitorial powers is summary in nature. On the other hand, proceedings before the Labor Arbiters are more formal and in accord with rules of evidence. When the employee's claim is less than P5,000.00, a summary procedure for its settlement can be justified, but not when a

claim is more or less substantial, from the standpoint of both employee and management, for which reason, an employee's claim exceeding P5,000.00 is placed within the exclusive jurisdiction of the Labor Arbiter to hear and decide.

2. Article 129 of the Labor Code expressly provides that "upon complaint of any interested party," the Regional Director (and, consequently, the Secretary of Labor to whom appeals from the Regional Director are taken) is empowered to hear and decide simple money claims, i.e. those that do not exceed P5,000.00 for each employee, employing for this purpose a summary procedure. If Article 128 (b) of the Labor Code were to be construed as empowering the Secretary of Labor, under his visitorial power, to hear and decide all types of employee's claims, including those exceeding P5,000.00 for each employee, employing for this purpose a summary procedure, then, Article 129 (limiting the Regional Director's jurisdiction to a claim not exceeding P5,000.00) becomes a useless surplusage in the Labor Code.

3. Besides, it would seem that as the law (Article 129) limits the jurisdiction of the Regional Director (and, therefore, the Secretary of Labor on appeal from the Regional Director) to "complaints of any interested party" seeking an amount of not more than P5,000.00, for each employee, it cannot be that, because of the absence of any complaint from any interested party, the Secretary of Labor under his visitorial power, is motu proprio empowered to hear and decide employee's claim of more than P5,000.00, for each employee. (at pp. 160-162.)

To recapitulate, and to arrest the similar nagging problem in the future, it must be stressed anew that regional directors can assume authority only upon the concurrence of these requisites:

1. The claim is presented by an employee or person employed in domestic or household service, or househelper under the code;

2. The claimant, no longer being employed, does not seek reinstatement; and

3. The aggregate money claim of the employee or housekeeper does not exceed five thousand pesos (P5,000.00).

WHEREFORE, the petition is hereby **GRANTED**. The challenged orders of October 18, 1990 and May 2, 1991 of the Department of Labor and Employment, through Undersecretary Cresencio T. Trajano, are hereby set aside. Public respondent is directed to refer the workers' money claims to the appropriate Labor Arbiter for proper disposition. The temporary restraining order issued on July 3, 1991 is hereby made permanent. No special pronouncement is made as to costs.

SO ORDERED.

Bidin, Romero and Vitug, *JJ.*, concur.
Feliciano, *J.*, is on leave.