

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
SECOND DIVISION**

**G & M (Phils.), Inc.,  
*Petitioner,***

***-versus-***

**G.R. No. 140495  
April 15, 2005**

**EPIFANIO CRUZ,  
*Respondent.***

**X-----X**

**DECISION**

**AUSTRIA-MARTINEZ, J.:**

The well-entrenched rule, especially in labor cases, is that findings of fact of quasi-judicial bodies, like the National Labor Relations Commission (NLRC), are accorded with respect, even finality, if supported by substantial evidence. Particularly when passed upon and upheld by the Court of Appeals, they are binding and conclusive upon the Supreme Court and will not normally be disturbed.<sup>[1]</sup>

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

Petitioner G & M (Phils.), Inc. recruited respondent Cruz as trailer driver for its foreign principal, Salim Al Yami Est., for a period of two years, and with a stipulated monthly salary of US\$625, starting June 6, 1990. Respondent alleged that when he arrived in the Kingdom of Saudi Arabia, he was made to sign an employment contract in blank

and his salary was reduced to SR604.00. Seven months into employment, his employer deported him on December 28, 1990. According to respondent, the cause for his dismissal was his complaint for sub-human working conditions, non-payment of wages and overtime pay, salary deduction and change of employer. Hence, he filed with the Labor Arbiter an Affidavit/Complaint against petitioner for illegal dismissal, underpayment and non-payment of wages, and refund of transportation expenses. Respondent claims that he was only paid in an amount equivalent to five months salary and he did not receive his salary for the last two months. Respondent submitted a copy of his pay slip showing the amount of SR604.00 as his basic salary.<sup>[2]</sup>

Petitioner contends that respondent abandoned his job when he joined an illegal strike and refused to report for work, constituting a breach of his employment contract and a valid cause for termination of employment. Petitioner also claims that the pay slip submitted by respondent is inadmissible because the original copy was not presented and that its existence, due execution, genuineness and authenticity were not established.<sup>[3]</sup>

The Labor Arbiter found merit in petitioner's claim that respondent abandoned his job, but nevertheless granted respondent's claim for underpayment of wages and two months unpaid salary. The dispositive portion of the Labor Arbiter's decision reads:

WHEREFORE, premises considered, the charge of illegal dismissal is hereby denied for lack of merit. However, respondent G & M (Phils.), Inc., is hereby ordered to pay within ten (10) days from receipt hereof, herein complainant Epifanio Cruz, the sums of P77,455.00 to be adjusted as earlier stated, and US\$1,250.00 or its peso equivalent at the time of payment.

SO ORDERED.<sup>[4]</sup>

On partial appeal to the NLRC, the same was dismissed per Resolution dated June 10, 1998, with the following dispositive portion:

WHEREFORE, the appeal is Dismissed for lack of merit. Respondent G & M (Phils.) Inc., and Salim Al Yami Est., are hereby ordered jointly and severally liable to pay complainant Epifanio Cruz the Philippine Peso equivalent at the time of actual payment of the following sums:

- a) THREE THOUSAND ONE HUNDRED TWENTY FIVE US DOLLARS (US\$3,125.00) less THREE THOUSAND TWENTY SAUDI RIYALS (SR3,020.000) representing salary differentials for five months; and
- b) ONE THOUSAND TWO HUNDRED FIFTY US DOLLARS (US\$1,250.00) representing unpaid salaries for two (2) months.

Other dispositions of the appealed Decision stand AFFIRMED.

SO ORDERED.<sup>[5]</sup>

Petitioner filed a special civil action for certiorari in the Court of Appeals, docketed as CA-G.R. SP No. 49729, but it was dismissed for lack of merit.<sup>[6]</sup>

Hence, this petition for review on certiorari under Rule 45 of the Rules of Court, based on the following grounds:

THE COURT OF APPEALS FAILED TO CONSIDER THE FACT THAT WITH THE RESPONDENT'S ADMISSION OF RECEIPT OF THE PAYMENTS OF HIS SALARIES ALTHOUGH ALLEGEDLY SHORT OF WHAT WAS STIPULATED IN HIS CONTRACT - THE "BURDEN OF EVIDENCE" IS NOW SHIFTED UPON HIM TO SHOW CONCRETE PROOF THAT INDEED HE WAS SHORT-CHANGED OF HIS SALARIES.

CONTRARY TO THE COURT OF APPEAL'S [sic] CONCLUSION, THE "PAYROLL ISSUE" IS OF GREAT IMPORTANCE IN THE DETERMINATION OF THE ISSUES IN THE CASE AT BAR INASMUCH AS IT IS THE RESPONDENT WHO HAS THE BURDEN OF PRESENTING EVIDENCE OF SHORT PAYMENT AFTER HAVING

ADMITTED TO HAVE RECEIVED CERTAIN AMOUNTS FOR HIS SALARIES.<sup>[7]</sup>

This petition mainly involves factual issues, i.e., whether or not there is evidence on record to support the findings of the Labor Arbiter, the NLRC and the Court of Appeals that respondent is entitled to the payment of salary differential and unpaid wages. This calls for a re-examination of the evidence, which the Court cannot entertain. As stated earlier, factual findings of labor officials, who are deemed to have acquired expertise in matters within their respective jurisdiction, are generally accorded not only respect but even finality, and bind the Court when supported by substantial evidence. It is not the Court's function to assess and evaluate the evidence all over again, particularly where the findings of both the Arbiter and the Court of Appeals concur.<sup>[8]</sup>

Nevertheless, even if the Court delves into the issues posed by petitioner, there is still no reason to grant the petition.

It was the finding of the Court of Appeals that it is the burden of petitioner to prove that the salaries paid by its foreign principal complied with the contractual stipulations of their agency-worker agreement. Since petitioner failed to discharge such burden, then it was correct for the NLRC to rely on respondent's claim of underpayment.<sup>[9]</sup>

The Court of Appeals also ruled that since the positive testimony of respondent, as creditor, is sufficient to prove non-payment even without the indefinite testimony of petitioner, as debtor, then the payroll (pay slip), presented by respondent to prove that he only received the amount of SR604.00 as basic monthly salary, is immaterial.<sup>[10]</sup>

Petitioner, however, insists that since respondent already admitted that his employer paid him, albeit short of what was stipulated upon, then petitioner has no more obligation to show that respondent was paid, and it now rests upon respondent to prove underpayment, and the pay slip submitted by respondent, which is of "questionable authenticity," is not enough to prove the same.<sup>[11]</sup>

The rule is that the burden of proving payment of monetary claims rests on the employer, (Villar vs. NLRC, G.R. No. 130935, May 11, 2000, 331 SCRA 686, 695).<sup>[12]</sup> In this case, herein petitioner, it being the employment agency or recruitment entity, and agent of the foreign principal, Salim Al Yami Est., (MC Engineering, Inc. vs. NLRC, G.R. No. 142314, June 28, 2001, 360 SCRA 183, 190; Royal Crowne Internationale vs. NLRC, G.R. No. 78085, October 16, 1989, 178 SCRA 569, 575-576)<sup>[13]</sup> which recruited respondent. In Jimenez vs. NLRC, [G.R. No. 116960, April 2, 1996, 256 SCRA 84]<sup>[14]</sup> which involves a claim for unpaid wages/commissions, separation pay and damages against an employer, the Court ruled that where a person is sued for a debt admits that the debt was originally owed, and pleads payment in whole or in part, it is incumbent upon him to prove such payment. This is based on the principle of evidence that each party must prove his affirmative allegations. Since petitioner asserts that respondent has already been fully paid of his stipulated salary, the burden is upon petitioner to prove such fact of full payment.

In this case, while respondent may have admitted that he has actually been paid the amount of SR604.00 as monthly salary, it does not discharge petitioner from proving full payment of the stipulated monthly salary of US\$625.00 based on the Agency-Worker Agreement. Respondent's admission that some payments have been made does not change the burden of proof. Petitioner still has the burden of establishing payments beyond those admitted by respondent.<sup>[15]</sup>

Thus, it was stated in the Jimenez case that:

As a general rule, one who pleads payment has the burden of proving it. Even where the plaintiff must allege non-payment, the general rule is that the burden rests on the defendant to prove payment, rather than on the plaintiff to prove non-payment. The debtor has the burden of showing with legal certainty that the obligation has been discharged by payment.

When the existence of a debt is fully established by the evidence contained in the record, the burden of proving that it has been extinguished by payment devolves upon the debtor who offers such a defense to the claim of the creditor. Where the debtor

introduces some evidence of payment, the burden of going forward with the evidence - as distinct from the general burden of proof - shifts to the creditor, who is then under a duty of producing some evidence to show non-payment.

Petitioner merely denied respondent's claim of underpayment. It did not present any controverting evidence to prove full payment. Hence, the findings of the Labor Arbiter, the NLRC and the Court of Appeals that respondent was not fully paid of his wages stand.

The positive testimony of a creditor may be sufficient of itself to show non-payment, even when met by indefinite testimony of the debtor. Similarly, the testimony of the debtor may also be sufficient to show payment, but, where his testimony is contradicted by the other party or by a disinterested witness, the issue may be determined against the debtor since he has the burden of proof. The testimony of the debtor creating merely an inference of payment will not be regarded as conclusive on that issue.

Hence, for failure to present evidence to prove payment, petitioners defaulted in their defense and in effect admitted the allegations of private respondents.<sup>[16]</sup>

With regard to the admissibility of the pay slips, both the Labor Arbiter and the NLRC found that it was admissible as evidence. As a general rule, the Court is not duty-bound to delve into the accuracy of the NLRC's factual findings in the absence of a clear showing that these were arbitrary and bereft of any rational basis. (*Hacienda Fatima vs. National Federation of Sugarcane Workers-Food and General Trade*, G.R. No. 149440, January 28, 2003, 396 SCRA 518, 527-528).<sup>[17]</sup> In the present case, petitioner failed to demonstrate any arbitrariness or lack of rational basis on the part of the NLRC.<sup>[18]</sup>

Article 221 of the Labor Code provides that proceedings before the NLRC are not covered by the technical rules of evidence and procedure. The probative value of the copy of the pay slips is aptly justified by the NLRC, as follows:

x x x the payslips are original duplicates of computerized payslips issued by the employer, Salim Al Yami Est., to its workers which contain entries such as pay date, employee's I.D. number, employee name, category, basic rate, overtime hours and other relevant information, including an itemization of earnings (basic pay, overtime pay, meal allowance for the period covered) and deductions. The fact that the payslips are not authenticated will not militate against complainant's claim, considering that in presenting the payslips, complainant has established the fact of underpayment, and the burden has shifted to the respondent to prove that complainant was totally compensated for actual services rendered.<sup>[19]</sup> (*Emphasis supplied*)

**WHEREFORE**, the petition is **DENIED** for lack merit.

**SO ORDERED.**

**PUNO, J., Chairman, AUSTRIA-MARTINEZ, CALLEJO, SR., TINGA, and CHICO-NAZARIO, JJ., concur.**

---

[1] San Juan De Dios Educational Foundation Employees Union-Alliance of Filipino Workers vs. San Juan De Dios Educational Foundation, G.R. No. 143341, May 28, 2004, 430 SCRA 193, 205-206.

[2] CA Rollo, p. 34.

[3] Id., pp. 35-36, Labor Arbiter's Decision dated October 29, 1997.

[4] Id., pp. 38-39.

[5] Id., pp. 23-24.

[6] Id., p. 64, Court of Appeals Decision dated June 7, 1999, penned by Associate Justice Portia Aliño-Hormachuelos, with Associate Justices Bernardo P. Abesamis and Eloy R. Bello, Jr., concurring.

[7] Rollo, p. 13.

[8] Stamford Marketing Corp. vs. Julian, G.R. No. 145496, February 24, 2004, 423 SCRA 633, 651.

[9] CA Rollo, p. 63.

[10] Id., pp. 63-64.

[11] Rollo, p. 14.

[12] (Villar vs. NLRC, G.R. No. 130935, May 11, 2000, 331 SCRA 686, 695).

[13] (MC Engineering, Inc. vs. NLRC, G.R. No. 142314, June 28, 2001, 360 SCRA 183, 190; Royal Crowne Internationale vs. NLRC, G.R. No. 78085, October 16, 1989, 178 SCRA 569, 575-576.

- [14] [G.R. No. 116960, April 2, 1996, 256 SCRA 84].
- [15] Jimenez case, supra., at pp. 89-90.
- [16] Id., pp. 90-91.
- [17] (Hacienda Fatima vs. National Federation of Sugarcane Workers-Food and General Trade, G.R. No. 149440, January 28, 2003, 396 SCRA 518, 527-528).
- [18] Tan vs. National Labor Relations Commission, G.R. No. 128290, November 24, 1998, 299 SCRA 169, 179.
- [19] CA Rollo, pp. 21-22.

---

Philippine Copyright © 2005  
ChanRobles Publishing Company  
www.chanrobles.com