

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**STAR SECURITY AND DETECTIVE
INVESTIGATION AGENCY,**
Petitioner,

-versus-

**G.R. No. 82607
July 12, 1990**

**THE SECRETARY OF LABOR,
UNDERSECRETARY OF LABOR,
REGIONAL DIRECTOR DAVID KONG,
JR. AND THELMA CUERDA,**
Respondents.

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DECISION

PARAS, J.:

On March 5, 1986, a Complaint^[1] was filed by private respondent Thelma L. Cuerda before the then Ministry of Labor and Employment, Regional Office No. 9 in Zamboanga City against the petitioner Star Security and Detective Investigation Agency for underpayment of minimum wage, emergency cost of living allowance, non-payment of 13th month pay, regular holiday pay, rest day pay and service incentive leave pay.

On April 21, 1986, an inspection was conducted by the Regional Office a quo on the premises of the petitioner but the necessary documents (payrolls) as requested by the inspecting officer were not made available. Petitioner promised, however, that said documents would be made available the following week. On May 26, 1986, petitioner submitted the requested documents (payrolls), but only for the year 1985. Petitioner stated that such documents may also be made as the basis for the year 1982 up to year 1985 salary.

Based on the submitted documents and the respective affidavits of the petitioner and the private respondent, the Regional Director promulgated on June 5, 1986, an order giving due course to the aforementioned complaint and awarding to the private respondent the sum of Fourteen Thousand Two Hundred and Eighty Pesos (P14,280.00) representing underpayment of wages, emergency cost of living allowance, 13th month pay, rest day pay and service incentive leave pay.

On June 26, 1986, petitioner filed a motion for reconsideration assailing the above mentioned Order on the grounds that the Regional Director has no jurisdiction over the case and that the award made in favor of the private respondent has no basis in law and in fact. On July 24, 1986, the Regional Director issued another Order modifying his Order dated June 5, 1986 and ordering the petitioner to pay complainant the sum of Eighteen Thousand Three Hundred and Ninety Four Pesos and Ninety Six Centavos (P18,394.96).

On appeal to the Secretary of Labor, the decision of the Regional Director was upheld in an Order^[2] dated August 5, 1987. The motion for reconsideration filed by the petitioner was denied in an order dated February 17, 1988. Hence, this petition for certiorari.

The petition was given due course in this Court's resolution dated November 23, 1988 and required the parties to submit their respective memoranda.

The pivotal issue in the case at bar is whether or not the Regional Director of the Department of Labor acted within the bounds of his jurisdiction in taking cognizance of the complaint by private respondent below.

This Court had enumerated in the case of Brokenshire Memorial Hospital, Inc. vs. Hon. Minister of Labor, et al., G.R. No. 74621, February 7, 1990, applying Republic Act No. 6715, the requisites before the Regional Director and other hearing officers of the Department of Labor (aside from the Labor Arbiter) could have jurisdiction over money claims, to wit:

- 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 househelper does not exceed five thousand pesos (P5,000.00).

The aforecited case likewise adopted the Separate Opinion of Mr. Justice Andres Narvasa in the case of Briad Agro Development Corporation, as reconsidered, G.R. No. 82805, November 9, 1989 which states:

“In the resolution, therefore, of any question of jurisdiction over a money claim arising from employer-employee relations, the first inquiry should be into whether the employment relation does indeed still exist between the claimant and the respondent.

“If the relation no longer exists, and the claimant does not seek reinstatement, the case is cognizable by the Labor Arbiter, not by the Regional Director. On the other hand, if the employment relation still exists, or reinstatement is sought, the next inquiry should be into the amount involved.

“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 a writ of execution to the appropriate authority for the enforcement thereof. However, this power may not, to repeat, be exercised by him where the employer contests the labor regulation officers' findings and raises issues which cannot be resolved without considering evidentiary matters not verifiable in the normal course of inspection. In such an event, the case will have to be referred to the corresponding Labor Arbiter for adjudication, since it falls within the latter's exclusive original jurisdiction."

The petition is impressed with merit.

We find that the Regional Director had no jurisdiction over the case at bar.

It can be gleaned from the complaint filed by private respondent Cuerda that she was relieved of her employment due to her expired license and as found by public respondent Secretary of Labor, Cuerda did not seek reinstatement but just wanted to press her claim for the benefits and separation pay. Also, the amount involved in this case is more than five thousand pesos (P5,000). All these factors taken into consideration, We find that the claims should have been filed with the labor arbiter. Restating the aforementioned Brokenshire and Briad cases (supra), "(I)f the relation (employer-employee) no longer exists, and the claimant does not seek reinstatement, the case is cognizable by the Labor Arbiter, not by the Regional Director."

PREMISES CONSIDERED, the assailed orders are **REVERSED** and **SET ASIDE**. The case is **REFERRED**, if the private respondent is so minded, to the Labor Arbiter for proper proceeding.

SO ORDERED.

Sarmiento and Regalado, JJ., concur.

SEPARATE OPINIONS

PADILLA, J., concurring:

I concur in the result. The claim in this case falls within the jurisdiction of the Labor Arbiter, not of the Regional Director of the Department of Labor and Employment.

The applicable law is now Rep. Act 6715, a curative legislation. Sec. 2 thereof amending Art. 129 of the Labor Code, as amended, provides:

“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 do not exceed Five thousand pesos (P5,000.00).” (Emphasis supplied).

Sec. 9 of RA 6715 amending Art. 217 of the Labor Code, as amended provides:

“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:

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(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), whether or not accompanied with a claim for reinstatement.

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As a consequence of the above-quoted provisions of Rep. Act 6715, the power of the Regional Directors to hear and decide claims for recovery of wages and other money claims is subject to the concurrence of the following requisites: (1) the claim must arise from employer-employee relationship; (2) the claimant does not seek reinstatement; and (3) the aggregate money claim of each employee does not exceed P5,000.00.

It may be emphasized then that before the Regional Director can validly assume jurisdiction over money claims, all the aforementioned requisites must concur. The absence of any of said requisites is enough to bring the case outside the jurisdiction of the Regional Director.

There is no dispute here that the amount of the claim involved is more than P5,000.00. It thus exceeds the jurisdictional amount provided in RA 6715 under which the Regional Director can adjudicate money claims. This fact alone is a sufficient ground why it is the Labor Arbiter, not the Regional Director, who has jurisdiction over this claim.

[1] Annex A, p. 12, Rollo.

[2] Annex G, p. 27, Rollo.