



Republic of the Philippines  
Supreme Court  
Manila

THIRD DIVISION

**YOUNGBROS PARTS CENTRE  
INC. and LAURENCE LLAVE,**  
Petitioners,

**G.R. No. 232527**

**Present:**

LEONEN, J., *Chairperson*,  
LAZARO-JAVIER,\*  
INTING,  
ROSARIO,\*\* and  
LOPEZ, J., *JJ.*

- versus -

**ULDARICO I. TADURAN,**  
Respondent.

**Promulgated:**  
July 7, 2021

*MisADC-Batt*

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**DECISION**

**LOPEZ, J., J:**

We pass upon the petition for review on *certiorari*<sup>1</sup> under Rule 45 of the Revised Rules of Court filed by Youngbros Parts Centre, Inc. and Laurence Llave (*petitioners*). They assail the Decision<sup>2</sup> dated December 9, 2016 of the Court of Appeals (*CA*), in CA-G.R. SP No. 136991, which set aside the Decision<sup>3</sup> dated May 29, 2014 of the National Labor Relations (*NLRC*) Commission in NLRC LAC Case No. 11-003299-13 and NLRC NCR Case No. 07-10950-13, dismissing Uldarico Taduran's (*respondent*) complaint for illegal dismissal, and the CA Resolution<sup>4</sup> dated June 27, 2017, which denied petitioners Motion for Partial Reconsideration.

*The Antecedents*

Respondent began working for the petitioner in February 1972 as storekeeper. He was promoted to Manager in 1990 and has kept his post since.<sup>5</sup>

\* Designated additional member in lieu of Associate Justice Ramon L. Hernando, Raffle dated September 9, 2019.

\*\* Designated as additional member per Special Order No. 2833 dated June 29, 2021.

<sup>1</sup> *Rollo*, pp. 3-23.

<sup>2</sup> Penned by Associate Justice Jose C. Reyes, Jr. (retired member of this Court), with Associate Justice Stephen C. Cruz and Ramon Paul L. Hernando (now member of this Court), concurring; *id.* at 24-33.

<sup>3</sup> *Id.* at 51-61.

<sup>4</sup> *Id.* at 41.

<sup>5</sup> *Id.* at 52.

On September 14, 2011, petitioner Laurence Llave, Manager of Youngbros Parts Centre, Inc., offered him a retirement package as management appreciation for his 39 years of continuous service. However, the offer required his answer within 48 hours from notice.<sup>6</sup>

With the dearth of details of the coverage of the retirement package, respondent inquired. In their reply, petitioners informed respondent that he was entitled to receive ₱511,875.99 as retirement pay. Considering, however, that respondent had cash advances totaling to ₱883,395.00 representing his unremitted accumulated sales, he still owed the company the amount of ₱371,520.00. Nonetheless, petitioners waived the right to collect his cash balances. Instead, it offered respondent the amount of ₱316,605.00 as financial assistance.<sup>7</sup>

In a Memorandum dated October 7, 2011, petitioner informed respondent that should he decline the retirement package offered, he shall be subjected to the company policies applicable to all employees.<sup>8</sup>

On November 9, 2011, respondent sent a letter to petitioner informing the latter of his decision to avail of the retirement package, subject to proper computation. Respondent claimed that his monthly compensation amounted to ₱48,000.00, which when computed as basis for retirement pay, would sum up to ₱1,345,499.00. He added that his alleged cash advances were actually payment for his commission, 13<sup>th</sup> month pay, and service incentive leave, all recognized by the previous company owner.<sup>9</sup>

In a letter dated November 23, 2011, the company denied respondent's counter-offer. It also informed respondent that his cash advances already totaled to ₱907,745.00. Even then, the company had increased the retirement package offer to ₱1,200,000.00 so that after deducting respondent's cash advances, the latter would still receive the amount of ₱292,255.00 as retirement pay.<sup>10</sup>

On December 1, 2011, respondent filed a complaint for non-payment of salary, overtime pay, holiday pay, holiday premium, service incentive leave, 13<sup>th</sup> month pay, meal and transportation allowance, commission, retirement benefits, emergency cost of living allowance (ECOLA), moral and exemplary damages, and attorney's fees. The case was docketed as NLRC NCR Case No. 12-17894-11.<sup>11</sup>

In a Decision dated September 6, 2012, Labor Arbiter Madjayran Ajan ruled in favor of respondent, thus:

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<sup>6</sup> *Id.*  
<sup>7</sup> *Id.*  
<sup>8</sup> *Id.* at 52-53.  
<sup>9</sup> *Id.* at 53.  
<sup>10</sup> *Id.*  
<sup>11</sup> *Id.*

WHEREFORE, premises considered, judgment is hereby rendered ordering the respondent company to pay complainant's monthly compensation of P35,000.00 to be computed from September 2011 up to the last date of his employment, 13<sup>th</sup> month pay and retirement benefits to be computed from the start of his employment in February 1972 up to December 1, 2011, plus attorney's fees equivalent to ten percent (10%) of herein total award for having compelled to litigate in this case.

All other claims are hereby dismissed for lack of sufficient factual and legal basis.

x x x

SO ORDERED.<sup>12</sup>

Undaunted, petitioners appealed to the NLRC. On June 28, 2013, the NLRC rendered its Decision, modifying the assailed ruling:

WHEREFORE, premises considered, the appeal is PARTLY GRANTED and the September 6, 2012 Decision is hereby MODIFIED in that the award of salary for September 2011 up to the last date of employment and 13<sup>th</sup> month pay for 2011 are deleted, there being no evidence that the same were [not] duly paid. Complainant's retirement pay is ordered computed based on his established monthly salary of P17,200.00 reckoned from February 1972 up to December 2011, plus 10% of the total award as attorney's fees. The computation of the total award is attached herewith and forms part of this Decision.

All other claims are dismissed for lack of merit.

SO ORDERED.<sup>13</sup>

Both parties moved for reconsideration, but their motions were denied in the NLRC Resolution dated July 31, 2013.<sup>14</sup>

On similar date, respondent filed an illegal dismissal case against petitioners. In his complaint, respondent averred that he was allowed to continue his employment until July 19, 2013 when the guard on duty had barred him from further reporting to work because he was already retired. Respondent believed that he was yet to exercise his option to retire because: 1) he was only 62 years old; 2) he had not yet received any retirement pay; and 3) the NLRC Decision awarding retirement benefits had still to attain finality. The case was, subsequently, docketed as NLRC-NCR Case No. 07-10950-13. Petitioners filed a Motion to Dismiss the complaint on the ground of forum shopping. In opposition, respondent countered that the illegal dismissal case had a different issue from the previously instituted action.<sup>15</sup>

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<sup>12</sup> *Id.* at 26.

<sup>13</sup> *Id.* at 173-174.

<sup>14</sup> *Id.* at 27.

<sup>15</sup> *Id.*

On October 21, 2013, Labor Arbiter Lilia S. Savari issued an Order,<sup>16</sup> dismissing the case for lack of jurisdiction. Subsequently, respondent appealed to the NLRC.<sup>17</sup>

Meanwhile, the June 28, 2013 NLRC Decision became final. Thus, respondent filed a motion to enforce the execution of the monetary awards pursuant to the Entry of Judgment issued in NLRC NCR Case No. 12-17894-11. A pre-execution proceeding was conducted, where petitioners voluntarily settled the monetary award. Such payment was evidenced by an acknowledgment receipt dated December 23, 2013 in the amount of ₱550,000.00.<sup>18</sup>

By way of Comment, respondent argued that the payment of retirement benefits did not sever the employer-employee relationship between him and petitioners as he did not voluntarily retire. In Reply thereto, petitioners claimed that there was already an agreement to retire although the payment of the retirement benefit was deferred.<sup>19</sup>

On May 29, 2014, the NLRC issued a Decision, dismissing the appeal as follows:

WHEREFORE, premises considered, the appeal is denied. The Order dated October [21], 2013 is AFFIRMED, subject to the modification that the complaint is deemed to have opted to retire under the third paragraph of Article 287 of the Labor Code as amended by [Republic Act] No. 7641.

SO ORDERED.<sup>20</sup>

Unwilling to concede, respondent filed a Motion for Reconsideration, but the same was denied for lack of merit. That prompted him to elevate the case to the CA by way of a *certiorari* petition.<sup>21</sup>

Taking on another stance, the CA granted the petition in its Decision dated December 9, 2016 and ruled that respondent was illegally dismissed. The CA said that respondent's acceptance of his retirement benefits, pursuant to the NLRC Decision, which has become final and executory, did not put him in estoppel in pursuing his illegal dismissal case. According to the CA, respondent's cause of action in the illegal dismissal case accrued on July 19, 2013 when his employment was terminated. At such time, there was still an existing employer-employee relationship between the parties as there was yet no final and consummated agreement as to respondent's retirement benefit. Since the cause of action in the illegal dismissal case accrued prior

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<sup>16</sup> *Id.* at 47-49.

<sup>17</sup> *Id.*

<sup>18</sup> *Id.* at 27-28.

<sup>19</sup> *Id.* at 28.

<sup>20</sup> *Id.* at 60.

<sup>21</sup> *Id.* at 25.

to the settlement of retirement benefits on December 23, 2013, respondent's acceptance of the judgment award did not render moot the illegal dismissal case.

In the end, the CA adjudged:

WHEREFORE, the instant Petition for Certiorari is GRANTED. The assailed May 29, 2014 Decision and June 30, 2014 Resolution issued by the public respondent National Labor Relations Commission, in NLRC LAC Case No. 11-003299-13, NLRC NCR Case 07-10950-13 are hereby REVERSED and SET ASIDE. Private respondents are ORDERED to pay petitioner ULDARICO I. TADURAN (a) separation pay in the amount equivalent to one (1) month pay for every year of service; and (b) backwages, computed from the time compensation of petitioner Taduran was withheld from him when he was unjustly terminated on July 19, 2013, up to the time of the finality of his retirement on November 6, 2013. For this purpose, let the records of this case be REMANDED to the labor Arbiter for the proper computation of said awards based on the foregoing discussion.

SO ORDERED.<sup>22</sup>

Hence, this petition.

### *The Issues*

I. WHETHER THE INSTANT PETITION FOR *CERTIORARI* SUFFERS FROM A FORMAL DEFECT, SPECIFICALLY, RESPONDENT'S COPY OF THE PETITION WAS NOT ACCOMPANIED BY PLAIN COPIES OF ALL DOCUMENTS ATTACHED TO THE ORIGINAL, PURSUANT TO SECTION 3, RULE 46 OF THE RULES OF COURT;

II. WHETHER THE NLRC DID NOT GRAVELY ABUSE ITS DISCRETION IN ISSUING ITS RESOLUTION DATED JUNE 30, 2014 AND DECISION DATED MAY 29, 2014 BOTH HEREIN ASSAILED;

III. WHETHER VOLUNTARINESS IN THE SEVERANCE OF EMPLOYER-EMPLOYEE RELATIONSHIP WAS PRESENT WHEN RESPONDENT RECEIVED HIS RETIREMENT BENEFITS ON DECEMBER 23, 2013.

### *Our Ruling*

We shall first dispose the procedural matter raised by the petitioners. They argue that the CA gravely erred when it dismissed outright its

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<sup>22</sup> *Rollo*, p. 32.

*certiorari* petition for failure to comply with Section 3, Rule 46 of the Rules of Court, which requires submission of all pleadings relevant or pertinent thereto.

We have explained in *Duremdes v. Jorilla*<sup>23</sup> that “while rules of procedure are essential to the proper, efficient, and orderly dispensation of justice, such rules are to be applied in a manner that will help secure and not defeat justice. Thus, the Court has ruled against the dismissal of appeals based solely on technicalities, especially so when the appellant has substantially complied with the formal requirements.” In the same case, We have reiterated the guideposts to be followed in determining the necessity for copies of pleadings and other documents that needed to be attached in the petition:

First, not all pleadings and parts of case records are required to be attached to the petition. Only those which are relevant and pertinent must accompany it. The test of relevancy is whether the document in question will support the material allegations in the petition, whether said document will make out a *prima facie* case of grave abuse of discretion as to convince the court to give due course to the petition.

Second, even if the document is relevant and pertinent to the petition, it need not be appended if it is shown that the contents thereof can also be found in another document already attached to the petition. Thus, if the material allegations in a position paper are summarized in a questioned judgment, it will suffice that only a certified true copy of the judgment is attached.

Third, a petition lacking an essential pleading or part of the case record may still be given due course or reinstated (if earlier dismissed) upon showing that petitioner later submitted the documents required, or that it will serve the higher interest of justice that the case be decided on the merits.<sup>24</sup> (Citation omitted)

It is necessary then to remind the CA of the principle that rules of procedure are employed only to help secure and not override substantial justice. If a stringent application of the rules would hinder rather than serve the demands of substantial justice, the former must yield to the latter.

Having settled the procedural matter, we shall discuss the merits of the case.

Based on the submissions of both parties, the main issue presented for resolution to this Court is whether respondent, after receiving the adjudged retirement pay from petitioner, is estopped to pursue an action for separation pay arising from his claim for illegal termination of his employment.

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<sup>23</sup> *Duremdes v. Jorilla*, G.R. No. 234491, February 26, 2020.

<sup>24</sup> *Id.*

Retirement is “the result of a bilateral act of the parties, a voluntary agreement between the employer and the employee whereby the latter, after reaching a certain age, agrees to sever their employment with the former.”<sup>25</sup> As explained in *Laya v. Philippine Veteran’s Bank, et al.*,<sup>26</sup> the retirement of employees in the private sector is governed by Article 287 of the Labor Code, viz.:

Article 287. *Retirement.* Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract.

In the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay [equivalent to at least one-half (½) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year].

The article provides for two types of retirement, namely: (a) compulsory and (b) optional. The first takes place when the employee reaches the age of 65, while the second is primarily determined by the collective bargaining agreement or other employment contract or employers’ retirement plan. In the absence of any provision on optional retirement in a collective bargaining agreement, other employment contract, or employer’s retirement plan, an employee may optionally retire upon reaching the age of 60 years or more, but not beyond 65 years, provided they have served at least five years in the establishment concerned. That prerogative is exclusively lodged in the employee.<sup>27</sup>

In *Pulong v. Super Manufacturing, Inc.*,<sup>28</sup> the Court iterated that the “[a]cceptance by the employees of an early retirement age option must be explicit, voluntary, free, and uncompelled.” But while the law demands more than a passive acquiescence on the part of the employee to avail of the retirement package proposed by the employer, intent to retire may also be inferred from the overt act/s manifested by the employee.

Here, there are telling details indicative of respondent’s assent to the company’s retirement offer. *First*, it was respondent who pursued payment of his retirement benefits by filing a claim before the Labor Arbiter. *Second*, after the NLRC has settled the amount of retirement benefits which respondent is entitled to receive, the latter never contested the adjudged amount. *Third*, upon finality of the NLRC’s ruling, it was respondent who moved for the execution of the monetary judgment. Finally, respondent

<sup>25</sup> *UDMC v. Bernadas*, 822 Phil. 718, 727-728 (2017).

<sup>26</sup> 823 Phil. 302, 336 (2018). (Emphasis omitted)

<sup>27</sup> *Capili v. NLRC and University of Mindanao*, 340 Phil. 112, 122 (1997).

<sup>28</sup> G.R. No. 247819, October 14, 2019; also, in *Banco De Oro Unibank, Inc. v. Sagaysay*, 769 Phil. 897, 908 (2015).

received, without condition, the adjudged retirement pay as evidenced by the acknowledgment receipt dated December 23, 2013.

Indeed, by actively filing a retirement claim before the labor tribunal, even doggedly pursuing its re-computation to the NLRC, and finally receiving the adjudged retirement benefits as soon as the judgment has attained finality, respondent has evinced his desire to relinquish his employment with the petitioners. His positive acts eloquently portrayed his clear intention to concede his tenure. In fact, both the Labor Arbiter and the NLRC have recognized such intent to retire when they computed respondent's benefits from his date of hiring up to the day that he filed his retirement claim on December 1, 2011. In short, respondent is deemed to have acceded to his retirement effective on the day that he had filed his claim for retirement benefits against petitioners, and his acceptance of the benefits, as he himself admitted, marked the consummation of their agreement for him to retire. To allow respondent, at this point, to pursue an action for illegal dismissal filed way after he had opted to retire would be tantamount to an injustice on the part of petitioners, which this Court cannot countenance. Thus, We have stated that:

xxx more often than not, been inclined [toward] the plight of the workers and has upheld their cause in their conflicts with the employers, such inclination has not blinded it to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and applicable law and doctrine.<sup>29</sup>

**WHEREFORE**, premises considered, the Petition is **GRANTED**. The Decision dated December 9, 2016 of the Court of Appeals, in CA-G.R. SP No. 136991 is **REVERSED** and **SET ASIDE**. The Decision dated May 29, 2014 of the National Labor Relations Commission in NLRC LAC Case No. 11-003299-13 and NLRC NCR Case No. 07-10950-13 is **REINSTATED**. Uldarico I. Taturan was not illegally dismissed from service as he is deemed to have opted to retire under the third paragraph of Article 287 of the Labor Code as amended by R.A. No. 7641.

**SO ORDERED.**

  
**JHOSEP Y. LOPEZ**  
Associate Justice

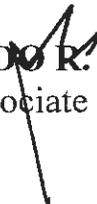
<sup>29</sup> *Banco De Oro Unibank, Inc. v. Sagaysay*, *supra* at 914.

**WE CONCUR:**

  
**MARVIC M.V.F. LEONEN**  
 Associate Justice

  
**AMY C. LAZARO-JAVIER**  
 Associate Justice

  
**HENRI JEAN PAUL B. INTING**  
 Associate Justice

  
**RICARDO R. ROSARIO**  
 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 Third Division.

  
**MARVIC M.V.F. LEONEN**  
 Associate Justice  
 Chairperson, Third Division

**CERTIFICATION**

Pursuant to Section 13, Article VIII of the Constitution, and the Third 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