Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

MARCOS ANTONIO MORALES, GEORGINA D. TRIBUJENIA, CICERO A. CAJURAO, AND NOLI A. DEJAN, Petitioners,	**G.R. No. 223611** Present:
-versus-	LEONEN, *Chairperson* LAZARO-JAVIER, LOPEZ, M., MARQUEZ*, and KHO, JR., *JJ.*
CENTRAL AZUCARERA DE LA CARLOTA, INC., Respondent.	**Promulgated:** OCT 19 2022

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DECISION

LEONEN, *J.*:

A petition for review on certiorari under Rule 45 is a mode of appeal where the issue is limited to questions of law. In labor cases, a Rule 45 petition is limited to reviewing whether the Court of Appeals correctly determined the presence or absence of grave abuse of discretion and deciding other jurisdictional errors of the National Labor Relations Commission.

This Court resolves the Petition for Review on Certiorari[1] filed by Marcos Antonio Morales (Morales), Georgina D. Tribujenia (Tribujenia),

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* Designated additional Member per Raffle dated September 27, 2022.

1 *Rollo*, pp. 19–35.

Cicero A. Cajurao (Cajurao), and Noli A. Dejan (Dejan), collectively, Morales et al., assailing the Court of Appeals' Decision[2] and Resolution[3] which affirmed with modification the Resolution of the National Labor Relations Commission finding Central Azucarera de La Carlota, Inc. (Central Azucarera) guilty of illegal dismissal and ordering it to pay Morales et al. backwages.[4]

Central Azucarera is a sugar mill in La Carlota City, Negros Occidental.[5] Inside its compound are buildings and facilities used to mill sugar, and guest houses to accommodate select employees. The first guest house is used by the resident manager and their family, while the second and third guest houses accommodate transient workers who have temporary assignments in Central Azucarera, such as auditors, mechanics, technicians, and department heads usually sent by Central Azucarera's mother company in Makati City.[6]

Morales et al. were among the employees of Central Azucarera assigned to basic housekeeping, utility maintenance, and cooking functions in the guest houses. They were classified as rank-and-file employees by Central Azucarera's Human Resource Department and enjoyed the protection of Central Azucarera's rank-and-file union.[7] In 2006, they were transferred to the Office of the Resident Manager as confidential employees, and thus removed from the union.[8]

On August 21, 2007, the head of the Human Resource Department, Jose Parcon (Parcon) announced that the positions of the guest house workers were redundant and said that Morales et al.'s employment would be terminated effective September 21, 2007. They were told that they would receive separation pay equivalent to one month of their pay for every year of service rendered, plus 20% thereof.[9]

Central Azucarera distributed letters to its employees, including Morales et al. and Fermin Suringa, Jr. (Suringa) informing them of their eventual termination from the company due to the downsizing program it is

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2 Id. at 39–52. The September 30, 2014 Decision in CA G.R. SP No. 05985 was penned by Associate Justice Edgardo L. Delos Santos (now a retired Member of this Court) with the concurrence of Associate Justices Marilyn B. Lagura-Yap and Jhosep Y. Lopez.(now a Member of this Court) of the Nineteenth Division, Court of Appeals, Cebu City.

3 Id. at 55–56. The January 28, 2016 Resolution in CA G.R. SP No. 05985 was penned by Associate Justice Edgardo L. Delos Santos (now a retired Member of this Court) with the concurrence of Associate Justices Marilyn B. Lagura-Yap and Edward B. Contreras of the Special Former Nineteenth Division, Court of Appeals, Cebu City.

4 Id. at 218–230. The October 28, 2010 Resolution in NLRC Case No. VAC-04-000214-2010 was penned by Presiding Commissioner Violeta Ortiz-Bantug with the concurrence of Commissioners Aurelio D. Menzon and Julie C. Rendoque of the Seventh Division (formerly Fourth Division), National Labor Relations Commission, Cebu City.

5 Id. at 40.

6 Id.

7 Id.

8 Id. at 40–41.

9 Id.

implementing because of business losses.[10] In the letters, the affected employees were given the option to avail of an early retirement package with a caveat that if they choose not to avail of early retirement, their positions would be abolished, and they would instead be given retrenchment pay.[11] They were then informed that after termination, they would be re-hired by Central La Carlota Multi-Purpose Cooperative for a lower salary.[12]

While Suringa chose to avail of the offered package, Morales et al. refused to sign the documents. After a few days, Dionisio Caspi (Caspi), Group Manager of the Human Resources Department, called Morales et al. to persuade them to accept the offer. Caspi repeated the offer and warned them that Central Azucarera would not hire them as contractual employees in the future if they refuse to accept the proposal.[13] Still, Morales et al. refused, and instead proposed that they be transferred to a different department as regular employees. Caspi replied that there were no vacant positions.[14]

On September 22, 2007, Morales et al. reported for work, but the biometric Bundy clock no longer recognized them, preventing them from entering the mill.[15] They waited a year for Central Azucarera to offer them new assignments but were left disappointed.[16]

On March 30, 2009, Morales et al. filed a complaint before the Regional Arbitration Branch VI of the National Labor Relations Commission in Bacolod City for illegal dismissal, nonpayment of overtime pay, moral and exemplary damages, and attorney's fees.[17] Central Azucarera failed to file a position paper.[18]

The Labor Arbiter ruled in favor of Morales et al. and ordered Central Azucarera to reinstate them. However, the Labor Arbiter did not award them backwages due to their delay in filing the complaint for illegal dismissal.[19]

Both parties elevated the case before the National Labor Relations Commission which modified the ruling and ordered Central Azucarera to pay Morales et al. backwages amounting to ₱1,377,251.25.[20] It found that Central Azucarera failed to justify Morales et al.'s dismissal due to redundancy and did not show any proof of its redundancy program or the

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10 Id. at 22–23.
11 Id. at 89.
12 Id. at 23.
13 Id. at 23, 41.
14 Id. at 41.
15 Id.
16 Id. at 42.
17 Id. at 40.
18 Id. at 42.
19 Id.
20 Id. at 44.

implementation of abolition of positions.[21] The Commission[22] also said that Central Azucarera did not present any document to prove that there were indeed real factors that caused the redundancy of some positions.[23] It further held that the company failed to comply with the procedural due process requirements in the dismissal of employees as there was no indication that the alleged notices sent were received by petitioners.[24]

Central Azucarera moved for reconsideration, which was granted by the National Labor Relations Commission. The Commission reversed[25] its earlier decision and held that Central Azucarera was experiencing business losses as seen in their audited financial statements and found that Morales et al. were dismissed for an authorized ground of redundancy.[26] It held that the actions of Central Azucarera were in the exercise of its management prerogative.[27] Nevertheless, it awarded them separation pay and nominal damages in the aggregate amount of ₱253,286.56.[28]

Morales et al. filed a motion for reconsideration but was denied.[29] Thus, they filed a Petition for Certiorari under Rule 65 of the Rules of Court before the Court of Appeals.[30]

In its Decision,[31] the Court of Appeals affirmed the ruling of the National Labor Relations Commission.[32] It held that the Commission did not issue its Resolution with grave abuse of discretion, considering that it was supported by substantial evidence and is devoid of any unfairness and arbitrariness.[33] It found that the business losses experienced by Central Azucarera were established by the audited financial statements, and that the company decided to abolish the positions occupied by Morales et al. since they were neither necessary nor essential to its core business.[34]

The Court of Appeals further held that Central Azucarera's individual notices to the employees, notice to the Department of Labor and Employment, and its submission of an Employment and Establishment

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21 Id. at 45.

22 Id at 200–217. The July 30, 2010 Decision was penned by Presiding Commissioner Violeta Ortiz-Bantug, with the concurrence of Commissioners Aurelio D. Menzon and Julie C. Rendoque of the Seventh Division (formerly Fourth Division), National Labor Relations Commission, Cebu City.

23 Id. at 213.

24 Id. at 215.

25 Id. at 218–230. The October 28, 2010 Resolution was penned by Presiding Commissioner Violeta Ortiz-Bantug, with the concurrence of Commissioners Aurelio D. Menzon and Julie C. Rendoque of the Seventh Division (formerly Fourth Division), National Labor Relations Commission, Cebu City.

26 Id. at 225.

27 Id. at 227–228.

28 Id. at 230.

29 Id. at 231–232.

30 Id. at 47.

31 Id. at 39–52.

32 Id. at 52.

33 Id. at 47–48.

34 Id. at 48.

Termination Report prior to the employees' dismissal indicate that the company was indeed terminating employment due to redundancy.[35]

The dispositive portion of the Court of Appeals' Decision reads:

> WHEREFORE, premises considered, the instant petition is hereby DENIED. The Resolution dated 28 October 2010 of the National Labor Relations Commission (NLRC) – Seventh Division, Cebu City in NLRC Case No. VAC-04-000214-2010 is hereby AFFIRMED with MODIFICATION in that the award of nominal damages to each of the petitioners in the amount of P10,000.00 is DELETED.
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> SO ORDERED.[36]

Morales et al. moved for reconsideration. During the pendency of the case, Cajurao died and was substituted by his wife, Tessie Cajurao, and their son, Anthony Denmark Cajurao.[37]

On January 28, 2016, their Motion for Reconsideration was denied by the Court of Appeals.[38] Hence, Morales et al. filed a Petition for Review on Certiorari under Rule 45 of the Rules of Court before this Court.[39]

In a July 27, 2016 Resolution,[40] this Court denied the Petition for failure to show reversible error in the assailed Decision to warrant the exercise of its appellate jurisdiction.

Aggrieved, petitioners filed a Motion for Reconsideration,[41] imploring this Court to exercise compassion and take a second look at the issues raised.[42] They reiterate that there was no real redundancy in the company and that the termination was merely a scheme to demote petitioners from regular to contractual employees without benefits.[43]

In a November 28, 2016 Resolution,[44] this Court granted the Motion for Reconsideration, reinstated the Petition, and ordered respondent to file its comment.

Petitioners contend that the Court of Appeals erred when it affirmed the National Labor Relations Commission's Resolution, finding that they

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35 Id.
36 Id. at 52.
37 Id. at 252–253. "Tessie Cajurao" is also referred to as "Teresita Cajurao" in some parts of the *rollo*.
38 Id. at 55–56.
39 Id. at 19–35.
40 Id. at 260.
41 Id. at 261–263.
42 Id. at 261.
43 Id. at 262.
44 Id. at 265.

were validly dismissed on the ground of redundancy. They claim that other than the self-serving statements of respondent, it failed to prove that the nature of their employment was indeed superfluous and no longer necessary for their business. They add that the guest houses to which they were previously assigned were still operating, discrediting the company's claim that their positions were redundant.[45]

In addition, they allege that respondent failed to comply with the procedural requisites necessary for terminations due to redundancy as it failed to serve a written notice on petitioners. They add that respondent's manifestation that the written notices sent via registered mail were returned as unclaimed did not satisfy the notice requirement laid down in law and jurisprudence.[46] Furthermore, they claim that respondent was in bad faith when it terminated petitioners due to redundancy considering that it re-hired Suringa, the only guest house employee that availed of the early retirement package, and re-assigned him to work in the guest house.[47] They allege that respondent's scheme in terminating their employment only to re-hire them under a different company name but for the same function and assignment is merely a ploy to remove the employees from the scope and entitlement of company benefits.[48] They add that since respondent failed to satisfy the requirements of due process, the Court of Appeals erred when it deleted the nominal damages awarded by the National Labor Relations Commission to petitioners.[49]

In its Comment,[50] respondent asserts that the company was forced to adopt a "re-engineering" or "right-sizing" program as early as 2004 due to financial losses which entailed the abolition of divisions unnecessary to their core business.[51] It asserts that the company first offered early retirement packages to affected employees before phasing out the division.[52]

Respondent adds that petitioners cannot claim that they were not notified of their termination as the letters offering early retirement were personally sent to them on July 23, 2007, but they refused to receive them.[53] The company then attempted to send the letters through registered mail, however, only petitioner Dejan received it while the rest were returned for being "unclaimed."[54] Respondent adds that other than these attempts, petitioners were likewise personally informed of their termination and were offered early retirement packages in two separate occasions.[55] Due to

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45 Id. at 26.
46 Id. at 26–27.
47 Id. at 27.
48 Id. at 27–28.
49 Id. at 29.
50 Id. at 271–284.
51 Id. at 272.
52 Id.
53 Id. at 273.
54 Id. at 274.
55 Id.

petitioners' constant refusal to avail of the early retirement packages, respondent sent letters notifying them of their retrenchment but these were again refused. Thus, respondent instead sent the notices through registered mail.[56] Respondent likewise sent a notice with an Establishment Termination Report to the Department of Labor and Employment.[57]

Respondent maintains that the function of petitioners were foreign and unnecessary to the business of a sugar mill. It adds that while the guest houses were still operating, these were maintained by the resident manager who personally hired and paid the new employees.[58] Moreover, it states that the abolition of certain departments in their company was a proper exercise of their management prerogative.[59]

In their Reply,[60] petitioners reiterate that their dismissal due to alleged redundancy cannot be considered as an authorized and valid cause for dismissal as the abolition of the division of guest house workers was merely a ploy for the company to convert their regular employees to contractual employees.[61] They add that even if they were dismissed for a valid cause, respondent was not able to comply with the requisites of a valid redundancy program since no written notices were served on petitioners and the company did not implement a fair and reasonable criteria in determining the redundant positions.[62]

The issues for this Court's resolution are:

First, whether or not respondent Central Azucarera de La Carlota, Inc. validly dismissed petitioners Marcos Antonio Morales, Georgina D. Tribujenia, Cicero A. Cajurao, and Noli A. Dejan on the ground of redundancy; and

Second, whether or not respondent Central Azucarera de La Carlota, Inc. complied with the procedural due process requirements for authorized cause of dismissal.

The Petition is bereft of merit.

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56 Id. at 275.
57 Id.
58 Id.
59 Id. at 276.
60 Id. at 293–297.
61 Id. at 294–295.
62 Id. at 295–296.

I

A petition for review under Rule 45 of the Rules of Court confines this Court's jurisdiction to resolve only questions of law raised against the Court of Appeals.[63] In *Manggagawa ng Komunikasyon sa Pilipinas v. Philippine Long Distance Telephone Company, Inc.*,[64] this Court laid down the parameters of judicial review in a Rule 45 petition:

> *Career Philippines Shipmanagement, Inc. v. Serna*, citing *Montoya v. Transmed*, provides the parameters of judicial review for a labor case under Rule 45:
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> > As a rule, only questions of law may be raised in a Rule 45 petition. In one case, we discussed the particular parameters of a Rule 45 appeal from the CA's Rule 65 decision on a labor case, as follows:
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> > > In a Rule 45 review, we consider the correctness of the assailed CA decision, in contrast with the review for jurisdictional error that we undertake under Rule 65. Furthermore, Rule 45 limits us to the review of questions of law raised against the assailed CA decision. In ruling for legal correctness, we have to view the CA decision in the same context that the petition for certiorari it ruled upon was presented to it; *we have to examine the CA decision from the prism of whether it correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not on the basis of whether the NLRC decision on the merits of the case was correct.* In other words, we have to be keenly aware that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it.[65] (Emphasis in the original, citations omitted)

The same parameters will be used in resolving the issues at hand. The only issue this Court may resolve is whether the Court of Appeals committed an error of law when it determined the absence of grave abuse of discretion on the part of the labor tribunal.

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63 *Manggagawa ng Komunikasyon sa Pilipinas v. Philippine Long Distance Telephone Company, Inc.*, 809 Phil. 106, 120 (2017) [Per J. Leonen, Second Division].

64 Id.

65 Id. at 121.

II

Article 298 of the Labor Code, as amended, enumerates the authorized causes for termination of employment, including redundancy:

> ARTICLE 298 [283]. Closure of Establishment and Reduction of Personnel. — The employer may also terminate the employment of any employee due to the installation of labor-saving devices, *redundancy*, retrenchment to prevent losses or the closing or cessation of operation of the establishment or undertaking unless the closing is for the purpose of circumventing the provisions of this Title, *by serving a written notice on the workers and the Ministry of Labor and Employment at least one (1) month before the intended date thereof.* In case of termination due to the installation of labor-saving devices or redundancy, *the worker affected thereby shall be entitled to a separation pay equivalent to at least his one (1) month pay or to at least one (1) month pay for every year of service, whichever is higher*. In case of retrenchment to prevent losses and in cases of closures or cessation of operations of establishment or undertaking not due to serious business losses or financial reverses, the separation pay shall be equivalent to one (1) month pay or at least one-half (1/2) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered one (1) whole year. (Emphasis supplied).

This jurisdiction recognizes redundancy as an authorized cause for termination when it is determined that a position is no longer necessary for the operation of a business.[66] It is acknowledged as a valid exercise of management prerogative, nevertheless, the employer has the burden of proving that the dismissal of its employee due to redundancy or other authorized causes complied with all the requirements mandated by law and jurisprudence.[67] These requirements were enumerated in *Asian Alcohol Corporation v. National Labor Relations Commission*:[68]

> For the implementation of a redundancy program to be valid, the employer must comply with the following requisites: (1) written notice served on both the employees and the Department of Labor and Employment at least one month prior to the intended date of retrenchment; (2) payment of separation pay equivalent to at least one month pay or at least one month pay for every year of service, whichever is higher; (3) good faith in abolishing the redundant positions; and (4) fair and reasonable criteria in ascertaining what positions are to be declared redundant and accordingly abolished.[69] (Citations omitted)

The Court of Appeals found that respondent substantially proved that petitioners' employment was terminated in good faith and in compliance with the four requisites of a valid termination due to redundancy. This Court

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[66] *Acosta v. Matiere SAS*, G.R. No. 232870, June 3, 2019, <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/1/65189> [Per J. Leonen, Third Division].

[67] *Philippine Airlines, Inc. v. Dawal*, 781 Phil. 474, 501–502 (2016) [Per J. Leonen, Second Division].

[68] 364 Phil. 912 (1999) [Per J. Puno, Second Division].

[69] Id. at 930.

finds no reversible error in the Court of Appeals' Decision as it was based on its appreciation of the evidence presented by the parties.

We first address the substantial requirements for a valid dismissal due to redundancy, that is, whether respondent was in good faith in abolishing petitioners' positions and used fair and reasonable criteria in doing so.

In proving the validity of its redundancy program, respondent presented its audited financial statements prepared by independent auditor Isla Lipana & Co. from 2005 to 2007.[70] Notably, in 2005, respondent sustained a loss of ₱55,355,905.00.[71] Although it earned profit the following year at ₱21,442,317.00,[72] it suffered losses again in 2007 amounting to ₱28,445,914.00.[73] The continued business losses and volatile sugar market prompted the company to implement a restructuring of its labor force to prevent further financial losses. This entailed the determination of non-essential workers and the abolition of their departments due to redundancy.

In abolishing the department of petitioners, respondent alleges that their function as housekeeping or utility workers in the company's guest houses were not necessary to the core business of the company as a sugar mill. Petitioners, on the other hand, claim that the guest houses continued to operate and carried employees despite their termination. They further assert that the company's plan to re-hire them under the Central La Carlota Multi-Purpose Cooperative was an indication of the company's bad faith in removing them from their employ only to re-hire them for a lower salary.

The argument of petitioners will not stand.

The guest houses in the company compound are used as residence of the resident manager of the company and a temporary home for transient workers. Its operation is not necessary to the core business of the company but is a mere convenience afforded to several employees. The existence of the guest houses does not affect the production or distribution of sugar, which is the main business of the company. Consequently, petitioners' positions were deemed redundant as the task of maintaining the guest house was in no way essential to the business of respondent and such function has since been delegated to those residing in the guest house.[74] Transferring the responsibility of maintaining the guest house was a valid exercise of company judgment as it is in the best position to know who among their employees are necessary for the furtherance of its business and should thus remain on its pay roll.

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70 *Rollo*, pp. 105–170.
71 Id. at 109.
72 Id.
73 Id. at 142.
74 Id. at 275.

Additionally, the plan to re-hire petitioners through Central La Carlota Multi-Purpose Cooperative cannot be seen as a scheme to dismiss employees and re-hire them as contractual employees, as the cooperative is a different and separate entity from respondent.

Petitioners further claim that respondent regularized a number of contractual employees, thus, discrediting its claim of financial difficulties.[75] However, this argument is misplaced. Conversely, an examination of the positions of those regularized demonstrates the care respondent takes in determining which among its employees are imperative for its business. Needless to say, all those regularized held positions directly related with the processing of sugar in the mills.[76]

This likewise shows that respondent sufficiently considered fair and reasonable criteria in choosing which positions to abolish and employees to terminate. While both respondent and petitioners were silent as to whether petitioners' seniority or efficiency[77] was taken into account in determining their future in the company, it was enough to show that their positions were redundant and ultimately, unnecessary for the core business of processing sugar. Accordingly, respondent was able to comply with the substantial requirements for a valid exercise of dismissal due to redundancy.

In *Wiltshire File Company, Inc. v. National Labor Relations Commission*,[78] this Court enunciated that the termination on the ground of redundancy is a matter well within management's prerogative:

> [R]edundancy, for purposes of our Labor Code, exists where the services of an employee are in excess of what is reasonably demanded by the actual requirements of the enterprise. Succinctly put, a position is redundant where it is superfluous, and superfluity of a position or positions may be the outcome of a number of factors, such as overhiring of workers, decreased volume of business, or dropping of a particular product line or service activity previously manufactured or undertaken by the enterprise. *The employer has no legal obligation to keep in its payroll more employees than are necessary for the operation of its business.*[79] (Citation omitted, emphasis supplied).

This Court sees no reason to reverse the findings of the Court of Appeals and the National Labor Relations Commission. The termination of petitioners due to redundancy was proved by respondent by substantial evidence of the company's business losses and its right-sizing program to

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75 Id. at 23.
76 Id. at 81.
77 *Panlilio v. National Labor Relations Commission*, 346 Phil. 30, 35 (1997) [Per J. Romero, Third Division].
78 271 Phil. 694 (1991) [Per J. Feliciano, Third Division].
79 Id. at 703.

avert further dropping of its financial standing. The Court of Appeals did not commit grave abuse of discretion when it upheld the validity of respondent's redundancy program.

III

As for the procedural due process requirements of a dismissal due to redundancy, respondents are obliged to serve a written notice both on the employees and the Department of Labor and Employment one month prior to the intended date of termination.

Petitioners contend that respondent failed to comply with the notice requirement as they did not receive any written notice from the company. They further assert that service through registered mail cannot be considered substantial compliance with the rule.

While this Court agrees that the unsuccessful delivery of the written notice via registered mail will not suffice as compliance with the procedural due process rules, respondent's attempts to serve the written notice multiple times, personally and through registered mail, are substantial compliance with the requirement.

The Court of Appeals found that respondent attempted to personally serve the written notices dated July 23, 2007[80] and August 21, 2007,[81] on two separate occasions but was refused by petitioners.[82] Consequently, respondent was forced to send the written notice through registered mail. This, however, proved futile when the post office of La Carlota City, Negros Occidental reported that it attempted to serve the notice three times but was unsuccessful, hence the letters remained unclaimed.[83]

It was also found that the written notice of the termination of petitioners' services,[84] as well as an Establishment Termination Report[85] was served to the Department of Labor and Employment in compliance with procedural due process requirements. Thus, this Court finds that the Court of Appeals was correct in finding that respondent substantially complied with the procedural requirements of an authorized termination.

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80 *Rollo*, pp. 174–177.
81 Id. at pp. 178–181.
82 Id. at 50.
83 Id.
84 Id. at 171.
85 Id. at 172–173.

In *Sangwoo Philippines, Inc. v. Sangwoo Philippines, Inc. Employees Union-OLALIA*,[86] this Court had the opportunity to explain the wisdom behind the notice requirement for dismissal due to authorized causes:

> Article 297 of the Labor Code provides that before any employee is terminated due to closure of business, it must give a one (1) month prior written notice to the employee and to the DOLE. In this relation, case law instructs that it is the personal right of the employee to be personally informed of his proposed dismissal as well as the reasons therefor; and such requirement of notice is not a mere technicality or formality which the employer may dispense with. Since the purpose of previous notice is to, among others, give the employee some time to prepare for the eventual loss of his job, the employer has the positive duty to inform each and every employee of their impending termination of employment. To this end, jurisprudence states that an employer's act of posting notices to this effect in conspicuous areas in the workplace is not enough. Verily, for something as significant as the involuntary loss of one's employment, nothing less than an individually-addressed notice of dismissal supplied to each worker is proper.[87] (Citations omitted)

Here, the purpose behind the notice requirement was fulfilled. The employees were informed of their fate as early as July 2007. However, they refused to receive the notice. Another attempt on personal service was made in August 2007, to no avail. The delivery via registered mail was the last resort of respondent after petitioners refused to receive the written notices addressed to them. Surely, respondent cannot be faulted for petitioners' consistent refusal to accept their letter of termination. It would be absurd if a company was constrained to keep employees aboard due to the latter's refusal to accept their termination. It would likewise be unreasonable to sanction respondent when petitioners themselves made service of the written notices impossible.

Moreover, petitioners cannot deny being informed of the termination of their employment as petitioners themselves admitted in their Petition for Review:

> In August 2007, Jose Parcon, head of the Human Resource Department called to a meeting all of [the] employees under the ORM. During the meeting, Parcon announced that the positions were being declared by the company as redundant despite the continued operation of the guest houses. Parcon said their employment would be terminated effective September 21, 2007 and they would receive separation pay equivalent to one month of their pay for every year of service rendered plus 20% thereof.[88]

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86 722 Phil. 846 (2013) [Per J. Perlas-Bernabe, Second Division].

87 Id. at 856–857.

88 *Rollo*, pp. 22–23.

Respondent's verbal announcement of petitioners' dismissal, coupled with their multiple attempts to serve a written notice, is sufficient compliance with procedural due process requirements. Accordingly, the Court of Appeals was correct in ruling that petitioners are not entitled to nominal damages as there was no violation of procedural due process.

Nevertheless, petitioners are entitled to separation pay equivalent to at least one month pay of the affected employee, or at least one month pay for every year of service, whichever is higher.

FOR THESE REASONS, the Petition is **DENIED**. The September 30, 2014 Decision and January 28, 2016 Resolution of the Court of Appeals in CA G.R. SP No. 05985 are **AFFIRMED**. Respondent Central Azucarera de La Carlota, Inc. is **DIRECTED** to pay petitioners Marcos Antonio Morales, Georgina D. Tribujenia, Cicero A. Cajurao, and Noli A. Dejan the separation pay due them.

A legal interest of 6% per annum shall be imposed on the total judgment award from the finality of this Decision until its full satisfaction.[89]

SO ORDERED.

MARVIC M.V.F. LEONEN
Senior Associate Justice

WE CONCUR:

AMY C. LAZARO-JAVIER
Chief Justice

MARIO V. LOPEZ
Associate Justice

JOSE MIDAS P. MARQUEZ
Associate Justice

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89 *Nacar v. Gallery Frames*, 716 Phil. 267 (2017) [Per J. Peralta, En Banc].

ANTONIO T. KHO JR.
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.

MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson

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