Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

MARBY FOOD VENTURES CORPORATION, MARIO VALDERRAMA, and EMELITA VALDERRAMA, Petitioners,	**G.R. No. 244629**
	Present:
- versus –	PERALTA, *C.J., Chairperson,* CAGUIOA, *Working Chairperson,* REYES, J. JR., LAZARO-JAVIER, and LOPEZ, *JJ.*
ROLAND DELA CRUZ, GABRIEL DELA CRUZ, JOSE PAULO ANZURES, EFREN TADEO, BONGBONG SANTOS, MARLON DE RAFAEL, CRIS C. SANTIAGO, ELMER MARANO, ARMANDO RIVERA, and LOUIE BALMES, Respondents.	**Promulgated:** JUL 28 2020

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DECISION

REYES, J. JR., *J.*:

Before the Court is a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court, seeking the review of the Decision[2] dated October 19, 2018 and Resolution[3] dated January 21, 2019 of the Court of Appeals (CA) in CA-G.R. SP No. 151531 & 151557 wherein the CA affirmed the Decision[4] of the National Labor Relations Commission (NLRC) which in turn partially reversed the ruling of the Labor Arbiter (LA).

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[1] *Rollo*, p. 11-27.

[2] Penned by Associate Justice Priscilla J. Baltazar-Padilla (now a Member of the Court), with Associate Justices Victoria Isabel A. Paredes and Henri Jean Paul B. Inting (now a member of this Court), concurring; *rollo*, pp. 45-59.

[3] Id. at 38-40.

[4] Decision was not attached.

Factual Antecedents

Marby Food Ventures Corporation (Marby) is a domestic corporation duly organized and existing under Philippine laws engaged in the business of production and distribution of baked goods. Mario Valderrama is the President/CEO of Marby while Ma. Emelita Valderrama is the Vice-President.[5]

Roland dela Cruz, Jose Paulo Anzures, Efren Tadeo, Bongbong Santos, Marlon de Rafael, Cris Santiago, Jr., Elmer Maraño, Armando Rivera, Louie Balmes, Raymond Pagtalunan and Gabriel dela Cruz, (hereafter referred to as respondents) were all employed by Marby as drivers. Mark Francis Bernardino (Bernardino) meanwhile was hired as salesman. They all filed a complaint for underpayment of wage, overtime pay and 13th month pay, non-payment of holiday pay, service incentive leave pay, sick and vacation leave pay under the Collective Bargaining Agreement (CBA), illegal deductions, moral and exemplary damages and attorney's fees against petitioners, docketed as NLRC Case No. RAB-III-10-24653-16.[6]

In their Position Paper, respondents averred that they were underpaid their daily wage, overtime work pay and 13th month pay. They also did not receive their holiday pay, service incentive leave pay for the year 2013 and eight days of vacation leave and eight days of sick leave as provided for in their Collective Bargaining Agreement (CBA). They also questioned the unauthorized salary deductions made by Marby labeled as "everything" in their payslips.[7]

For Bernardino, he alleged that Marby failed to pay him his 13th month pay, service incentive leaves for the year 2013 and eight days of vacation leave and eight days of sick leave as required under their CBA. He was also made to shoulder the salaries of the drivers and helpers assigned to him. He further averred that Marby also made unauthorized salary deductions from his commissions.[8]

Petitioners on the other hand insist that respondents have been receiving the required minimum wage and 13th month pay. The alleged unauthorized deductions are penalties imposed on them for deliveries made outside the imposed delivery hours, bad orders, shortages in liquidation and cell phone plans. They claimed that respondents were duly informed of the nature of the deductions and have consented to the same. Nevertheless, Marby ceased imposing said deductions since September 2016.

As to the claim for overtime pay, holiday pay and service incentive leave pay, petitioners maintained that respondents are not entitled to the same for being field personnel.[9]

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5 *Rollo*, p. 45.
6 Id.
7 Id. at 46.
8 Id.
9 Id.

Ruling of the LA

After the parties submitted their respective pleadings and documents in support of their positions, the Labor Arbiter dismissed the case with prejudice in a Decision dated December 15, 2016.[10]

The Labor Arbiter ruled that respondents are not entitled to their claims for overtime pay, holiday pay, service incentive leave pay, vacation leave and sick leave pay and illegal deductions.

Ruling of the NLRC

Undeterred, respondents together with Bernardino filed an appeal before the NLRC. In a Resolution dated February 28, 2017, the NLRC partially reversed the ruling of the Labor Arbiter, finding Tadeo, Pagtalunan and Bernardino to have been receiving the required minimum wage as well as the proper 13th month pay. As for the rest of the respondents, the NLRC declared them to be field personnel, thus, unqualified for certain monetary claims. However, it ordered Marby and its co-petitioners to pay respondents their salary differentials and 13th month pay. The *fallo* of the Decision reads:

> WHEREFORE, premised on all the foregoing, the appeal is PARTLY GRANTED and the Decision appealed from is hereby MODIFIED conformably with the above findings.
> Accordingly, [Marby and co-]respondents are hereby directed to pay the following complainants their wage differentials and 13th month differentials as follows:
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> | | | |
> |---|---|---|
> | 1. | RONALD DELA CRUZ | P20,308.16 |
> | 2. | JOSE PAULO ANZURES | P26,223.16 |
> | 3. | BONGBONG SANTOS | P17,773.16 |
> | 4. | MARJON DE RAFAEL | P18,590.00 |
> | 5. | CRIS C. SANTIAGO | P20,308.16 |
> | 6. | ELMER MARANO | P26,223.16 |
> | 7. | ARMANDO RIVERA | P21,998.16 |
> | 8. | LOUIE BALMES | P21,998.16 |
> | 9. | GABRIEL DELA CRUZ | P19,970.16 |
> | TOTAL | | P193,392.28 |
>
> Respondents are likewise directed to pay attorney's fees equivalent to ten (10%) percent of the total monetary award amounting to P19,339.22.
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> In all other aspects the Decision is AFFIRMED.
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> SO ORDERED.

Both parties filed their respective motions for reconsideration. For the first time, petitioners presented payrolls of respondents while reiterating their argument that the latter are receiving the basic minimum wage as they are paid a "premium"

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[10] Id.

called "overtime pay" on top of their basic salary which must be included in the computation of their daily wage rate.[11]

In a Resolution dated April 24, 2017, both motions were denied by the NLRC.[12]

On July 10, 2017, respondents and Bernardino filed a petition for *certiorari* before the CA docketed as CA-G.R. SP. No. 151531 alleging that: the NLRC committed grave abuse of discretion amounting to lack or excess of jurisdiction in not awarding double indemnity as provided in Section 12, Republic Act (R.A.) No. 6727[13] as amended by R.A. No. 8188;[14] in declaring that Tadeo and Pagtalunan are not entitled to wage and 13th month pay differentials, and; affirming the conclusion of the LA that they are not entitled to overtime pay, holiday pay, service incentive leave pay, vacation leave and sick leave pay and illegal deductions.

Petitioners, likewise, filed a petition for *certiorari* docketed as CA-G.R. SP. No. 151557 assailing the award of wage differentials, 13th month pay and attorney's fees in favor of respondents.[15]

For failure to execute the Verification and Certification of Non-Forum Shopping, Bernardino and Pagtalunan were dropped as parties in CA.G.R. SP. No. 151531.

On March 2, 2018, CA-G.R. SP. Nos. 151531 and 151557 were consolidated as it involved the same issues and parties.[16]

Ruling of the CA

In a Decision[17] dated October 19, 2018, the CA granted respondents' petition for *certiorari*, thus:

> **WHEREFORE**, the petition in CA-G.R. SP. No. 151531 is hereby **GRANTED**.
>
> Respondents-employers are hereby **ORDERED** to pay complainants-employees double their salary differentials, overtime pay differentials, service incentive leave pay, holiday pay and 13th month pay.
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> Respondents-employers are likewise **ORDERED** to **REIMBURSE** to complainants-employees the deductions made from their salaries.

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11 Id. at 46-47.
12 Id. at 47.
13 Also known as the Wage Rationalization Act.
14 AN ACT INCREASING THE PENALTY AND INCREASING DOUBLE INDEMNITY FOR VIOLATION OF THE PRESCRIBED INCREASES OR ADJUSTMENT IN THE WAGE RATES, AMENDING FOR THE PURPOSE SECTION TWELVE OF REPUBLIC ACT NUMBERED SIXTY-SEVEN HUNDRED TWENTY-SEVEN, OTHERWISE KNOWN AS THE WAGE RATIONALIZATION ACT.
15 Id. at 48.
16 Id. at 49.
17 Supra note 2.

> Respondents-employers are also ORDERED to pay ten percent (10%) of the total monetary award as attorney's fees.
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> Interest at the rate of six percent (6%) per annum shall be imposed on all monetary awards from the date of finality of this Decision until full payment.
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> CA-G.R. SP. No. 151557 is DISMISSED for lack of merit.
>
> The present case is hereby REMANDED to the concerned Labor Arbiter for proper computation.
>
> **SO ORDERED**.

The CA ruled that respondents are regular employees entitled to overtime pay, holiday pay and service incentive leave pay. This is because based on the position paper of petitioners, respondents are tasked to deliver Marby's goods at a specified time and place. In short, they were still bound by a specific timetable within which to make deliveries even if they have the freedom to choose which route to take in order to deliver the goods. To support the foregoing, the CA highlighted the admission made by petitioners that respondents are required to log their time-in and time-out in the company and as such, actual work hours were ascertainable with reasonable certainty.

As to the issue on minimum wage, the CA ruled that respondents are entitled to salary differentials. This is because the amount termed as "overtime pay" in the employees' payslips cannot be considered as premium pay to support the allegation that the employees are receiving the proper minimum wage.

As to Tadeo, the CA ruled that he is also entitled to salary differentials, except for the year 2016. This was arrived at by comparing the daily wage rate in respondents' position paper and that of the minimum wage for Region III.

As for the 13th month pay, the CA agreed with the NLRC in awarding the same to respondents, with Tadeo, since they were all receiving salaries below minimum wage. Hence, the basis for their 13th month pay was erroneous.

As to overtime pay, holiday pay, and service incentive leave pay, the CA ruled that since respondents are regular employees of Marby, it follows that they are entitled to said benefits.

The CA also ruled that the petitioners are liable for illegal deductions because there was no written conformity by the employees of the deductions imposed by Marby.

Lastly, the CA awarded attorney's fees of ten (10%) percent of the monetary award to the respondents as they were constrained to file the instant case to protect their interest. Furthermore, they awarded respondents double their salary

differentials, overtime pay differentials, service incentive leave pay, holiday pay and 13th month pay pursuant to R.A. No. 6727.[18]

The petitioners are now before this Court, seeking to reverse and set aside the CA's Consolidated Decision dated October 19, 2018 and Resolution dated January 21, 2019, raising the following issues:

I. THE HONORABLE COURT OF APPEALS GRAVELY ERRED WHEN IT GRANTED THE PETITION OF THE RESPONDENTS

II. THE HONORABLE COURT OF APPEALS GRAVELY ERRED WHEN IT DISMISSED THE PETITION OF THE PETITIONERS [19]

Petitioners reiterate their position that respondents (complainants *a quo*) are field personnel who are not entitled to overtime pay, holiday pay and service incentive leave. They also claim to have paid the correct minimum wage and 13th month pay. Aside from that, they assail the award of reimbursements for deductions, the grant of attorney's fees and double indemnity.[20]

Ruling of the Court

The petition is DENIED. We affirm the CA ruling with modification.

Respondents are regular employees and not field personnel

Article 82 of the Labor Code is instructive on the characterization of the term "field personnel." It provides:

> **ART. 82.** ***Coverage.*** — The provisions of this title [Working Conditions and Rest Periods] shall apply to employees in all establishments and undertakings whether for profit or not, but not to government employees, managerial employees, field personnel, members of the family of the employer who are dependent on him for support, domestic helpers, persons in the personal service of another, and workers who are paid by results as determined by the Secretary of Labor in appropriate regulations.
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> x x x x
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> "Field personnel" shall refer to non-agricultural employees who regularly perform their duties away from the principal place of business or branch office of the employer and whose actual hours of work in the field cannot be determined with reasonable certainty.

In *Auto Bus Transport Systems, Inc. v. Bautista*,[21] this Court clarified that the definition of a "field personnel" is not merely concerned with the location where

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18 Id. at 49-58.
19 Id. at 15.
20 Id. at 11-27.
21 *Veterans Security Agency, Inc. v. Gonzalvo, Jr.*, 514 Phil. 488 (2005).

the employee regularly performs his duties but also with the fact that the employee's performance is unsupervised by the employer. We held that field personnel are those who regularly perform their duties away from the principal place of business of the employer and whose actual hours of work in the field cannot be determined with reasonable certainty. Therefore, to determine whether an employee is a field employee, it is also necessary to confirm if actual hours of work in the field can be determined with reasonable certainty by the employer. In so doing, an inquiry must be made as to whether or not the employee's time and performance are constantly supervised by the employer.[22]

Guided by the foregoing norms, the CA properly resolved that the respondents-employees are not field personnel but regular employees who perform tasks usually necessary and desirable to petitioners' business. Unmistakably, the respondents are not field personnel as defined above and the CA's finding in this regard is supported by the established facts of this case: (1) the respondents were directed to do their deliveries at a specified time and place; (2) respondents are required to log their time-in and time-out in the company to ensure accomplishment of their daily deliveries for the day and therefore their actual work hours could be determined with reasonable certainty; and (3) the respondents supervised their time and performance of duties.

Consequently, respondents are entitled to overtime pay, holiday pay and service incentive leave pay accorded to regular employees of the petitioners three years prior to the filing of the complaint in accordance with *Arriola v. Pilipino Star Ngayon*[23] that all money claims arising from employer-employee relations shall be filed within three years from the time the cause of action accrued; otherwise they shall be forever barred. Hence, the money claims will be computed from September 30, 2013 or three years prior to the filing of the complaint on September 30, 2016.

Respondents are entitled to minimum wage salary differentials, overtime pay, holiday pay, and service incentive leave

Petitioners posit that the amount labeled as "overtime pay" should be included in the computation of minimum wage because in reality it is premium pay given by the company whether they rendered extended hours of overtime or not.

The nomenclature "overtime pay" in the payslips of respondents provides a presumption that indeed overtime was rendered by them. There was no tenable explanation offered as to this ongoing practice. Petitioners did not even present the daily time records of the respondents to prove that they were given premium pay for work not rendered. Also, if the same was in reality "premium pay," this should have been the term that was used in the payslips. As the argument proffered by petitioners on this score run counter to what an ordinary man would consider

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22 Id. at 873-874, citing the Bureau of Working Conditions, Advisory Opinion to Philippine Technical-Clerical Commercial Employees Association.

23 G.R. No. 175689, August 13, 2014.

reasonable, we are inclined to believe that this explanation is merely being advanced to escape liability.

As for holiday pay and service incentive leave pay, it is settled that as a rule, a party who alleges payment as a defense has the burden of proving it.[24]

Specifically, with respect to labor cases, the burden of proving payment of monetary claims rests on the employer. The rationale for this is that the pertinent personnel files, payrolls, records, remittances and other similar documents — which will show that overtime, differentials, service incentive leave and other claims of workers have been paid — are not in the possession of the worker but in the custody and absolute control of the employer.[25]

In the case at bar, except for the bare allegation of petitioners, no proof was presented to prove payment of the contested benefits.

Considering that there was in fact no "premium pay" that was given by petitioners to respondents, the latter are entitled to minimum wage pay differentials.

As for Tadeo, he is entitled to salary differentials, except for 2016. The CA ruled that there was no basis to the claim that he has been receiving minimum wage because as the NLRC held, the daily rate presented by the respondents were not disputed by petitioners, hence, they are deemed admitted. To quote:

> In complainants-employees' Position Paper, Efren Tadeo was receiving a daily rate of P120.00 for 2013, Php294.00 for 2014, Php349.00 for 2015 and Php364.00 for 2016.
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> The Wage Orders for Region III covering these periods are:
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> "Wage Order No. III-17, daily rate – P336, effectivity October 1, 2012 – October 30, 2014
>
> Wage Order No. III-18, daily rate – P349, effectivity November 1, 2014 – December 31, 2015
>
> Wage Order No. III-19, daily rate – P364, effectivity January 1, 2016"
>
> For failure of respondents-employers to refute the allegation on Tadeo's daily wage rate, the same is deemed admitted. Comparing the said rate to the minimum wage rate, there is no dispute that Efren Tadeo had received salary below the minimum wage rate

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[24] *Far East Bank and Trust Company v. Querimit*, 424 Phil. 721 (2002); *Sevillana v. I.T. (International) Corp.*, 3408 Phil. 570 (2001); *Villar v. National Labor Relations Commission*,387 Phil. 620 (2000); *Audion Electric Co, Inc. v. NLRC*, 367 Phil. 620 (1999); *Ropali Trading Corporation v. NLRC*, 357 Phil. 551 (1998); *National Semiconductor (HK) Distribution, Ltd. v. National Labor Relations Commission (4th Division)*, 353 Phil. 551 (1998); *Pacific Maritime Services, Inc. v. Ranay*, 341 Phil. 716 (1997); *Jimenez v. National Labor Relations Commission*, 326 Phil. 84 (1996); *Philippine National Bank v. Court of Appeals*, 256 SCRA 44, 49 (1996); *Good Earth Emporium, Inc. v. Court of Appeals*, 272 Phil. 373 (1991); *Villaflor v. Court of Appeals*, 192 SCRA 680, 690 (1990); *Biala v. Court of Appeals*, 269 Phil. 53 (1990); *Servicewide Specialists, Inc. v. Intermediate Appellate Court*, 255 Phil. 787 (1989).

[25] *Villar v. National Labor Relations Commission*, 387 Phil. 706 (2000).

except for the year 2016. As such, he is entitled to salary differentials.

Respondents are entitled to 13th month pay differentials

Because respondents received salaries below the minimum wage, the basis in computing their 13th month pay was inaccurate. Hence, they should be awarded 13th month pay differentials.

On the part of Tadeo, since he is receiving salary below the minimum wage, his 13th month pay is likewise below that which he should have been receiving. Hence, and award for 13th month pay differentials for the benefit of Tadeo is proper.

Respondents are entitled to reimbursements of deductions

It is clearly stated in Article 113[26] of the Labor Code that no employer, in his own behalf or in behalf of any person, shall make any deduction from the wages of his employees, except in cases where the employer is authorized by law or regulations issued by the Secretary of Labor and Employment, among others. The Omnibus Rules Implementing the Labor Code, similarly, provides that deductions from the wages of the employees may be made by the employer when such deductions are authorized by law, or when the deductions are with the written authorization of the employees for payment to a third person.[27] Therefore, any withholding of an employee's wages by an employer may only be allowed in the form of wage deductions under the circumstances provided in Article 113 of the Labor Code, as well as the Omnibus Rules implementing it. Further, Article 116[28] of the Labor Code clearly provides that it is unlawful for any person, directly or indirectly, to withhold any amount from the wages of a worker without the worker's consent.

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[26] **Article 113. *Wage Deduction.*** — No employer, in his own behalf or in behalf of any person, shall make any deduction from wages of his employees, except:
(a) In cases where the worker is insured with his consent by the employer, and the deduction is to recompense the employer for the amount paid by him as premium on the insurance;
(b) For union dues, in cases where the right of the worker or his union to check-off has been recognized by the employer or authorized in writing by the individual worker concerned; and
In cases where the employer is authorized by law or regulations issued by Secretary of Labor.

[27] **Rule VIII, Section 10. Deductions from the wages of the employees may be made by the employer in any of the following cases:**
(a) When the deductions are authorized by law, including deductions for the insurance premiums advanced by the employer in behalf of the employee as well as union dues adhere the right to check-off has been recognized by the employer or authorized in writing by the individual employee himself;
(b) When the deductions are with the written authorization of the employees for payment to a third person and the employer agrees to do so, provided that the latter does not receive any pecuniary benefit, directly or indirectly, from the transaction.

[28] **Article 116. Withholding of wages and kickbacks prohibited.** — It shall be unlawful for any person, directly or indirectly, to withhold any amount from the wages of a worker or induce him to give up any part of his wages by force, stealth, intimidation, threat or by any other means whatsoever without the worker's consent.

In the instant case, petitioners confirmed the alleged deductions but reasoned that the same were due to the penalties they imposed for deliveries outside the delivery hours, cell phone plans, bad orders and liquidation shortage. This act is a clear violation of the labor code since there was no written conformity coming from the respondents regarding the deduction. Hence, reimbursement of these illegal deductions should be returned to the respondents.

Respondents are entitled to attorney's fees

Article 2208 of the New Civil Code of the Philippines is instructive regarding the policy that should guide the courts when awarding attorney's fees to a litigant. The general rule is that the parties may stipulate the recovery of attorney's fees. In the absence on such stipulation, Art. 2208 provides that attorney's fees and expenses of litigation, other than judicial costs, cannot be recovered, except:

(1) When exemplary damages are awarded;
(2) **When the defendant's act or omission has compelled the plaintiff to litigate with third persons or to incur expenses to protect his interest;**
(3) In criminal cases of malicious prosecution against the plaintiff;
(4) In case of a clearly unfounded civil action or proceeding against the plaintiff;
(5) Where the defendant acted in gross and evident bad faith in refusing to satisfy the plaintiff's plainly valid, just and demandable claim;
(6) In actions for legal support;
(7) In actions for the recovery of wages of household helpers, laborers and skilled workers;
(8) In actions for indemnity under workmen's compensation and employer's liability laws;
(9) In a separate civil action to recover civil liability arising from a crime;
(10) When at least double judicial costs are awarded;
(11) In any other case where the court deems it just and equitable that attorney's fees and expenses of litigation should be recovered. (Emphasis supplied)

Here, we agree with the ruling of the CA that the respondents are entitled to attorney's fees of ten percent (10%) of the monetary awards after being compelled to litigate by the failure of petitioner to pay minimum wage and labor standards benefits.

Petitioners are not liable for double the unpaid benefits owing to the employees

As for double the unpaid benefits, a modification in the CA ruling is in order.

Pursuant to Section 12 of R.A. No. 6727, as amended by R.A. No. 8188, petitioners are required to pay double the amount owed to respondents.

> Section 12. Any person, corporation, trust, firm, partnership, association or entity which refuses or fails to pay any of the prescribed increases or adjustments in the wage rates made in accordance with this Act shall be punished by a fine not less than Twenty-five thousand pesos (P25,000.00) nor more than One hundred thousand pesos (P100,000.00) or imprisonment of not less than two (2) years nor more than four (4) years, or both such fine and imprisonment at the discretion of the court: *Provided,* That any person convicted under this Act shall not be entitled to the benefits provided for under the Probation Law.
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> **The employer concerned shall be ordered to pay an amount equivalent to double the unpaid benefits owing to the employees: *Provided,* That payment of indemnity shall not absolve the employer from the criminal liability imposable under this Act.**
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> If the violation is committed by a corporation, trust or firm, partnership, association or any other entity, the penalty of imprisonment shall be imposed upon the entity's responsible officers, including, but not limited to, the president, vice president, chief executive officer, general manager, managing director or partner. (Emphasis supplied)

In the instant case, the petitioners argue that the rule on double indemnity applies only if there is refusal or failure to pay the adjustment in wage rate. They deny that they unjustly refused any payment that respondents are legally entitled to.

Petitioners' contention is well taken.

In *Philippine Hoteliers, Inc., Dusit Hotel Nikko-Manila v. NUWHRAIN-Dusit Hotel Nikko Chapter*,[29] the denial of the grant of double indemnity was anchored on the following:

> The Court, however, finds no basis to hold Dusit Hotel liable for double indemnity. Under Section 2 (m) of DOLE Department Order No. 10, Series of 1998,[30] the Notice of Inspection Result "shall specify the violations discovered, if any, together with the officer's recommendation and computation of the unpaid benefits due each worker **with an advice** that the employer shall be liable for double indemnity in case of refusal or failure to correct the violation within five calendar days from receipt of notice". A careful review of the Notice of Inspection Result dated 29 May 2002, issued herein by the DOLE-NCR to Dusit Hotel, reveals that the said Notice did not contain such an advice. Although the Notice directed Dusit Hotel to correct its noted violations within five days from receipt thereof, it was not sufficiently apprised that failure to do so within the given period would already result in its liability for double indemnity. The

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29 613 Phil 491-507.

30 Guidelines on the Imposition of Double Indemnity for Non-Compliance with the Prescribed Increases or Adjustments in Wage Rates.||

> lack of advice deprived Dusit Hotel of the opportunity to decide and act accordingly within the five-day period, as to avoid the penalty of double indemnity. By 22 October 2002, the DOLE-NCR, through Dir. Maraan, already issued its Order directing Dusit Hotel to pay 144 of its employees the total amount of P1,218,240.00, corresponding to their unpaid ECOLA under WO No. 9; plus the penalty of double indemnity, pursuant to Section 12 of Republic Act No. 6727, as amended by Republic Act No. 8188.[31]

Here, there was no order from any competent authority advising the petitioners to pay unpaid employee benefits with sanctions for double indemnity in case of refusal or failure to correct the violation. Hence, it cannot be said that it refused or failed to pay any of the prescribed increases or adjustments in the wage rates to come within the purview of Section 12 of R.A. No. 6727, as amended by RA No. 8188. As such, there is no basis to hold the petitioners for double indemnity.

WHEREFORE, the Decision dated October 19, 2018 and the Resolution dated January 21, 2019 of the Court of Appeals in CA-G.R. SP. Nos. 151531 & 151557 are hereby **AFFIRMED with MODIFICATION** in that the penalty for double indemnity is **DELETED**.

Interest at the rate of 6% per annum shall be imposed on all monetary awards from the date of finality of this Decision until full payment.

The present case is hereby remanded to the concerned Labor Arbiter for proper computation.

SO ORDERED.

JOSE C. REYES, JR.
Associate Justice

WE CONCUR:

DIOSDADO M. PERALTA
Chief Justice
Chairperson

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[31] Constitutes the compliance order, defined under Section 2 (n) of DOLE Department Order No. 10 as "the order issued by the regional director, after due notice and hearing conducted by himself or a duly authorized hearing officer finding that a violation has been committed and directing the employer to pay the amount due each worker within ten (10) calendar days from receipt thereof."

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

AMY C. LAZARO-JAVIER
Associate Justice

MARIO V. LOPEZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify 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
Chief Justice