Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

MANILA JOCKEY CLUB, INC.,
Petitioner,

-*versus*-

AIMEE O. TRAJANO,
Respondent.

G.R. No. 160982

Present:

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

Promulgated:

JUN 2 6 2013

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DECISION

BERSAMIN, *J.*:

An illegally dismissed employee is entitled to her reinstatement without loss of seniority rights and other privileges, and to full backwages, inclusive of allowances and other benefits or their monetary equivalent. Should the reinstatement be no longer feasible, an award of separation pay in lieu of reinstatement will be justified, and the backwages shall be reckoned from the time her wages were withheld until the finality of the decision.

The Case

Employer Manila Jockey Club, Inc. (MJCI) appeals *via* petition for review on *certiorari* the adverse decision promulgated on January 30, 2003,[1] whereby the Court of Appeals (CA) dismissed the petition for *certiorari* MJCI had brought to assail the decision rendered by the National Labor Relations Commission (NLRC) declaring respondent Aimee O. Trajano to have been illegally dismissed, and ordered it to reinstate her to her former

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[1] *Rollo*, pp. 35-42; penned by Associate Justice Conrado M. Vasquez, Jr. (later Presiding Justice), with Associate Justice Elvi John S. Asuncion and Associate Justice Sergio L. Pestaño, concurring.

position with limited backwages of six months, without loss of seniority rights and other benefits.[2]

Antecedents

MJCI had employed Trajano as a selling teller of betting tickets since November 1989. On April 25, 1998, she reported for work. At around 7:15 p.m., two regular bettors gave her their respective lists of bets (*rota*) and money for the bets for Race 14. Although the bettors suddenly left her, she entered their bets in the selling machine and segregated the tickets for pick up by the two bettors upon their return. Before closing time, one of the bettors (requesting bettor) returned and asked her to cancel one of his bets worth ₱2,000.00. Since she was also operating the negative machine on that day, she obliged and immediately cancelled the bet as requested. She gave the remaining tickets and the ₱2,000.00 to the requesting bettor, the money pertaining to the canceled bet. When Race 14 was completed, she counted the bets received and the sold tickets. She found that the bets and the tickets balanced. But then she saw in her drawer the receipt for the canceled ticket, but the canceled ticket was not inside the drawer. Thinking she could have given the canceled ticket to the requesting bettor, she immediately looked for him but could not find him. It was only then that she remembered that there were two bettors who had earlier left their bets with her. Thus, she went to look for the other bettor (second bettor) to ask if the canceled ticket was with him. When she located the second bettor, she showed him the receipt of the canceled ticket to counter-check the serial number with his tickets.[3]

Thereafter, the second bettor returned to Trajano and told her that it was one of his bets that had been canceled, instead of that of the requesting bettor. To complicate things, it was also the same bet that had won Race 14. Considering that the bet was for a daily double, the second bettor only needed to win Race 15 in order to claim dividends. At that point, she realized her mistake, and explained to the second bettor that the cancellation of his ticket had not been intentional, but the result of an honest mistake on her part. She offered to personally pay the dividends should the second bettor win Race 15, which the latter accepted. When Race 15 was completed, the second bettor lost. She was thus relieved of the obligation to pay any winnings to the second bettor.[4]

To her surprise, the reliever-supervisor later approached Trajano and told her to submit a written explanation about the ticket cancellation incident. The next day (April 26, 1998), she submitted the handwritten explanation to Atty. Joey R. Galit, Assistant Racing Supervisor. She then

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2 Id. at 43-53.
3 Id. at 43-45.
4 Id. at 45.

resumed her work as a selling teller, until later that day, when she received an inter-office correspondence signed by Atty. Galit informing her that she was being placed under preventive suspension effective April 28, 1998, for an unstated period of time. At the end of thirty days of her suspension, Trajano reported for work. But she was no longer admitted.[5] She then learned that she had been dismissed when she read a copy of an inter-office correspondence[6] about her termination posted in a selling station of MJCI.

Trajano instituted a complaint[7] for illegal dismissal against MJCI in the Department of Labor and Employment (DOLE). She claimed that her dismissal was not based on any of the grounds enumerated under Article 282 of the *Labor Code*; that her dismissal on the ground of unauthorized cancellation of ticket had no basis because she was also the operator of the negative machine on the day in question with the authority to cancel tickets as requested; that the cancellation was not intentional on her part but resulted from an honest mistake that did not amount to dishonesty; that her dismissal was without due process of law because she was not aware of any justifiable cause of her termination; that she was not notified about or furnished a copy of the notice of dismissal; that instead, MJCI simply posted copies of the notice in all its selling stations, an act intended to embarrass and humiliate her by imputing an allegedly unauthorized cancellation of ticket against her; and that MCJI's acts were tainted with evident bad faith and malice.

Trajano prayed that she be reinstated to her former position without loss of seniority rights; that she be paid backwages until she would be fully reinstated; and that she be paid moral and exemplary damages amounting to ₱180,000.00 and attorney's fees of 10% of the total award.[8]

On its part, MJCI averred that on April 25, 1998, it received a letter[9] from Jun Carpio, the Field Officer of the Games and Amusement Board, calling its attention to a complaint against Trajano brought by a certain bettor named "Tito" who had reported the cancellation of his ticket that had already won the first leg (Race 14) of the daily double bet; that it acted on the complaint by placing her under preventive suspension[10] upon her submission of a written explanation[11] and after the conduct of preliminary investigation on the matter; that on June 5, 1998, it invited her to a clarificatory meeting in the presence of MJCI Raceday Union President Miguel Altonaga; and that it terminated her services on the next day "*for cause due to unauthorized cancellation of ticket.*"[12]

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5 Id.
6 Id. at 193.
7 Id. at 194-199.
8 Id. at 198.
9 Id. at 187.
10 Id. at 191.
11 Id. at 189-190.
12 Id. at 193.

MJCI maintained that Trajano's dismissal was justified because the unauthorized cancellation of the ticket had constituted a serious violation of company policy amounting to dishonesty; that her action had also constituted a just cause for terminating her employment under Article 282 of the *Labor Code*, particularly paragraph (*a*) on serious misconduct or willful disobedience and paragraph (*b*) on gross and habitual neglect of duty; that the admissions made in her written explanation left no doubt as to her participation in the unauthorized cancellation of the ticket; that she was afforded her right to due process by being given the chance to submit her written explanation and being appraised of the charges against her; that she was accompanied by the union leaders during the preliminary investigation of her case; and that the non-appeal of the decision to terminate her indicated that she and the union leaders believed in the merit of the decision to terminate her.[13]

Decision of the Labor Arbiter

On April 23, 1999, the Labor Arbiter dismissed the complaint for illegal dismissal upon finding that Trajano's gross negligence in the performance of her job warranted the termination of her employment. The Labor Arbiter observed that the bet of ₱2,000.00 was "a huge amount that necessarily requires extra care like [sic] its cancellation;"[14] and that she had been given her chance to dispute the charges made against her.[15]

Decision of the NLRC

Aggrieved, Trajano appealed to the NLRC, arguing that she did not commit any gross dishonesty or any serious misconduct or habitual neglect of duties, because what she committed was purely an honest mistake that did not merit the imposition of the penalty of dismissal from the service.

On October 27, 1999, the NLRC rendered its decision reversing and setting aside the decision of the Labor Arbiter and declaring Trajano to have been illegally dismissed by MJCI without just or authorized cause and without due process of law. It concluded that her cancellation of the ticket was an honest mistake that did not constitute a serious misconduct or willful disobedience of the lawful orders of her employer; that such cancellation did not amount to a gross and habitual neglect of duty because her mistake was only her first offense in the nine years of service to MJCI; and that MJCI sustained no damage.[16] It ordered MJCI to reinstate her to her former

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13 Id. at 47.
14 Id. at 167.
15 Id. at 168.
16 Id. at 51.

position without loss of seniority rights, and with payment of backwages equivalent to at least six months and other benefits.[17]

The NLRC denied MJCI's motion for reconsideration on February 18, 2000.[18]

Ruling of the CA

MJCI elevated the decision of the NLRC to the CA on *certiorari*, claiming that the NLRC thereby gravely abused its discretion in reversing the Labor Arbiter's decision. MJCI insisted that Trajano had been accorded procedural due process and had been dismissed for just cause; and that she was not entitled to the reliefs of reinstatement with payment of limited backwages of six months, without loss of seniority rights and other benefits.

On January 30, 2003, however, the CA upheld the NLRC, pointing out that MJCI had not given the valid notice of termination as required by law; that MJCI had not shown that the unauthorized cancellation of tickets by Trajano had violated company policy; and that the cancellation of the ticket had been only an honest mistake that did not amount to gross negligence as to warrant dismissal.[19]

Aggrieved, MJCI filed a motion for reconsideration,[20] but the CA denied its motion.[21]

Issues

Hence, MJCI appealed to the Court, raising the following issues:

> 1. Whether or not there was just cause when Petitioner (MJCI) dismissed Respondent Aimee O. Trajano from the service;[22] and
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> 2. Whether or not Petitioner MJCI complied with the due process requirement when it effected the dismissal of Respondent Trajano.[23]

Ruling of the Court

The appeal lacks merit.

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17 Id. at 52.
18 CA *rollo*, pp. 64-65.
19 Supra note 1.
20 *Rollo*, pp. 102-109.
21 Id. at 101.
22 Id. at 23.
23 Id. at 28.

MJCI posits that Trajano held a position of trust and confidence; that the act of canceling the ticket was unauthorized because it was done without the consent of the bettor; that the CA thus erred in construing the phrase *unauthorized cancellation of ticket* as referring to whether or not she was authorized to cancel the ticket pursuant to company rules; that under the same premise, the loss of trust and confidence was established because the unauthorized cancellation of the ticket was a serious misconduct on her part considering that had the bet of ₱2,000.00 won the daily double race, the dividend to be paid could have been such a big amount that she would be unable to pay on her own; that the repercussions of her act to MJCI would have been disastrous had the bet won, with MJCI being sued by the bettor and being scandalized in the media; that MJCI would have suffered great loss in both income and reputation due to such unauthorized cancellation of ticket; and that, consequently, MJCI had the just cause to dismiss her.[24]

We cannot sustain the position of MJCI.

The valid termination of an employee may either be for just causes under Article 282[25] or for authorized causes under Article 283[26] and Article 284,[27] all of the *Labor Code*.

Specifically, loss of the employer's trust and confidence is a just cause under Article 282 (*c*), a provision that ideally applies only to cases involving an employee occupying a position of trust and confidence, or to a situation where the employee has been routinely charged with the care and custody of

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[24] Id. at 25-26.

[25] Article 282. TERMINATION BY EMPLOYER

An employer may terminate an employment for any of the following causes:

(a) Serious misconduct or will disobedience by the employee of the lawful orders of his employer or representative in connection with his work;

(b) Gross and habitual neglect by the employee of his duties;

(c) Fraud or willful breach by the employee of the trust reposed in him by his employer or duly authorized representative;

(d) Commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or his duly authorized representative; and

(e) Other causes analogous to the foregoing.

[26] Article 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 worker 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 (½) month pay for every year of service, whichever is higher. A fraction of at least six (6) months shall be considered as one (1) whole year.

[27] Article 284. DISEASES AS GROUND FOR TERMINATION

An employer may terminated the services of an employee who has been found to be suffering from any disease and whose continued employment is prohibited by law or is prejudicial to his health as well as to the health of his co-employees; *Provided,* that he is paid separation pay equivalent to at least one (1) month salary or to one-half (½) month salary for every year of service, whichever is greater, a fraction of at least six (6) months being considered as one (1) whole year.

the employer's money or property.[28] But the loss of trust and confidence, to be a valid ground for dismissal, must be based on a willful breach of trust and confidence founded on clearly established facts. "A breach is willful," according to *AMA Computer College, Inc. v. Garay,*[29] "if it is done intentionally, knowingly and purposely, without justifiable excuse, as distinguished from an act done carelessly, thoughtlessly, heedlessly or inadvertently. It must rest on substantial grounds and not on the employer's arbitrariness, whims, caprices or suspicion; otherwise, the employee would eternally remain at the mercy of the employer."[30] An ordinary breach is not enough.

Moreover, the loss of trust and confidence must be related to the employee's performance of duties. As held in *Gonzales v. National Labor Relations Commission*:[31]

> Loss of confidence, as a just cause for termination of employment, is premised on the fact that the employee concerned holds a position of responsibility, trust and confidence. He must be invested with confidence on delicate matters such as the custody, handling, care and protection of the employer's property and/or funds. But in order to constitute a just cause for dismissal, the act complained of must be "work-related" such as would show the employee concerned to be unfit to continue working for the employer.

As a selling teller, Trajano held a position of trust and confidence. The nature of her employment required her to handle and keep in custody the tickets issued and the bets made in her assigned selling station. The bets were funds belonging to her employer. Although the act complained of – the unauthorized cancellation of the ticket (*i.e.*, unauthorized because it was done without the consent of the bettor) – was related to her work as a selling teller, MJCI did not establish that the cancellation of the ticket was intentional, knowing and purposeful on her part in order for her to have breached the trust and confidence reposed in her by MJCI, instead of being only out of an honest mistake.

Still, to justify the supposed loss of its trust and confidence in Trajano, MJCI contends that the unauthorized cancellation of the ticket could have greatly prejudiced MJCI for causing damage to both its income and reputation.

We consider the contention of MJCI unwarranted. As the records indicate, MJCI's prejudice remained speculative and unrealized. To dismiss

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[28] Azucena, C.A., *The Labor Code with Comments and Cases*, Volume Two, 2004 Ed., p. 630.

[29] G.R. No. 162468, January 23, 2007, 512 SCRA 312, 316-317.

[30] Citing *Fujitsu Computer Products Corporation of the Philippines v. Court of Appeals*, G.R. No. 158232, March 31, 2005, 454 SCRA 737, 760.

[31] G.R. No. 131653, March 26, 2001, 355 SCRA 195, 207-208; citing *Sanchez v. National Labor Relations Commission*, G.R. No. 124348, August 19, 1999, 312 SCRA 727, 735.

an employee based on speculation as to the damage the employer could have suffered would be an injustice. The injustice in the case of Trajano would be greater if the supposed just cause for her dismissal was not even sufficiently established. While MJCI as the employer understandably had its own interests to protect, and could validly terminate any employee for a just cause, its exercise of the power to dismiss should always be tempered with compassion and imbued with understanding, avoiding its abuse.[32]

In this regard, we have to stress that the loss of trust and confidence as a ground for the dismissal of an employee must also be shown to be genuine, for, as the Court has aptly pointed out in *Mabeza v. National Labor Relations Commission:*[33] "x x x loss of confidence should not be simulated in order to justify what would otherwise be, under the provisions of law, an illegal dismissal. It should not be used as a subterfuge for causes which are illegal, improper and unjustified. It must be genuine, not a mere afterthought to justify an earlier action taken in bad faith."

The foregoing notwithstanding, the Court unavoidably notes that the invocation of loss of trust and confidence as a ground for dismissing Trajano was made belatedly. In its position paper dated September 2, 1998,[34] MJCI invoked the grounds under Article 282 (*a*) and (*b*) of the *Labor Code* to support its dismissal of her, submitting then that the unauthorized cancellation of the ticket constituted a serious violation of company policy amounting to dishonesty. The first time that MJCI invoked breach of trust was in its motion for the reconsideration of the decision of the NLRC.[35] MJCI also thereafter urged the ground of breach of trust in its petition for *certiorari* in the CA.[36] Such a belated invocation of loss of confidence broadly hints the ground as a mere afterthought to buttress an otherwise baseless dismissal of the employee.

Anent compliance with due process, MJCI argues that Trajano's notification of her termination through the posting in the selling stations should be deemed a substantial if not full compliance with the due process requirement, considering that she herself even presented a copy of the posting as evidence;[37] that the rule on giving notice of termination to an employee did not expressly require the personal service of the notice to the dismissed worker; and that what mattered was that she was notified in writing of MJCI's decision to terminate her through the posting in its selling stations.[38]

The argument is bereft of worth and substance.

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32 *Blazer Car Marketing, Inc. v. Bulauan*, G.R. No. 181483, March 9, 2010, 614 SCRA 713, 722.
33 G.R. No. 118506, April 18, 1997, 271 SCRA 670, 683.
34 *Rollo*, pp. 72-75.
35 Id. at 96-100.
36 Id. at. 60-68.
37 Id. at 29.
38 Id. at 29-30.

The procedure to be followed in the termination of employment based on just causes is laid down in Section 2 (*d*), Rule I of the *Implementing Rules of Book VI of the Labor Code*, to wit:

> Section 2. Security of Tenure. --
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> x x x x
>
> (d) In all cases of termination of employment, the following standards of due process shall be substantially observed:
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> For termination of employment based on just causes as defined in Article 282 of the Labor Code:
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> (i) A written notice served on the employee specifying the ground or grounds for termination, and giving said employee reasonable opportunity within which to explain his side.
>
> (ii) A hearing or conference during which the employee concerned, with the assistance of counsel if he so desires is given opportunity to respond to the charge, present his evidence, or rebut the evidence presented against him.
>
> (iii) A written notice of termination served on the employee, indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination. In case of termination, the foregoing notices shall be served on the employee's last known address.

A review of the records warrants a finding that MJCI did not comply with the prescribed procedure.

In its October 27, 1999 decision, the NLRC declared that MJCI complied with the first notice requirement by serving a copy of the first notice upon Trajano,[39] who received the copy and affixed her signature thereon on April 26, 1998.[40] Such declaration seems to be supported by the records.

Yet, the NLRC concluded that the clarificatory meeting was not the hearing contemplated by law because the supposed complainants were not there for Trajano to confront.[41]

We disagree with the NLRC's conclusion, and instead find that there was a compliance with the second requirement for a hearing or conference. It is undeniable that Trajano was accorded the real opportunity to respond to the complaint against her, for she did submit her written explanation on April 26, 1998 and was invited to the final clarificatory meeting set on June 5, 1998 in the presence of the MJCI Raceday Union President.[42]

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39 Id. at 82.
40 Id. at 48-49.
41 Id.
42 Id. at 47.

Nor was it necessary at all for Trajano to be able to confront the complainant against her. In *Muaje-Tuazon v. Wenphil Corporation*,[43] the Court has clarified that the opportunity to confront a witness is not demanded in company investigations of the administrative sins of an employee, holding thusly:

> x x x x
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> Petitioners must be reminded, however, that confrontation of witnesses is required only in adversarial criminal prosecutions, and not in company investigations for the administrative liability of the employee. Additionally, actual adversarial proceedings become necessary only for clarification, or when there is a need to propound searching questions to witnesses who give vague testimonies. This is not an inherent right, and in company investigations, summary proceedings may be conducted.

As for the last procedural requirement of giving the second notice, the posting of the notice of termination at MJCI's selling stations did not satisfy it, and the fact that Trajano was eventually notified of her dismissal did not cure the infirmity. It is notable, indeed, that the NLRC explicitly found in its October 27, 1999 decision that MJCI did not comply, to wit:

> In this case, there is the first written notice required but none of the second notice that informs her of the employer's or MJCI's decision to dismiss her. In fact, it was not even shown that the investigator, Atty. Joey Galit, whose office is that of an assistant racing manager, has the company's authority to dismiss the complainant, since that power is usually lodged with the head of the human resource department or with the President, but unusual with an assistant manager. The complainant asserts that she was never furnished a copy of her termination letter and what she had submitted as evidence on record (Annex "A" for the complainant, Record, p. 25) was one of those copies posted on all selling stations of MJCI. This accusation was not answered by the respondents nor have they ever proved that they had furnished the complainant a written notice of the decision of MJCI to terminate her services on the ground of serious violation of company policy (dishonesty). [44]

We uphold this finding of the NLRC, for the law on the matter has been clear. While personal service of the notice of termination on the employee is not required, Section 2 (*d*), Rule I of the *Implementing Rules of Book VI of the Labor Code* mandates that such notice be served on Trajano at her last known address, *viz*:

> x x x x
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> (iii) A written notice of termination served on the employee, indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination. **In case of termination,**

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[43] G.R. No. 162447, December 27, 2006, 511 SCRA 521, 531.

[44] Supra note 2, at 49.

> **the foregoing notices shall be served on the employee's last known address.** (Emphasis supplied)
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> x x x x

Accordingly, the CA did not commit any error in dismissing MJCI's petition for *certiorari* assailing the decision of the NLRC. It is worth repeating that in termination cases, the employer carries the burden of proving that its dismissal of the employee was legal.[45] The employer's failure discharged its burden will readily mean that the dismissal has not been justified, and was, therefore, illegal.[46] Accordingly, the failure of MJCI to establish the just cause for terminating Trajano fully warranted the NLRC's finding that Trajano's termination was illegal.

Considering the lapse of time between the rendition of the decision of the NLRC and this ultimate resolution of the case, however, the Court holds that a review of the order of reinstatement and the award of backwages is necessary and in order.

There is no question that an illegally dismissed employee is entitled to her reinstatement without loss of seniority rights and other privileges, and to full backwages, inclusive of allowances and other benefits or their monetary equivalent.[47]

In case the reinstatement is no longer possible, however, an award of separation pay, in lieu of reinstatement, will be justified.[48] The Court has ruled that reinstatement is no longer possible: (*a*) when the former position of the illegally dismissed employee no longer exists;[49] or (*b*) when the employer's business has closed down;[50] or (*c*) when the employer-employee relationship has already been strained as to render the reinstatement impossible.[51] The Court likewise considered reinstatement to be non-feasible because a "considerable time" has lapsed between the dismissal and the resolution of the case.[52] In that regard, a lag of eight years or ten years is sufficient to justify an award of separation pay in lieu of reinstatement.

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[45] *Macasero v. Southern Industrial Gases Philippines*, G.R. No. 178524, January 30, 2009, 577 SCRA 500, 505; *L.C. Ordoñez Construction v. Nicdao*, G.R. No. 149669, July 27, 2006, 496 SCRA 745, 759.

[46] *San Miguel Corporation v. National Labor Relations Commission*, G.R. No. 153983, May 26, 2009, 588 SCRA 179, 192; *AMA Computer College-East Rizal v. Ignacio*, G.R. No. 178520, June 23, 2009, 590 SCRA 633, 651.

[47] *Fulache v. ABS-CBN Broadcasting Corporation*, G.R. No. 183810, January 21, 2010, 610 SCRA 567, 588.

[48] *Pangilinan v. Wellmade Manufacturing Corporation*, G.R. No. 187005, April 7, 2010, 617 SCRA 567, 573.

[49] *Asian Terminals, Inc. v. Villanueva*, G.R. NO. 143219, November 28, 2006, 508 SCRA 346, 352.

[50] *Philtread Tire & Rubber Corporation v. Vicente*, G.R. No. 142759, November 10, 2004, 441 SCRA 574, 582.

[51] *Cabatulan v. Buat*, G.R. No. 147142, February 14, 2005, 451 SCRA 234, 247.

[52] *Association of Independent Unions of the Philippines v. NLRC*, G.R. No. 120505, March 25, 1999, 305 SCRA 219, 235 and *Lambo v. National Labor Relations Commission*, G.R. No. 111042, October 26, 1999, 317 SCRA 420, 430.

Applying the foregoing to this case, the Court concludes that the reinstatement of Trajano is no longer feasible. More than 14 years have already passed since she initiated her complaint for illegal dismissal in 1998, filing her position paper on September 3, 1998,[53] before the Court could finally resolve her case. The lapse of that long time has rendered her reinstatement an impractical, if not an impossible, option for both her and MJCI. Consequently, an award of separation pay has become the practical alternative, computed at one month pay for every year of service.[54]

Anent backwages, Trajano is entitled to full backwages, inclusive of allowances and other benefits or their monetary equivalent, computed from the time her actual compensation was withheld on June 6, 1998 up to the finality of this decision (on account of her reinstatement having meanwhile become non-feasible and impractical).[55] This ruling is consistent with the legislative intent behind Republic Act No. 6715.[56]

WHEREFORE, the Court **AFFIRMS** the decision promulgated on January 30, 2003, subject to the **MODIFICATIONS** that: (*a*) separation pay computed at one month pay for every year of service be awarded in lieu of reinstatement, and (*b*) backwages, inclusive of allowances and other benefits or their monetary equivalent, computed from June 6, 1998, the date of respondent's termination, until the finality of this decision be paid to respondent.

The petitioner shall pay the costs of suit.

SO ORDERED.

LUCAS P. BERSAMIN
Associate Justice

WE CONCUR:

MARIA LOURDES P. A. SERENO
Chief Justice

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[53] *Rollo*, p. 85

[54] *Gaco v. National Labor Relations Commission*, G.R. No. 104690, February 23, 1994, 230 SCRA 260, 268.

[55] *General Milling Corporation v. Casio*, G.R. No. 149552, March 10, 2010, 615 SCRA 13, 38.

[56] *An Act to Extend Protection to Labor, Strengthen the Constitutional Rights of Workers to Self-Organization, Collective Bargaining and Peaceful Concerted Activities, Foster Industrial Peace and Harmony, Promote the Preferential Use of Voluntary Modes of Settling Labor Disputes, and Reorganize the National Labor Relations Commission, Amending for These Purposes Certain Provisions of Presidential Decree No. 442, As Amended, Otherwise Known as The Labor Code of the Philippines, Appropriating Funds Therefor and for Other Purposes.*

TERESITA J. LEONARDO-DE CASTRO
Associate Justice

MARTIN S. VILLARAMA, JR.
Associate Justice

BIENVENIDO L. REYES
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the 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