



Republic of the Philippines
Supreme Court
Manila

THIRD DIVISION

ATTY. FRED L. BAGBAGEN,
Petitioner,

G.R. No. 274980

Present:

CAGUIOA, J.,
Chairperson,
INTING,
GAERLAN,
DIMAAMPAO, and
SINGH,* JJ.

- versus -

ANNA MAY F. PEREZ,
Respondent.

Promulgated:
FEB 17 2025

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DECISION

GAERLAN, J.:

For the resolution of this Court is the Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court filed by petitioner Atty. Fred L. Bagbagen (Bagbagen), assailing the Decision² dated August 18, 2023 and the Resolution³ dated April 15, 2024 of the Court of Appeals (CA) in CA-G.R. SP No. 164945. The CA upheld the Orders dated October 22, 2019⁴ and January 6, 2020⁵ issued by Judge Mia Joy Oallares-Cawed (Judge Oallares-Cawed), in her capacity as the acting presiding judge of Branch 61 of the Regional Trial Court (RTC), First Judicial Region, Baguio City, in Criminal Case No. 27971-R.

Factual Antecedents

The instant case stemmed from a criminal Information charging Bagbagen, a councilor in Baguio City, and co-accused Frank Leo Telintelo

* On leave.
¹ Rollo, pp. 12-23, Petition for Review on *Certiorari*.
² *Id.* at 27-36. Penned by Associate Justice Eduardo S. Ramos, Jr. and concurred in by Associate Justices Edwin D. Sorongon and Ruben Reynaldo G. Roxas of the Eighth Division, Court of Appeals, Manila.
³ *Id.* at 38-39. Penned by Associate Justice Eduardo S. Ramos, Jr. and concurred in by Associate Justices Edwin D. Sorongon and Ruben Reynaldo G. Roxas of the Former Eighth Division, Court of Appeals, Manila.
⁴ *Id.* at 52-55. Penned by Acting Presiding Judge Mia Joy C. Oallares-Cawed.
⁵ *Id.* at 56-57.

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(Telintelo) of the crime of Estafa allegedly committed against respondent Anna May Perez (Perez). After due proceedings, the RTC issued a Decision dated January 17, 2014, acquitting both Bagbagen and Telintelo of the crime charged but finding them civilly liable to Perez.⁶

A Notice of Garnishment dated August 29, 2019, pursuant to a Writ of Execution, was issued by Judge Oallares-Cawed on December 3, 2018, in view of the finality of the above Decision.⁷ The dispositive portion of the Decision as quoted in the Writ of Execution reads:

WHEREFORE, on reasonable doubt, judgment is rendered ACQUITTING accused Frank Leo Telintelo and [Bagbagen] of the crime of Estafa.

Both are however found to be civilly liable. Frank Leo Telintelo and [Bagbagen] are hereby ORDERED, solidarily, to indemnify [Perez] and her co-heirs the principal amount of [PHP] 308,000.00. The entire amount shall earn legal interest at the rate of 6% per annum commencing from the finality of this decision until fully paid.

Costs against both accused.

SO ORDERED.⁸

On September 18, 2019, Bagbagen filed a Motion to Lift Notice of Garnishment (Motion), alleging that the Philippine Veterans Bank, Baguio City Branch, had withheld his salary as City Councilor and refused its withdrawal.⁹ Bagbagen cited the Supreme Court rulings in the cases of *The Director of the Bureau of Commerce and Industry v. Concepcion (Director of Commerce)*¹⁰ and *Avendaño v. Hon. Alikpala (Avendaño)*,¹¹ which held that salaries are not subject to garnishment for reasons of public policy, and that the money, while not yet disbursed, remains government funds.¹² Therefore, he prayed that the Notice of Garnishment, which was issued to Philippine Veterans Bank, be lifted.¹³

The October 22, 2019 RTC Order

In the first assailed Order dated October 22, 2019, the RTC denied Bagbagen's Motion, ruling that the salaries of Bagbagen subject of the Notice of Garnishment were already deposited with the Philippine Veterans Bank, Baguio

⁶ *Id.* at 28, CA Decision.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

¹⁰ 43 Phil. 384 (1922 [J. Malcolm, *En Banc*]).

¹¹ 120 Phil. 1331 (1964) [Per J. Paredes, *En Banc*].

¹² *Rollo*, p. 28.

¹³ *Id.*

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City Branch, in the account of Bagbagen.¹⁴ The RTC emphasized that once deposited, the funds ceased to be government funds and as such, were no longer exempt from garnishment.¹⁵ The decretal portion of its ruling states:

WHEREFORE, the Motion to Lift Notice of Garnishment is **DENIED** for lack of merit.

[Bagbagen] is ORDERED to submit a monthly payment scheme suitable to [Perez] within ten (10) days from receipt of this Order. Failing[,], which, the Philippine Veteran's Bank, Baguio City, through its manager, is DIRECTED to deliver to the Ex-officio Sheriff of the Regional Trial Court of Baguio City the amounts garnished.

Sheriff Itliong is ORDERED to make a report on the payment scheme of [Bagbagen], if any, and the garnishment thereafter.

SO ORDERED.¹⁶ (Emphasis in the original)

Consequently, Bagbagen filed a Motion for Reconsideration.¹⁷

The January 6, 2020 RTC Order

In the second assailed Order, the RTC denied the Motion for Reconsideration. The relevant portion of the January 6, 2020 ruling reads:

WHEREFORE, the premises all duly considered, the **Motion for Reconsideration** filed by [Bagbagen] is **DENIED** for lack of merit.

The [RTC] reiterates its previous Order for [Bagbagen] to submit a monthly payment scheme suitable to [Perez] within ten (10) days from receipt of this Order. Failing[,], which, the Philippine Veterans Bank, Baguio City, through its manager, is DIRECTED to deliver to the Ex-officio Sheriff of the Regional Trial Court of Baguio City the amounts garnished.

Sheriff Itliong is ORDERED to make a report on the payment scheme of [Bagbagen], if any, and the garnishment thereafter.

SO ORDERED.¹⁸ (Emphasis in the original)

Unfazed, Bagbagen filed a Petition for *Certiorari* before the CA, assailing the above Orders of the RTC. He claimed that jurisprudence has already settled

¹⁴ *Id.* at 29.

¹⁵ *Id.* at 54, RTC Order dated October 22, 2019.

¹⁶ *Id.* at 54--55.

¹⁷ *Id.* at 29, CA Decision.

¹⁸ *Id.* at 57, RTC Order dated January 6, 2020.

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that the salary and Christmas bonus of a government official could not be garnished.¹⁹

The CA Ruling

The CA, through its Decision²⁰ dated August 18, 2023, dismissed the petition and upheld the RTC Orders. It found no reason to rule that RTC acted with grave abuse of discretion amounting to lack or excess of jurisdiction in denying Bagbagen's Motion.²¹ Thus, the dispositive portion so provides:

The *Petition for Certiorari* is **DISMISSED**. The *Order* dated [October 22, 2016] and *Order* dated [January 6, 2020] issued by Branch 61 of the Regional Trial Court, First Judicial Region, Baguio City, in Criminal Case No. 27971-R **STAND**.

SO ORDERED.²² (Emphasis and italics in the original)

The subsequent Motion for Reconsideration was denied in a Resolution²³ dated April 15, 2024, to wit:

All told, the *Motion* presents no cogent justification for the reconsideration of this Court's *Decision* dated [August 18, 2023]. Accordingly, the *Motion for Reconsideration* dated [September 18, 2023] is **DENIED** for lack of merit.

SO ORDERED.²⁴ (Emphasis and italics in the original)

Hence, Bagbagen files the present Petition for Review on *Certiorari*²⁵ seeking the reversal of the CA ruling. He avers once more that case law has settled that the salaries and bonuses of government officials could not be garnished, and that Perez cannot assign the monies to be garnished by way of Special Power of Attorney to Danise Perez without the consent of her co-heirs.²⁶

Issue

For the resolution of this Court is the issue of whether the CA erred in upholding the RTC Orders directing the garnishment of Bagbagen's salaries.

¹⁹ *Id.* at 30, CA Decision.

²⁰ *Id.* at 27–36.

²¹ *Id.* at 35.

²² *Id.*

²³ *Id.* at 38–39, CA Resolution.

²⁴ *Id.* at 39.

²⁵ *Id.* at 12–23.

²⁶ *Id.* at 16.

The Court's Ruling

The Court denies the present petition, there being no reversible error on the part of the court *a quo* in upholding the RTC Orders directing the garnishment of Bagbagen's salaries.

Prefatorily, the issue on the assignment of monies to be garnished raised by Bagbagen deserves scant consideration, the same being raised for the first time on appeal. Issues that were not alleged or proved before the lower court cannot be decided for the first time on appeal.²⁷ This rule ensures fair play, justice, and due process in the proceedings.²⁸

Proceeding further, in dismissing the petition, the court *a quo* held that Bagbagen's salaries and bonuses were already deposited to his ATM Account at Philippine Veterans Bank, and since the same were already segregated from the mass of public funds, they may already be subject to garnishment as it is now in the nature of private funds.

While the Court has previously held in a plethora of cases that the salaries of public officials may be garnished once deposited into their bank accounts because they cease to be public funds, this Court takes the opportunity to resolve the issue on the garnishment of public officials' salaries in a different light. **The Court deems it more wise to rule that the salaries of public officials are subject to garnishment not merely because they have lost their public character upon deposit, as previously held in numerous cases, but because they are not covered by the exemptions provided under existing laws and rules.**

Pertinently, the garnishment of property to enforce a writ of execution operates as an attachment, creating a lien that places the property under the jurisdiction of the court that issued the writ. As a result, the property is placed in *custodia legis*, under the exclusive control of the court.²⁹

Corollary to this, the enforcement of judgment against salaries of employees is covered by Rule 39, Section 9(c) of the 2019 Amended Rules of Court, which provides:

Section 9. *Execution of judgments for money, how enforced.* — . . .

²⁷ *Chinatrust v. Turner*, 812 Phil. 1, 3 (2017) [Per J. Leonen, Second Division].

²⁸ *Id.* at 16.

²⁹ *Peria Compania De Seguros, Inc. v. Hon. Kamolote*, 280 Phil. 530, 537 (1991) [Per J. Feliciano, First Division].

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(c) *Garnishment of debts and credits.* — The officer may levy on debts due the judgment obligor and other credits, including bank deposits, financial interests, royalties, commissions and other personal property not capable of manual delivery in the possession or control of third parties. Levy shall be made by serving notice upon the person owing such debts or having in his possession or control such credits to which the judgment obligor is entitled. The garnishment shall cover only such amount as will satisfy the judgment and all lawful fees.

....

Section 13 of the same Rule enumerates the properties exempt from execution, with particular reference to Section 13(i) thereof, which reads:

Section 13. *Property exempt from execution.* — Except as otherwise expressly provided by law, the following property, and no other, shall be exempt from execution:

....

(i) So much of the salaries, wages, or earnings of the judgment obligor for his personal services within the four months preceding the levy as are necessary for the support of his family[.]

The exemption under this procedural rule should be read in conjunction with the New Civil Code, the substantive law which proscribes the execution of employee's wages, thus:

Article 1708. The laborer's wage shall not be subject to execution or attachment, except for debts incurred for food, shelter, clothing and medical attendance.

Verily, the exemption under Rule 39, Section 9(c) of the 2019 Amended Rules of Court and Article 1708 of the Civil Code is meant to favor only laboring men or women whose works are manual,³⁰ and not public officials such as Bagbagen. Persons belonging to the former group usually look to the reward of a day's labor for immediate or present support, and such persons are more in need of the exemption than any other.³¹

Concisely, public officials and laborers are subject to different rules and laws. At the risk of being repetitive, there is no law exempting the salaries of public officials from garnishment, whereas Article 1708 of the Civil Code grants such an exemption to the salaries of laborers.

³⁰ *D' Armoured Security v. Orpia*, 500 Phil. 97, 102 (2005) [Per J. Sandoval-Gutierrez, Third Division].

³¹ *Id.*

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Furthermore, public officials are generally subject to stricter rules and policies involving their compensation, assets, and liabilities, given their constitutional role as custodians of public trust.³² On the other hand, laborers, such as private employees, are subject to the terms of their employment contracts and labor laws, which offer protective measures for their wages and earnings, consistent with the State's constitutional mandate to afford full protection to labor.³³

Additionally, public officials and laborers differ significantly in the nature of their work and the manner in which their compensation is determined. Government officials are tasked with duties that serve the public interest and are often governed by statutory mandates. Their salaries are fixed by law and are not necessarily dependent on the number of hours worked or the specific tasks performed. On the other hand, laborers, especially those in the private sector, are compensated based on their employment contracts, which may include provisions for performance-based pay, hourly wages, or other variable considerations.

Finally, in as much as the distinctions between public officials and laborers may be relevant herein, the Court clarifies that the salaries of public officials and laborers may both be subject to garnishment. The determining factor is not simply the private nature of the funds but the absence of any law explicitly exempting such salaries from garnishment. The exemption is not even absolute for the salaries of laborers—only so much of their salaries, wages, or earnings within the four months preceding the levy as are necessary for the support of his family shall be exempt from garnishment. Beyond this, there is no broad and all-encompassing exemption covering all salaries, whether of public officials or private employees. Thus, the garnishment of salaries is lawful when it does not fall within the enumerated exemptions under the law.

In view of the foregoing, the salaries and bonuses of Bagbagen, a government official serving as city councilor, are not exempt from garnishment, there being no law granting any exemption of the same. Thus, the court *a quo* correctly upheld the RTC Orders directing the garnishment of Bagbagen's salaries.

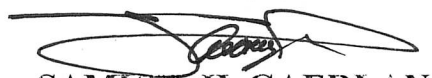
ACCORDINGLY, the Petition for Review on *Certiorari* is hereby **DENIED**. The Decision dated August 18, 2023 and the Resolution dated April 15, 2024 of the Court of Appeals in CA-G.R. SP No. 164945 are hereby **AFFIRMED**.

³² 1987 CONSTITUTION, art. XIII, sec. 3.

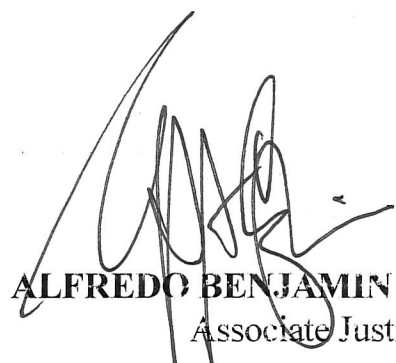
³³ 1987 CONSTITUTION, art. XI, sec. 1.

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SO ORDERED.


SAMUEL H. GAERLAN
Associate Justice

WE CONCUR:


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

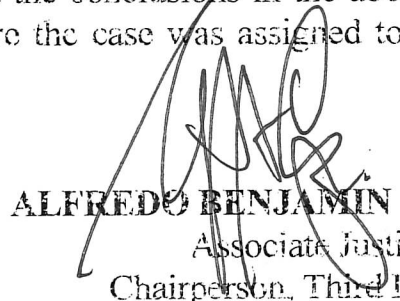

HENRI JEAN PAUL B. INTING
Associate Justice


APAR B. DIMAAMPAO
Associate Justice

(On leave)
MARIA FILOMENA D. SINGH
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.


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution and the Division Chairperson's Attestation, 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.



ALEXANDER G. GESMUNDO
Chief Justice

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