



Republic of the Philippines  
**Supreme Court**  
Manila

**FIRST DIVISION**

**SOUTH EAST INTERNATIONAL  
RATTAN, INC. and/or  
ESTANISLAO<sup>1</sup> AGBAY,**  
Petitioners,

**G.R. No. 186621**

Present:

SERENO, C.J.,  
*Chairperson,*  
LEONARDO-DE CASTRO,  
BERSAMIN,  
VILLARAMA, JR., and  
REYES, JJ.

- versus -

Promulgated:

**JESUS J. COMING,**  
Respondent.

**MAR 12 2014**

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**DECISION**

**VILLARAMA, JR., J.:**

Before the Court is a petition for review on certiorari under Rule 45 to reverse and set aside the Decision<sup>2</sup> dated February 21, 2008 and Resolution<sup>3</sup> dated February 9, 2009 of the Court of Appeals (CA) in CA-G.R. CEB-SP No. 02113.

Petitioner South East International Rattan, Inc. (SEIRI) is a domestic corporation engaged in the business of manufacturing and exporting furniture to various countries with principal place of business at Paknaan, Mandaue City, while petitioner Estanislao Agbay, as per records, is the President and General Manager of SEIRI.<sup>4</sup>

<sup>1</sup> Estaneslao and Estan Eslao in some parts of the records.

<sup>2</sup> *Rollo*, pp. 37-46. Penned by Associate Justice Priscilla J. Baltazar-Padilla with Associate Justices Isaias P. Dicdican and Franchito N. Diamante concurring.

<sup>3</sup> *Id.* at 47-48. Penned by Associate Justice Priscilla J. Baltazar-Padilla with Associate Justices Francisco P. Acosta and Franchito N. Diamante concurring.

<sup>4</sup> Records, pp. 21, 27-37 and 56.

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On November 3, 2003, respondent Jesus J. Coming filed a complaint<sup>5</sup> for illegal dismissal, underpayment of wages, non-payment of holiday pay, 13<sup>th</sup> month pay and service incentive leave pay, with prayer for reinstatement, back wages, damages and attorney's fees.

Respondent alleged that he was hired by petitioners as Sizing Machine Operator on March 17, 1984. His work schedule is from 8:00 a.m. to 5:00 p.m. Initially, his compensation was on "*pakiao*" basis but sometime in June 1984, it was fixed at ₱150.00 per day which was paid weekly. In 1990, without any apparent reason, his employment was interrupted as he was told by petitioners to resume work in two months time. Being an uneducated person, respondent was persuaded by the management as well as his brother not to complain, as otherwise petitioners might decide not to call him back for work. Fearing such consequence, respondent accepted his fate. Nonetheless, after two months he reported back to work upon order of management.<sup>6</sup>

Despite being an employee for many years with his work performance never questioned by petitioners, respondent was dismissed on January 1, 2002 without lawful cause. He was told that he will be terminated because the company is not doing well financially and that he would be called back to work only if they need his services again. Respondent waited for almost a year but petitioners did not call him back to work. When he finally filed the complaint before the regional arbitration branch, his brother Vicente was used by management to persuade him to withdraw the case.<sup>7</sup>

On their part, petitioners denied having hired respondent asserting that SEIRI was incorporated only in 1986, and that respondent actually worked for SEIRI's furniture suppliers because when the company started in 1987 it was engaged purely in buying and exporting furniture and its business operations were suspended from the last quarter of 1989 to August 1992. They stressed that respondent was not included in the list of employees submitted to the Social Security System (SSS). Moreover, respondent's brother, Vicente Coming, executed an affidavit<sup>8</sup> in support of petitioners' position while Allan Mayol and Faustino Apondar issued notarized certifications<sup>9</sup> that respondent worked for them instead.<sup>10</sup>

With the denial of petitioners that respondent was their employee, the latter submitted an affidavit<sup>11</sup> signed by five former co-workers stating that respondent was one of the pioneer employees who worked in SEIRI for almost twenty years.

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<sup>5</sup> Id. at 1.

<sup>6</sup> Id. at 1, 47.

<sup>7</sup> Id. at 47.

<sup>8</sup> Id. at 44-45.

<sup>9</sup> Id. at 42-43.

<sup>10</sup> Id. at 23, 51.

<sup>11</sup> Id. at 62.

In his Decision<sup>12</sup> dated April 30, 2004, Labor Arbiter Ernesto F. Carreon ruled that respondent is a regular employee of SEIRI and that the termination of his employment was illegal. The dispositive portion of the decision reads:

WHEREFORE, premises considered, judgment is hereby rendered ordering the respondent South East (Int'l.) Rattan, Inc. to pay complainant Jesus J. Coming the following:

1. Separation pay	P114,400.00
2. Backwages	P 30,400.00
3. Wage differential	P 15,015.00
4. 13 <sup>th</sup> month pay	P 5,958.00
5. Holiday pay	P 4,000.00
6. Service incentive leave pay	P 2,000.00
Total award	P171,773.00

The other claims and the case against respondent Estanislao Agbay are dismissed for lack of merit.

SO ORDERED.<sup>13</sup>

Petitioners appealed to the National Labor Relations Commission (NLRC)-Cebu City where they submitted the following additional evidence: (1) copies of SEIRI's payrolls and individual pay records of employees;<sup>14</sup> (2) affidavit<sup>15</sup> of SEIRI's Treasurer, Angelina Agbay; and (3) second affidavit<sup>16</sup> of Vicente Coming.

On July 28, 2005, the NLRC's Fourth Division rendered its Decision,<sup>17</sup> the dispositive portion of which states:

WHEREFORE, premises considered, the decision of the Labor Arbiter is hereby SET ASIDE and VACATED and a new one entered DISMISSING the complaint.

SO ORDERED.<sup>18</sup>

The NLRC likewise denied respondent's motion for reconsideration.<sup>19</sup>

Respondent elevated the case to the CA via a petition for certiorari under Rule 65.

By Decision dated February 21, 2008, the CA reversed the NLRC and ruled that there existed an employer-employee relationship between petitioners and respondent who was dismissed without just and valid cause.

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<sup>12</sup> Id. at 63-68.

<sup>13</sup> Id. at 67.

<sup>14</sup> Id. at 101-282.

<sup>15</sup> Id. at 283-284.

<sup>16</sup> Id. at 285.

<sup>17</sup> Id. at 313-318.

<sup>18</sup> Id. at 318.

<sup>19</sup> Id. at 345-347.

The CA thus decreed:

WHEREFORE, in view of the foregoing, the petition is hereby GRANTED. The assailed Decision dated July 28, 2005 issued by the National Labor Relations Commission (NLRC), Fourth Division, Cebu City in NLRC Case No. V-000625-2004 is REVERSED and SET ASIDE. The Decision of the Labor Arbiter dated April 30, 2004 is REINSTATED with MODIFICATION on the computation of backwages which should be computed from the time of illegal termination until the finality of this decision.

Further, the Labor Arbiter is directed to make the proper adjustment in the computation of the award of separation pay as well as the monetary awards of wage differential, 13<sup>th</sup> month pay, holiday pay and service incentive leave pay.

SO ORDERED.<sup>20</sup>

Petitioners filed a motion for reconsideration but the CA denied it under Resolution dated February 9, 2009.

Hence, this petition raising the following issues:

6.1

WHETHER UNDER THE FACTS AND EVIDENCE ON RECORD, THE FINDING OF THE HONORABLE COURT OF APPEALS THAT THERE EXISTS EMPLOYER-EMPLOYEE RELATIONSHIP BETWEEN PETITIONERS AND RESPONDENT IS IN ACCORD WITH LAW AND APPLICABLE DECISIONS OF THIS HONORABLE COURT.

6.2

WHETHER THE HONORABLE COURT OF APPEALS CORRECTLY APPRECIATED IN ACCORDANCE WITH APPLICABLE LAW AND JURISPRUDENCE THE EVIDENCE PRESENTED BY BOTH PARTIES.

6.3

WHETHER UNDER THE FACTS AND EVIDENCE PRESENTED, THE FINDING OF THE HONORABLE COURT OF APPEALS THAT PETITIONERS ARE LIABLE FOR ILLEGAL DISMISSAL OF RESPONDENT IS IN ACCORD WITH APPLICABLE LAW AND JURISPRUDENCE.

6.4

WHETHER UNDER THE FACTS PRESENTED, THE RULING OF THE HONORABLE COURT OF APPEALS THAT THE BACKWAGES DUE THE RESPONDENT SHOULD BE COMPUTED FROM THE TIME OF ILLEGAL TERMINATION UNTIL THE FINALITY OF THE DECISION IS SUPPORTED BY PREVAILING JURISPRUDENCE.<sup>21</sup>

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<sup>20</sup> *Rollo*, p. 46.

<sup>21</sup> *Id.* at 16.

Resolution of the first issue is paramount in view of petitioners' denial of the existence of employer-employee relationship.

The issue of whether or not an employer-employee relationship exists in a given case is essentially a question of fact. As a rule, this Court is not a trier of facts and this applies with greater force in labor cases.<sup>22</sup> Only errors of law are generally reviewed by this Court.<sup>23</sup> This rule is not absolute, however, and admits of exceptions. For one, the Court may look into factual issues in labor cases when the factual findings of the Labor Arbiter, the NLRC, and the CA are conflicting.<sup>24</sup> Here, the findings of the NLRC differed from those of the Labor Arbiter and the CA, which compels the Court's exercise of its authority to review and pass upon the evidence presented and to draw its own conclusions therefrom.<sup>25</sup>

To ascertain the existence of an employer-employee relationship jurisprudence has invariably adhered to the four-fold test, to wit: (1) the selection and engagement of the employee; (2) the payment of wages; (3) the power of dismissal; and (4) the power to control the employee's conduct, or the so-called "control test."<sup>26</sup> In resolving the issue of whether such relationship exists in a given case, substantial evidence – that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion – is sufficient. Although no particular form of evidence is required to prove the existence of the relationship, and any competent and relevant evidence to prove the relationship may be admitted, a finding that the relationship exists must nonetheless rest on substantial evidence.<sup>27</sup>

In support of their claim that respondent was not their employee, petitioners presented Employment Reports to the SSS from 1987 to 2002, the Certifications issued by Mayol and Apondar, two affidavits of Vicente Coming, payroll sheets (1999-2000), individual pay envelopes and employee earnings records (1999-2000) and affidavit of Angelina Agbay (Treasurer and Human Resources Officer). The payroll and pay records did not include the name of respondent. The affidavit of Ms. Agbay stated that after SEIRI started its business in 1986 purely on export trading, it ceased operations in 1989 as evidenced by Certification dated January 18, 1994 from the Securities and Exchange Commission (SEC); that when business resumed in 1992, SEIRI undertook only a little of manufacturing; that the company never hired any workers for varnishing and pole sizing because it bought the

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<sup>22</sup> *Manila Water Co., Inc. v. Pena*, 478 Phil. 68, 77 (2004), citing *Fleischer Co., Inc. v. NLRC*, 407 Phil. 391, 399 (2001).

<sup>23</sup> *Basay v. Hacienda Consolacion*, G.R. No. 175532, April 19, 2010, 618 SCRA 422, 434, citing *Lopez v. Bodega City (Video-Disco Kitchen of the Phils.) and/or Torres-Yap*, 558 Phil. 666, 673 (2007).

<sup>24</sup> *Jao v. BCC Products Sales, Inc.*, G.R. No. 163700, April 18, 2012, 670 SCRA 38, 44.

<sup>25</sup> *Id.* at 45.

<sup>26</sup> *Atok Big Wedge Company, Inc. v. Gison*, G.R. No. 169510, August 8, 2011, 655 SCRA 193, 202, citing *Philippine Global Communications, Inc. v. De Vera*, 498 Phil. 301, 308-309 (2005).

<sup>27</sup> *Masing and Sons Development Corporation v. Rogelio*, G.R. No. 161787, July 27, 2011, 654 SCRA 490, 498, citing Section 5, Rule 133 of the Rules of Court, *People's Broadcasting (Bombo Radyo Phils., Inc.) v. Secretary of the Department of Labor and Employment*, G.R. No. 179652, May 8, 2009, 587 SCRA 724, 753 and *Opulencia Ice Plant and Storage v. NLRC*, G.R. No. 98368, December 15, 1993, 228 SCRA 473, 478.

same from various suppliers, including Faustino Apondar; respondent was never hired by SEIRI; and while it is true that Mr. Estanislao Agbay is the company President, he never dispensed the salaries of workers.<sup>28</sup>

In his first affidavit, Vicente Coming averred that:

6. [Jesus Coming] is a furniture factory worker. In 1982 to 1986, he was working with Ben Mayol as round core maker/splitter.

7. Thereafter, we joined Okay Okay Yard owned by Amelito Montececillo. This is a rattan trader with business address near Cebu Rattan Factory on a “Pakiao” basis.

8. However, Jesus and I did not stay long at Okay Okay Yard and instead we joined Eleuterio Agbay in Labogon, Cebu in 1989. In 1991, we went back to Okay Okay located near the residence of Atty. Vicente de la Serna in Mandaue City. We were on a “pakiao” basis. We stayed put until 1993 when we resigned and joined Dodoy Luna in Labogon, Mandaue City as classifier until 1995. In 1996[,] Jesus rested. It was only in 1997 that he worked back. He replaced me, as a classifier in Rattan Traders owned by Allan Mayol. But then, towards the end of the year, he left the factory and relaxed in our place of birth, in Sogod, Cebu.

9. It was only towards the end of 1999 that Jesus was taken back by Allan Mayol as sizing machine operator. However, the work was off and on basis. Not regular in nature, he was harping a side line job with me knowing that I am now working with Faustino Apondar that supplies rattan furniture’s *[sic]* to South East (Int’l) Rattan, Inc. As a brother, I allowed Jesus to work with me and collect the proceeds of his services as part of my collectibles from Faustino Apondar since I was on a “pakiao” basis. He was working at his pleasure. Which means, he works if he likes to? That will be until 10:00 o’clock in the evening.

x x x x<sup>29</sup>

The Certification dated January 20, 2004 of Allan Mayol reads:

This is to certify that I personally know Jesus Coming, the brother of Vicente Coming. Jesus is a rattan factory worker and he was working with me as rattan pole sizing/classifier of my business from 1997 up to part of 1998 when he left my factory at will. I took him back towards the end of 1999, this time as a sizing machine operator. In all these years, his services are not regular. He works only if he likes to.<sup>30</sup>

Faustino Apondar likewise issued a Certification which states:

This is to certify that I am a maker/supplier of finished Rattan Furniture. As such, I have several rattan furniture workers under me, one of whom is Vicente Coming, the brother of Jesus Coming.

That sometime in 1999, Vicente pleaded to me for a side line job of his brother, Jesus who was already connected with Allan Mayol. Having vouched for the integrity of his brother and knowing that the job is

<sup>28</sup> Records, pp. 27-43, 56, 101-287.

<sup>29</sup> Id. at 44.

<sup>30</sup> Id. at 42.

temporary in character, I allowed Jesus to work with his brother Vicente. However, the proceeds will be collected together with his brother Vicente since it was the latter who was working with me. He renders services to his brother work only after the regular working hours but off and on basis.<sup>31</sup>

On the other hand, respondent submitted the affidavit executed by Eleoterio Brigoli, Pedro Brigoli, Napoleon Coming, Efren Coming and Gil Coming who all attested that respondent was their co-worker at SEIRI. Their affidavit reads:

We, the undersigned, all of legal ages, Filipino, and resident[s] of Cebu, after having been duly sworn to in accordance with law, depose and say:

That we are former employees of SOUTH EAST RATTAN which is owned by Estan Eslao Agbay;

That we personally know JESUS COMING considering that we worked together in one company SOUTH EAST RATTANT *[sic]*;

That we together with JESUS COMING are all under the employ of ESTAN ESLAO AGBAY considering that the latter is the one directly paying us and holds the absolute control of all aspects of our employment;

That it is not true that JESUS COMING is under the employ of one person other than ESTAN ESLAO AGBAY OF SOUTH EAST RATTAN;

That Jesus Coming is one of the pioneer employees of SOUTH EAST RATTAN and had been employed therein for almost twenty years;

That we executed this affidavit to attest to the truth of the foregoing facts and to deny any contrary allegation made by the company against his employment with SOUTH EAST RATTAN.<sup>32</sup>

In his decision, Labor Arbiter Carreon found that respondent's work as sizing machine operator is usually necessary and desirable to the rattan furniture business of petitioners and their failure to include respondent in the employment report to SSS is not conclusive proof that respondent is not their employee. As to the affidavit of Vicente Coming, Labor Arbiter Carreon did not give weight to his statement that respondent is not petitioners' employee but that of one Faustino Apondar. Labor Arbiter Carreon was not convinced that Faustino Apondar is an independent contractor who has a contractual relationship with petitioners.

In reversing the Labor Arbiter, the NLRC reasoned as follows:

First complainant alleged that he worked continuously from March 17, 1984 up to January 21, 2002. Records reveal however that South East (Int'l.) Rattan, Inc. was incorporated only last July 18, 1986 (p. 55 records)[.] Moreover, when they started to actually operate in 1987, the

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<sup>31</sup> Id. at 43.

<sup>32</sup> Id. at 62.

company was engaged purely on “buying and exporting rattan furniture” hence no manufacturing employees were hired. Furthermore, from the last quarter of 1989 up to August of 1992, the company suspended operations due to economic reverses as per Certification issued by the Securities and Exchange Commission (p. 56 records)[.]

Second, for all his insistence that he was a regular employee, complainant failed to present a single payslip, voucher or a copy of a company payroll showing that he rendered service during the period indicated therein. x x x

From the above established facts we are inclined to give weight and credence to the Certifications of Allan Mayol and Faustino Aponar, both suppliers of finished Rattan Furniture (pp. 442-43, records). It appears that complainant first worked with Allan Mayol and later with Faustino Aponar upon the proddings of his brother Vicente. Vicente’s affidavit as to complainant’s employment history was more detailed and forthright. x x x

x x x x

In the case at bar, there is likewise substantial evidence to support our findings that complainant was not an employee of respondents. Thus:

1. Complainant’s name does not appear in the list of employees reported to the SSS.
2. His name does not also appear in the sample payrolls of respondents’ employees.
3. The certification of Allan Mayol and Fasutino Aponar[,] supplier of finished rattan products[,] that complainant had at one time or another worked with them.
4. The Affidavit of Vicente Coming, complainant’s full brother[,] attesting that complainant had never been an employee of respondent. The only connection was that their employer Faustino Aponar supplies finished rattan products to respondents.<sup>33</sup>

On the other hand, the CA gave more credence to the declarations of the five former employees of petitioners that respondent was their co-worker in SEIRI. One of said affiants is Vicente Coming’s own son, Gil Coming. Vicente averred in his second affidavit that when he confronted his son, the latter explained that he was merely told by their Pastor to sign the affidavit as it will put an end to the controversy. Vicente insisted that his son did not know the contents and implications of the document he signed. As to the absence of respondent’s name in the payroll and SSS employment report, the CA observed that the payrolls submitted were only from January 1, 1999 to December 29, 2000 and not the entire period of eighteen years when respondent claimed he worked for SEIRI. It further noted that the names of the five affiants, whom petitioners admitted to be their former employees, likewise do not appear in the aforesaid documents. According to the CA, it

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<sup>33</sup> Id. at 314-315, 317-318.



is apparent that petitioners maintained a separate payroll for certain employees or willfully retained a portion of the payroll.

x x x As to the “control test”, the following facts indubitably reveal that respondents wielded control over the work performance of petitioner, to wit: (1) they required him to work within the company premises; (2) they obliged petitioner to report every day of the week and tasked him to usually perform the same job; (3) they enforced the observance of definite hours of work from 8 o’clock in the morning to 5 o’clock in the afternoon; (4) the mode of payment of petitioner’s salary was under their discretion, at first paying him on pakiao basis and thereafter, on daily basis; (5) they implemented company rules and regulations; (6) [Estanislao] Agbay directly paid petitioner’s salaries and controlled all aspects of his employment and (7) petitioner rendered work necessary and desirable in the business of the respondent company.<sup>34</sup>

We affirm the CA.

In *Tan v. Lagrama*,<sup>35</sup> the Court held that the fact that a worker was not reported as an employee to the SSS is not conclusive proof of the absence of employer-employee relationship. Otherwise, an employer would be rewarded for his failure or even neglect to perform his obligation.<sup>36</sup>

Nor does the fact that respondent’s name does not appear in the payrolls and pay envelope records submitted by petitioners negate the existence of employer-employee relationship. For a payroll to be utilized to disprove the employment of a person, it must contain a true and complete list of the employee.<sup>37</sup> In this case, the exhibits offered by petitioners before the NLRC consisting of copies of payrolls and pay earnings records are only for the years 1999 and 2000; they do not cover the entire 18-year period during which respondent supposedly worked for SEIRI.

In their comment to the petition filed by respondent in the CA, petitioners emphasized that in the certifications issued by Mayol and Apondar, it was shown that respondent was employed and working for them in those years he claimed to be working for SEIRI. However, a reading of the certification by Mayol would show that while the latter claims to have respondent under his employ in 1997, 1998 and 1999, respondent’s services were not regular and that he works only if he wants to. Apondar’s certification likewise stated that respondent worked for him since 1999 through his brother Vicente as “sideline” but only after regular working hours and “off and on” basis. Even assuming the truth of the foregoing statements, these do not foreclose respondent’s regular or full-time employment with SEIRI. In effect, petitioners suggest that respondent was employed by SEIRI’s suppliers, Mayol and Apondar but no competent proof was presented as to the latter’s status as independent contractors.

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<sup>34</sup> *Rollo*, p. 43.

<sup>35</sup> 436 Phil. 190, 204-205 (2002), citing *Lambo v. NLRC*, 375 Phil. 855, 862 (1999).

<sup>36</sup> *Id.* at 205, citing *Spouses Santos v. NLRC*, 354 Phil. 918, 932 (1998).

<sup>37</sup> *Opulencia Ice Plant and Storage v. NLRC*, *supra* note 27.

In the same comment, petitioners further admitted that the five affiants who attested to respondent's employment with SEIRI are its former workers whom they describe as "disgruntled workers of SEIRI" with an axe to grind against petitioners, and that their execution of affidavit in support of respondent's claim is "their very way of hitting back the management of SEIRI after disciplinary measures were meted against them."<sup>38</sup> This allegation though was not substantiated by petitioners. Instead, after the CA rendered its decision reversing the NLRC's ruling, petitioners subsequently changed their theory by denying the employment relationship with the five affiants in their motion for reconsideration, thus:

x x x Since the five workers were occupying and working on a leased premises of the private respondent, they were called workers of SEIRI (private respondent). Such admission however, does not connote employment. For the truth of the matter, all of the five employees of the supplier assigned at the leased premises of the private respondent. Because of the recommendation of the private respondent with regards to the disciplinary measures meted on the five workers, they wanted to hit back against the private respondent. Their motive to implicate private respondent was to vindicate. Definitely, they have an axe to grind against the private respondent. Mention has to be made that despite the dismissal of these five (5) witnesses from their service, none of them ever went to the National Labor [Relations] Commission and invoked their rights, if any, against their employer or at the very least against the respondent. The reason is obvious, since they knew pretty well that they were not employees of SEIRI but rather under the employ of Allan Mayol and Faustino Apondar, working on a leased premise of respondent. x x x<sup>39</sup>

Petitioners' admission that the five affiants were their former employees is binding upon them. While they claim that respondent was the employee of their suppliers Mayol and Apondar, they did not submit proof that the latter were indeed independent contractors; clearly, petitioners failed to discharge their burden of proving their own affirmative allegation.<sup>40</sup> There is thus no showing that the five former employees of SEIRI were motivated by malice, bad faith or any ill-motive in executing their affidavit supporting the claims of respondent.

In any controversy between a laborer and his master, doubts reasonably arising from the evidence are resolved in favor of the laborer.<sup>41</sup>

As a regular employee, respondent enjoys the right to security of tenure under Article 279<sup>42</sup> of the Labor Code and may only be dismissed for

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<sup>38</sup> CA *rollo*, p. 205.

<sup>39</sup> Id. at 241-242.

<sup>40</sup> *Masing and Sons Development Corporation v. Rogelio*, supra note 27, at 502.

<sup>41</sup> Id.

<sup>42</sup> **ART 279. Security of Tenure.** — In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement.

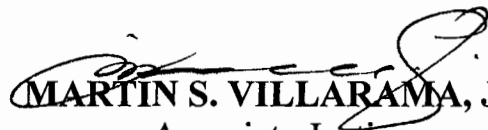
a just<sup>43</sup> or authorized<sup>44</sup> cause, otherwise the dismissal becomes illegal.

Respondent, whose employment was terminated without valid cause by petitioners, is entitled to reinstatement without loss of seniority rights and other privileges and to his full back wages, inclusive of allowances and other benefits or their monetary equivalent, computed from the time his compensation was withheld from him up to the time of his actual reinstatement. Where reinstatement is no longer viable as an option, back wages shall be computed from the time of the illegal termination up to the finality of the decision. Separation pay equivalent to one month salary for every year of service should likewise be awarded as an alternative in case reinstatement is not possible.<sup>45</sup>


**WHEREFORE**, the petition for review on certiorari is **DENIED**. The Decision dated February 21, 2008 and Resolution dated February 9, 2009 of the Court of Appeals in CA-G.R. No. CEB-SP No. 02113 are hereby **AFFIRMED and UPHELD**.

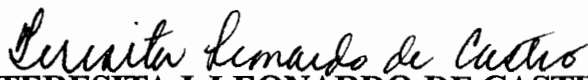
Petitioners to pay the costs of suit.

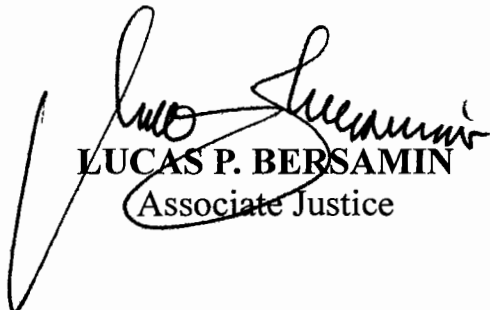
**SO ORDERED.**

  
**MARTIN S. VILLARAMA, JR.**  
Associate Justice

WE CONCUR:

  
**MARIA LOURDES P. A. SERENO**  
Chief Justice  
*Chairperson*

  
**TERESITA J. LEONARDO-DE CASTRO**  
Associate Justice

  
**LUCAS P. BERSAMIN**  
Associate Justice

<sup>43</sup> LABOR CODE OF THE PHILIPPINES, Art. 282.

<sup>44</sup> Id., Arts. 283 and 284.

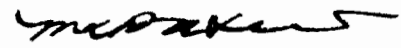
<sup>45</sup> *CRC Agricultural Trading v. National Labor Relations Commission*, G.R. No. 177664, December 23, 2009, 609 SCRA 138, 151, citing *RBC Cable Master System v. Baluyot*, G.R. No. 172670, January 20, 2009, 576 SCRA 668, 679 and *Mt. Carmel College v. Resuena*, 561 Phil. 620, 644 (2007).



**BIENVENIDO L. REYES**  
Associate Justice

### CERTIFICATION

Pursuant to Section 13, Article VIII of the 1987 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.



**MARIA LOURDES P. A. SERENO**  
Chief Justice

