



SUPREME COURT OF THE PHILIPPINE
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Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

F.F. CRUZ & CO., INC.,
Petitioner,

G.R. No. 236496

Present:

- versus -

JOSE B. GALANDEZ,
DOMINGO I. SAJUELA, and
MARLON D. NAMOC,
Respondents.

CARPIO, Chairperson,
PERLAS-BERNABE,
CAGUIOA,
J. REYES, JR., and
LAZARO-JAVIER, *JJ.*

Promulgated:

08 JUL 2019

Alfredo M. Perlas-Bernabe

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DECISION

PERLAS-BERNABE, J.:

Assailed in this petition for review on *certiorari*¹ are the Decision² dated February 8, 2017 and the Resolution³ dated January 4, 2018 of the Court of Appeals (CA) in CA-G.R. SP. No. 08468 which reversed and set aside the Order⁴ dated April 30, 2013 and the Resolution⁵ dated March 31, 2014 of the National Labor Relations Commission (NLRC) in NLRC Case No. VAC-03-000204-2012 declaring the case closed and terminated, and instead, ordered the remand of the case to the NLRC for re-computation of the award of backwages until respondents Jose B. Galandez (Galandez), Domingo I. Sajuela (Sajuela), and Marlon D. Namoc's (Namoc; collectively, respondents) reinstatement, or if no longer viable, to include payment of separation pay.

¹ *Rollo*, pp. 11-50.
² *Id.* at 290-307. Penned by Associate Justice Geraldine C. Fiel-Macaraig with Associate Justices Edgardo L. Delos Santos and Edward B. Contreras, concurring.
³ *Id.* at 335-338.
⁴ *Id.* at 142-143. Signed by Commissioner Julie C. Rendoque with Presiding Commissioner Violeta Ortiz-Bantug and Commissioner Jose G. Gutierrez, concurring.
⁵ *Id.* at 159-161.

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The Facts

Galandez, Sajuela, and Namoc were employed as warehouseman, purchaser, and welder,⁶ respectively, by petitioner F.F. Cruz & Co., Inc. (petitioner), a company engaged in the construction business.⁷ Sometime in April and May 2011, respondents were issued notices of termination⁸ on the ground of retirement. Believing that they were illegally dismissed since they have not yet reached the compulsory retirement age, and instead, were compelled to retire without their consent, respondents initially filed a complaint⁹ before the Department of Labor and Employment (DOLE). During the conciliation meetings, petitioner then agreed to pay respondents their separation pay of one (1) month for every year of service by way of compromise.¹⁰ However, as petitioner failed to honor its undertaking, the DOLE referred¹¹ the matter to the NLRC, for which complaints¹² for illegal dismissal with money claims were filed by respondents against petitioner, its President Felipe Cruz, Vice President Eric Cruz, and Human Resources Manager Alberto Alvarez.

For its part, petitioner, together with the impleaded officers, denied that respondents were illegally dismissed. It claimed that respondents were merely notified of their retirement, which was a form of retrenchment to prevent losses, and that the offer to pay their retirement equivalent to one-half (1/2) month pay was just, legal, and proper given that respondents and their families were permitted to stay in a bunk house provided by petitioner free of charge during the whole period of their employment.¹³

In a Decision¹⁴ dated December 15, 2011, the Labor Arbiter (LA) ruled in favor of respondents declaring them to have been illegally dismissed, and as such, were **ordered reinstated** to their former positions without loss of seniority rights. Accordingly, petitioner and its officers were ordered to jointly and solidarily pay respondents the total monetary award of ₱179,864.69¹⁵ representing their full backwages reckoned from the time of their dismissal until December 16, 2011, 13th month pay, as well as 10%

⁶ In the CA Decision, respondents were employed as head crew, attendant, and cashier, respectively (see id. at 291).

⁷ See id. at 13, 106, 184, and 291.

⁸ See Notices of Retirement; id. at 55-57.

⁹ See id. at 59.

¹⁰ See Minutes dated June 15, 2011; id. at 60.

¹¹ See Referral dated June 29, 2011; id. at 62.

¹² Id. at 64-71.

¹³ See id. at 80.

¹⁴ Id. at 104-110. Signed by Labor Arbiter Milagros B. Bunagan-Cabatingan.

¹⁵ See Computation; id. at 111-112. Backwages, 13th month pay, and attorney's fees are broken down as follows:

	Backwages	13 th month pay		
Galandez	- ₱53,430.00	+ ₱3,087.50	=	₱ 54,957.50 (should be ₱56,517.50)
Sajuela	- ₱53,430.00	+ ₱3,087.50	=	₱ 54,957.50 (should be ₱56,517.50)
Namoc	- ₱46,835.10	+ ₱3,643.25	=	<u>₱ 48,103.25</u> (should be ₱50,478.35)
				TOTAL: ₱163,513.35
				Attorney's fees (10%): <u>₱ 16,351.34</u>
				GRAND TOTAL: <u>₱179,864.69</u>

attorney's fees.¹⁶

Feeling aggrieved, petitioner appealed¹⁷ to the NLRC, and in a Decision¹⁸ dated July 17, 2012 (NLRC Decision) affirmed the LA's ruling finding respondents to have been illegally dismissed, and as such, are entitled to **reinstatement with backwages**.¹⁹ In this regard, the NLRC recomputed respondents' backwages and attorney's fees in the total amount of ₱363,047.68,²⁰ **subject to further re-computation until the latter's reinstatement**.²¹ Petitioner's motion for reconsideration²² was denied in a Resolution²³ dated September 21, 2012.

Thus, in the letters dated February 1, 2013²⁴ and March 14, 2013,²⁵ respondents sought to enforce the afore-mentioned NLRC Decision, **demanding petitioner to reinstate them** and to pay their full backwages which, as of January 17, 2013, was computed at ₱520,061.68. They also proposed to be paid separation pay equivalent to one (1) month pay for every year of service should reinstatement be no longer possible.²⁶

On March 25, 2013, petitioner undertook to settle and pay respondents their adjudged monetary award²⁷ in the total aggregate amount of ₱363,047.68, for which the latter executed a Quitclaim and Release²⁸ in

¹⁶ See id. at 110-112.

¹⁷ See Memorandum of Appeal dated March 15, 2012; id. at 115-117.

¹⁸ Id. at 183-192. Signed by Commissioner Julie C. Rendoque with Presiding Commissioner Violeta Ortiz-Bantug, concurring.

¹⁹ Id. at 191.

²⁰ The monetary awards as computed by the NLRC (subject to re-computation) were as follows (see id. at 189 and 191):

		Backwages	13 th month pay	Attorney's fees	TOTAL
Galandez	-	₱108,940.00	₱3,087.50	₱11,202.75	₱123,230.25
Sajuela	-	₱108,940.00	₱3,087.50	₱11,202.75	₱123,230.25
Namoc	-	₱102,345.10	₱3,643.25	₱10,598.83	₱116,587.18
				GRAND TOTAL:	<u>₱363,047.68</u>

²¹ Id. at 191.

²² Dated September 10, 2012. Id. at 126-127.

²³ Id. at 128-131.

²⁴ Id. at 262.

²⁵ Id. at 263.

²⁶ See id. at 262.

²⁷ See Check Vouchers dated January 25, 2013; id. at 137,139, and 141.

²⁸ Save for the names and amount appearing thereon, the document entitled Quitclaim and Release (see id. at 135, 138 and 140) were similarly worded as follows:

QUITCLAIM AND RELEASE

KNOW ALL MEN BY THESE PRESENTS:

THAT I, _____, his/her successors and assigns, for and in consideration of the sum of _____ (P_____) to his/her in hand paid, the receipts of which is hereby acknowledge, does hereby release and discharged F.F. CRUZ & CO., INC., their successors and assigns, from any and all manner of claims, demand, damages, causes of action or suits that he/she may now have, or that might subsequently occur to his/her by reason of any matter or thing whatsoever, and particularly growing out or in any way connected with her employment with F.F. CRUZ & CO. INC.

It is the purpose of this release to forever settle, adjust and discharge all claims of whatsoever kind of nature that the undersigned has or may have against the parties here to mention.

consideration thereof before a Notary Public. Believing to have settled in full its monetary obligations to respondents, petitioner filed a Manifestation²⁹ dated April 4, 2013 to the NLRC seeking to declare the case closed and terminated.³⁰

In an **Order**³¹ dated April 30, 2013, the NLRC approved the subject quitclaims, and accordingly, declared the case closed and terminated after finding the amicable settlement between petitioner and respondents to be “[i]n consideration of the full satisfaction of the award in favor of the complainants as embodied in Our, 17 July 2012 Decision,”³² and not contrary to law, morals, and public policy.

Respondents moved for reconsideration³³ averring that: (a) they were not assisted by counsel when they executed the questioned quitclaims; (b) they were **defrauded by petitioner into believing that, after signing the same, they would be reinstated to their former positions in accordance with the NLRC Decision**; and (c) they were made to believe that an arrangement for the said settlement had been made and there was no need to consult their lawyer.³⁴ By way of opposition,³⁵ petitioner countered that respondents freely, voluntarily, and knowingly executed the subject quitclaims, and that the absence of their counsel during execution did not invalidate the contract. Petitioner further claimed that respondents were advised of the nature and consequences of the quitclaim before signing the same, and denied defrauding them. It contended that by executing said contract, respondents effectively vacated their right to the judgment awards under the NLRC Decision including the reinstatement aspect, and instead agreed to novate petitioner’s obligation into a simple monetary obligation which was fully satisfied upon payment of the same.³⁶

On March 31, 2014, the NLRC issued a Resolution³⁷ denying respondents’ motion for reconsideration, ruling that the questioned quitclaims were in order having been subscribed and sworn to before a

IN WITNESS WHEREOF, I hereby affixed my signature this ___ day of _____, 20__ at _____.

Quitclaimant

WITNESSES:

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20__ at _____, affiant exhibited to me his/her Community Tax Cert. No. _____ issued at _____ on _____.

²⁹ Id. at 133-134.

³⁰ Id. at 133.

³¹ Id. at 142-143.

³² Id. at 142.

³³ See Verified Motion for Reconsideration dated May 17, 2013; id. at 144-145.

³⁴ See id. at 144.

³⁵ See Comment/Opposition dated June 25, 2013; id. at 149-153

³⁶ See id. at 149-152.

³⁷ Id. at 159-161.

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Notary Public, and that they were paid their full monetary judgment award. It held that the acceptance by respondents of the monetary award as full settlement of their claims effectively discharged petitioner from any other claim. It added that the absence of respondents' counsel during the execution of the subject quitclaims did not invalidate the same, and that they were fully aware of what they were giving up in exchange for the full monetary judgment award.³⁸

Aggrieved, respondents elevated the matter to the CA via a petition for *certiorari*³⁹ contending that the NLRC committed grave abuse of discretion when it approved the quitclaim not in accordance with the NLRC rules of procedure and in ruling that the same represented their full monetary judgment award.⁴⁰

The CA Ruling

In a Decision⁴¹ dated February 8, 2017, the CA gave due course to the petition and set aside the NLRC Order dated April 30, 2013 and Resolution dated March 31, 2014.⁴² While the CA upheld the validity of the subject quitclaims for failure of respondents to show that the execution thereof was attended by fraud or deceit, it nonetheless ruled that the same did not bar respondents from asserting what was legally due them, particularly, the backwages and attorney's fees reckoned from the NLRC Decision up to respondents' reinstatement.⁴³ The CA pointed out that the subject quitclaim did not include a waiver of respondents' right to reinstatement or separation pay given that the latter had **repeatedly demanded for their reinstatement after its execution** as mandated under Article 279 [now Article 294]⁴⁴ of the Labor Code, as amended.⁴⁵ It further explicated that the law does not consider as valid any agreement to receive less compensation than what a worker is entitled to recover, and held that the amount received by respondents was only for the value of their backwages until their supposed reinstatement.⁴⁶ Accordingly, the CA ordered a remand of the case to the NLRC for re-computation of respondents' backwages until their reinstatement, or should the same be no longer viable, to include in their award separation pay.⁴⁷

³⁸ See *id.* at 160.

³⁹ Dated June 13, 2014. *Id.* at 162-178.

⁴⁰ See *id.* at 170-176.

⁴¹ *Id.* at 290-307.

⁴² *Id.* at 306.

⁴³ See *id.* at 298-304.

⁴⁴ Article 294. [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.

⁴⁵ Department Advisory No. 1, Series of 2015, entitled "RENUMBERING OF THE LABOR CODE OF THE PHILIPPINES, AS AMENDED" dated July 21, 2015.

⁴⁶ See *rollo*, p. 303.

⁴⁷ *Id.* at 306.

Both parties moved for reconsideration⁴⁸ with respondents asserting that the subject quitclaim should have been declared invalid,⁴⁹ while petitioner maintained that the monetary settlement received by them already considered reinstatement, backwages, and separation pay.⁵⁰

In a Resolution⁵¹ dated January 4, 2018, the CA reversed its stance as to the validity of the subject quitclaims, holding that the consideration thereof was unconscionable given that respondents received far less than what the law required. It pointed out that quitclaims are ineffective to bar claims for the full measure of a worker's legal rights when: (a) there is clear proof that the waiver was wangled from an unsuspecting or gullible person; or (b) the terms of settlement are unconscionable on their face. Since petitioner failed to establish that the settlement award is credible and reasonable as against what respondents should have received as an illegally dismissed employee, and considering further that the latter have repeatedly demanded for their reinstatement even after the execution of their respective quitclaims, the CA held that the acceptance by respondents of the benefits as consideration of the quitclaim did not amount to a waiver of what were legally due them.⁵²

Hence, the instant petition.

The Issue Before the Court

The essential issue for the Court's resolution is whether or not the CA committed any reversible error in: (a) holding that the questioned Quitclaims and Releases were invalid; and (b) ordering the remand of the case to the NLRC for re-computation of respondents' backwages until their actual reinstatement, or to pay separation pay in lieu of reinstatement.

The Court's Ruling

"To justify the grant of the extraordinary remedy of *certiorari*, petitioners must satisfactorily show that the court or quasi-judicial authority gravely abused the discretion conferred upon it. Grave abuse of discretion connotes judgment exercised in a capricious and whimsical manner that is tantamount to lack of jurisdiction. To be considered 'grave,' discretion must be exercised in a despotic manner by reason of passion or personal hostility, and must be so patent and gross as to

⁴⁸ See petitioner's Motion for Reconsideration dated March 15, 2017 (id. at 308-325) and respondents' Most Respectful Motion for Partial Reconsideration dated March 14, 2017 (id. at 326-329).

⁴⁹ See id. at 326-328.

⁵⁰ See id. at 322-323.

⁵¹ Id. at 335-338.

⁵² See id. at 335-336.

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amount to an evasion of positive duty or a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law.”⁵³

“In labor disputes, grave abuse of discretion may be ascribed to the NLRC when, *inter alia*, its findings and the conclusions reached thereby are not supported by substantial evidence. This requirement of substantial evidence is clearly expressed in Section 5, Rule 133 of the Rules of Court which provides that ‘[i]n cases filed before administrative or quasi-judicial bodies, a fact may be deemed established if it is supported by substantial evidence, or that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.’”⁵⁴

Guided by the foregoing considerations, the Court finds that the CA correctly granted respondents’ *certiorari* petition since the NLRC gravely abused its discretion in completely discharging petitioner from its obligations under a final and executory judgment in view of the Quitclaim and Release executed by respondents. In particular, as will be explained below, petitioner should not be discharged from its obligation to reinstate respondents since the Quitclaim and Release only settled the backwages aspect of petitioner’s judgment debt.

At the outset, quitclaims are contracts in the nature of a *compromise* where parties make concessions, a lawful device to *avoid litigation*.⁵⁵ It is a valid and binding agreement between the parties, provided that it constitutes a credible and *reasonable settlement* and the one accomplishing it has done so voluntarily and with a full understanding of its import.⁵⁶ In so doing, the parties adjust their difficulties in the manner they have agreed upon, disregarding the possible gain in litigation and keeping in mind that such gain is balanced by the danger of losing.⁵⁷ While quitclaims are generally intended for the purpose of preventing or putting an end to a lawsuit, jurisprudence nonetheless holds that the parties are not precluded from entering into a compromise even if a final judgment had already been rendered,⁵⁸ as in this case. As pointed out in *Magbanua v. Uy*,⁵⁹ “[t]here is no justification to disallow a compromise agreement, solely because it was entered into after final judgment. The validity of the agreement is determined by compliance with the requisites and principles of contracts, not by when it was entered into.”⁶⁰

For a deed of release, waiver, and quitclaim to be valid, it must be

⁵³ *Quillopa v. Quality Guards Services and Investigation Agency*, 774 Phil. 198, 206 (2015), citing *Omni Hauling Services, Inc. v. Bon*, 742 Phil. 335, 342 (2014).

⁵⁴ *Quillopa v. Quality Guards Services and Investigation Agency*, *id.* at 206-207, citing *Omni Hauling Services, Inc. v. Bon*, *id.* at 343.

⁵⁵ *Pilipinas Shell Foundation, Inc. v. Fredeluces*, 785 Phil. 409, 442 (2016).

⁵⁶ *Pepsi-Cola Products Philippines, Inc. v. Molon*, 704 Phil. 120, 142 (2013).

⁵⁷ *Cosmos Bottling Corporation v. Nagrama, Jr.*, 571 Phil. 281, 309 (2008).

⁵⁸ See *Atty. Agustin v. Cruz-Herrera*, 726 Phil. 533, 544 (2014).

⁵⁹ 497 Phil. 511 (2005).

⁶⁰ *Id.* at 522.

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shown that: (a) there was no fraud or deceit on the part of any parties; (b) that the consideration for the quitclaim is credible and reasonable; and (c) that the contract is not contrary to law, public order, public policy, morals or good customs, or prejudicial to a third person with a right recognized by law.⁶¹ The burden rests on the employer to prove that the quitclaim constitutes a credible and reasonable settlement of what an employee is entitled to recover, and that the one accomplishing it has done so voluntarily and with a full understanding of its import.⁶²

As culled from the records, it is not disputed that the **NLRC Decision had already become final and executory**, declaring respondents to have been illegally dismissed, and accordingly, ordered petitioner to: **(a) pay respondents their unpaid 13th month pay, backwages in accordance with Article 294 of the Labor Code, and attorney's fees (monetary aspect); and (b) reinstate respondents or pay their separation pay should reinstatement be no longer viable (reinstatement aspect)**.⁶³ It is likewise not denied that respondents immediately sought for the enforcement of the foregoing final and executory NLRC Decision⁶⁴ in their letters dated February 1, 2013 and March 14, 2013.

However, records disclose that petitioner was only able to partly comply with the NLRC Decision by paying respondents Galandez and Sajuela the amount of ₱123,230.25 each, and Namoc the sum of ₱116,587.18, **representing their backwages, 13th month pay and attorney's fees as provisionally computed by the NLRC as of July 17, 2012**.⁶⁵ Thereafter, respondents executed a Quitclaim and Release in favor of petitioner acknowledging payment, which pertinently reads:

THAT I, _____, his/her successors and assigns, for and in consideration of the sum of _____ (P_____) to his/her in hand paid, the receipts of which is hereby acknowledged, does hereby release and discharged F.F. CRUZ & CO., INC., their successors and assigns, from any and all manner of claims, demand, damages, causes of action or suits that he/she may now have, or that might subsequently occur to his/her by reason of any matter or things whatsoever, and particularly growing out or in any way connected with her employment with F.F. CRUZ & CO. INC.

It is the purpose of this release to forever settle, adjust and discharge all claims of whatsoever kind of nature that the undersigned has or may have against the parties here to mention.

Petitioner insists that the amount received by respondents represent the full settlement of their claims, and that they had agreed to waive not only

⁶¹ See *Universal Robina Sugar Milling Corporation v. Caballega*, 582 Phil. 118, 135 (2008).

⁶² See *Sy v. Neat, Inc.*, G.R. No. 213748, November 27, 2017.

⁶³ *Rollo*, p. 191.

⁶⁴ See *id.* at 262-263.

⁶⁵ See Check Vouchers dated January 25, 2013; *id.* at 137, 139, and 141.

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their right to reinstatement but also to the additional backwages that would have accrued up until the time they are reinstated (additional backwages).⁶⁶ To be sure, the latter claim proceeds from the dictum that “for as long as the employer continuously fails to actually implement the reinstatement aspect of the decision x x x, the employer’s obligation to the employee for his accrued backwages and other benefits continues to accumulate.”⁶⁷

The Court disagrees that respondents waived their right to be reinstated, but agrees on the waiver of the additional backwages.

Other than petitioner’s bare assertion, there is no showing that respondents intended to freely and voluntarily waive their right to reinstatement under the said quitclaim. **In fact, respondents had consistently averred that the afore-mentioned quitclaims were executed with the assurance that petitioner would reinstate them as decreed in the NLRC’s final judgment.**⁶⁸ *It bears stressing that in determining the intention of parties to a contract, their contemporaneous and subsequent acts shall be principally considered.*⁶⁹ For this reason, in *Solgu Corporation v. CA*,⁷⁰ the Court ruled that quitclaims and waivers should be carefully examined and strictly scrutinized with regard not only to the words and terms used, but also to the *factual circumstances* under which they have been executed.⁷¹ Thus, as respondents executed the quitclaim in consideration of, among others, petitioner’s promise of reinstatement as evinced by their contemporaneous and subsequent acts, then the said contract must be interpreted accordingly.

Notably, this conclusion holds true notwithstanding the absence of any express clause therefor in the Quitclaim and Release. This is because the said document is ambiguous as to whether or not, in fact, the decreed reinstatement has been waived. The phrase “all claims of whatsoever kind of nature” is a general, standard clause in most employee quitclaims that cannot be construed in its strict literal sense in light of this case’s peculiarities. In this relation, the Court deems it apt to state that “[t]he interpretation of obscure words or stipulations in a contract shall not favor the party who caused the obscurity,”⁷² as petitioner in this case who prepared the quitclaim form.

On the other hand, with respect to the monetary aspect, records do not show that respondents made the same insistence anent their right to additional backwages. In fact, records fail to disclose that: (a) any promise of such nature was made; or (b) respondents further demanded any

⁶⁶ See *rollo*, pp. 38-43.

⁶⁷ *Castro, Jr. v. Ateneo de Naga University*, 739 Phil. 370, 382 (2014).

⁶⁸ See NLRC Records, pp. 169, 237, and 247.

⁶⁹ See Article 1371 of the Civil Code.

⁷⁰ 543 Phil. 483 (2007).

⁷¹ See *id.* at 495-496.

⁷² See Article 1377 of the Civil Code.

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additional monetary amount after they were paid the above-stated sums upon their signing of the Quitclaim and Release. This clearly demonstrates that respondents had voluntarily accepted the said amounts to serve as a complete settlement of the monetary aspect of the NLRC Decision.

Indeed, as the Court discerns, the consideration, therefore, for respondents in acceding to the Quitclaim and Release was to realize the expeditious settlement of petitioner's monetary obligations (13th month pay, backwages, and attorney's fees), without, however, compromising their right to get back their jobs and continue to earn a living in petitioner's employ (reinstatement aspect). To the Court, this is the evident intent of the parties as may be gathered from their contemporaneous and subsequent acts. To hold otherwise – that is, to construe the Quitclaim and Release as a complete discharge of petitioner's obligations to respondents – would not only be illogical (since why would respondents waive their reinstatement if it was both promised to them and already decreed under a final and executory judgment), it would also prevent the labor quitclaim from being a fair and reasonable agreement between the parties as required by law.

In fine, the CA correctly ruled that the NLRC gravely abused its discretion in completely relieving petitioner from all of its obligations (both in its monetary and reinstatement aspects) under the final and executory NLRC Decision. Nevertheless, the Court finds it proper to set aside the CA ruling since it altogether rendered ineffective the Quitclaim and Release duly signed by the parties. Cognizant of their intent as explained-above, the Quitclaim and Release remains valid; however, it should be interpreted as a fair and reasonable settlement between the parties only of the monetary aspect of the NLRC Decision, but not of its reinstatement aspect, which hence, should be implemented as a matter of course.

Be that as it may, the Court is aware that “there may be instances where reinstatement is not a viable remedy or where the relations between the employer and employee have been so severely strained that it is not advisable to order reinstatement, or where the employee decides not to be reinstated. In such events, the employer will instead be ordered to pay separation pay.”⁷³ Thus, this case must be remanded to the NLRC for a determination of whether or not any of the foregoing instances obtain so as to render reinstatement non-viable and hence, instead order petitioner to pay respondents separation pay, as may be deemed appropriate.

WHEREFORE, the petition is **PARTLY GRANTED**. The Decision dated February 8, 2017 and the Resolution dated January 4, 2018 of the Court of Appeals in CA-G.R. SP. No. 08468 are hereby **SET ASIDE**. The case is hereby **REMANDED** to the National and Labor Relations Commission for execution proceedings in accordance with this Decision.

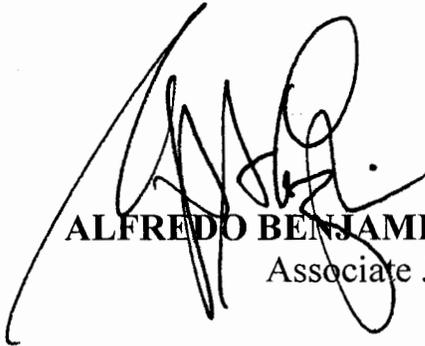
⁷³ *Nissan North EDSA Balintawak, Q.C. v. Serrano, Jr.*, 606 Phil. 222, 228 (2009); citations omitted.

SO ORDERED.


ESTELAM M. PERLAS-BERNABE
Associate Justice

WE CONCUR:


ANTONIO T. CARPIO
Senior Associate Justice
Chairperson


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice


JOSE C. REYES, JR.
Associate Justice


AMY C. LAZARO-JAVIER
Associate Justice

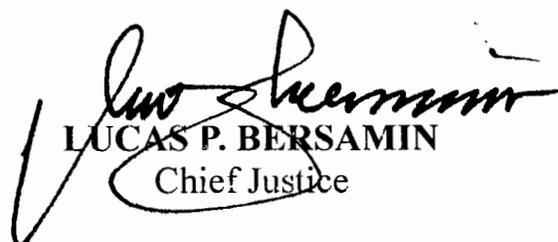
ATTESTATION

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.


ANTONIO T. CARPIO
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII 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.


LUCAS P. BERSAMIN
Chief Justice