Republic of the Philippines
Supreme Court
Manila

SECOND DIVISION

U-BIX CORPORATION and EDILBERTO B. BRAVO, *Petitioners,*	**G.R. No. 199660**
	Present:
- versus -	PERALTA,* DEL CASTILLO, *Acting Chairperson,*** PEREZ,*** MENDOZA, *and* LEONEN, *JJ.*
VALERIE ANNE H. HOLLERO, *Respondent.*	Promulgated: JUL 13 2015

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RESOLUTION

DEL CASTILLO, *J.*:

This is a Petition for Review on *Certiorari*[1] of the Court of Appeals (CA) Decision[2] dated August 9, 2011 and Resolution[3] dated December 7, 2011 in CA-G.R. SP No. 117199, which affirmed the National Labor Relations Commission (NLRC) Resolution[4] dated June 29, 2010 and Resolution[5] dated September 27, 2010 denying the appeal of petitioners U-Bix Corporation and Edilberto B. Bravo (petitioners) from Labor Arbiter Enrique S. Flores, Jr.'s (Labor Arbiter Flores) Order[6] dated April 16, 2010 approving the recomputation of the monetary award in favor of respondent Valerie Anne H. Hollero (respondent) and ordering the issuance of a writ of execution.

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* Per Special Order No. 2088 dated July 1, 2015.
** Per Special Order No. 2087 (Revised) dated July 1, 2015.
*** Per Special Order No. 2079-A dated June 29, 2015.
1 Under Rule 45 of the RULES OF COURT.
2 CA *rollo*, pp. 415-428; penned by Associate Justice Isaias P. Dicdican and concurred in by Associate Justices Stephen C. Cruz and Agnes Reyes-Carpio.
3 Id. at 482-483.
4 Id. at 34-37; penned by Commissioner Pablo C. Espiritu, Jr. and concurred in by Presiding Commissioner Alex A. Lopez and Commissioner Gregorio O. Bilog III.
5 Id. at 39-40.
6 Id. at 111-117.

Factual Antecedents

Petitioners filed a complaint against respondent for reimbursement of training costs plus interest, exemplary damages, attorney's fees and litigation expenses, docketed as NLRC-NCR-Case No. 00-05-03696-97. On the other hand, respondent filed against petitioners a complaint for illegal dismissal, unpaid wages, backwages, moral and exemplary damages, and attorney's fees, docketed as NLRC-NCR-Case No. 00-08-05988-97. The two complaints were later on consolidated.

In a Decision[7] dated February 8, 1999, the Labor Arbiter found respondent's dismissal to be valid; she was also ordered to reimburse the amount spent by petitioners for her training, with interest at the rate of 12% *per annum*.[8]

On appeal, the NLRC reversed the Labor Arbiter's Decision. Finding respondent to have been illegally dismissed, it awarded her backwages from the date of her dismissal up to the date of the NLRC Decision and separation pay in lieu of reinstatement due to strained relations. Anent petitioners' complaint for reimbursement, the NLRC held that the same is one for collection of sum of money over which it has no jurisdiction. Hence, the dispositive portion of the NLRC Resolution dated July 12, 1999:[9]

> WHEREFORE, premises considered, the assailed decision dated February 8, 1999, is hereby REVERSED and SET ASIDE and a new one entered as follows:
>
> A. Dismissing the complaint of the [petitioner] U-BIX CORPORATION, in NLRC NCR Case No. 00-05-03696-97 for lack of jurisdiction; and
>
> B. Finding the dismissal of [respondent] Valerie Anne H. Hollero in NLRC NCR Case No. 00-08-05988-97 to be illegal thereby ordering [petitioners] U-BIX CORPORATION/Edilberto B. Bravo to pay the former the following:
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> | | |
> |---|---|
> | 1. Backwages | □520,000.00 |
> | 2. Separation Pay | 60,000.00; and |
> | TOTAL | □580,000.00 |
>
> All other claims for damages are dismissed for insufficiency of evidence.
>
> SO ORDERED.[10]

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7 As culled from the NLRC Order dated July 12, 1999, id. at 42-63, 42, 43, since no copy of the Labor Arbiter's Decision is attached to the records.

8 Id. at 43.

9 Id. at 42-63; penned by Commissioner Tito F. Genilo and concurred in by Presiding Commissioner Lourdes C. Javier and Commissioner Ireneo B. Bernardo.

10 Id. at 62.

Petitioners' Petition for *Certiorari* before the CA was dismissed through a Decision[11] dated January 8, 2007. Since petitioners' motion for reconsideration thereto was likewise denied by the CA,[12] they elevated the case before this Court.

In a Decision[13] dated October 31, 2008, the Court affirmed the CA Decision. This became final and executory on March 12, 2009.[14]

Subsequently, respondent filed a Motion for Issuance of Writ of Execution before the Labor Arbiter.[15] In the course of the pre-execution conferences, petitioners moved for the recomputation of the monetary award. Acting on the same, Labor Arbiter Elizabeth C. Avedoso (Labor Arbiter Avedoso) came up with a re-computed total monetary award of □3,330,512.82.[16] Petitioners opposed this re-computation for lack of legal basis.[17] Thus, a second re-computation in the reduced amount of □3,270,512.82[18]was presented to the parties in a conference held on February 18, 2010. Still, they failed to reach an agreement.

In the meantime, respondent filed a Supplemental Motion for Issuance of Writ of Execution[19] to which petitioners filed an Opposition.[20]

Ruling of the Labor Arbiter

In an Order[21] dated April 16, 2010, Labor Arbiter Flores found the recomputation of the total award at □3,270,512.82 correct. Hence, he ruled:

> Finding the Motion for Issuance of Writ of Execution to be well taken, the same is hereby GRANTED.
>
> WHEREFORE, the corresponding Writ of Execution be issued pursuant to the re-computed monetary award in the amount of □3,270,512.8[2].
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> SO ORDERED.[22]

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11 Id. at 65-73; penned by Associate Justice Estela M. Perlas-Bernabe (now a member of this Court) and concurred in by Associate Justices Rodrigo V. Cosico and Lucas P. Bersamin (now also a member of this Court).

12 As culled from this Court's Decision dated October 31, 2008, id. at 75-89, 80.

13 Id. at 75-89; penned by Associate Justice Conchita Carpio Morales and concurred in by Acting Chief Justice Leonardo A. Quisumbing and Associate Justices Dante O. Tinga, Presbitero J. Velasco, Jr. and Arturo D. Brion.

14 As culled from Labor Arbiter Flores' Order dated April 16, 2010, id. at 111-117, 115.

15 Id. at 111.

16 Id. at 92.

17 Id. at 93-98.

18 Id. at 110.

19 Id. at 99-105.

20 Id. at 106-108.

21 Id. at 111-117.

22 Id. at 116.

Accordingly, Labor Arbiter Flores issued a Writ of Execution[23] dated April 20, 2010.

Ruling of the National Labor Relations Commission

Petitioners filed before the NLRC a Notice and Memorandum of Appeal.[24] At the same time, they posted a corresponding supersedeas bond issued by Mapfre Insular Insurance Corporation (Mapfre) in the amount of □3,270,512.82. Subsequently, petitioners also filed an Omnibus Motion to Quash Writ of Execution and to Lift Order of Garnishment.

In a Resolution[25] dated June 29, 2010, the NLRC denied for lack of merit petitioners' Appeal and their Omnibus Motion to Quash Writ of Execution and to Lift Order of Garnishment.

With respect to the appeal, the NLRC held that the supersedeas bond posted by petitioners has no force and effect, *viz.*:

> A perusal of the bond, however, revealed that the Certification of Accreditation and Authority of Jose Midas P. Marquez, Supreme Court Administrator, covers an authority to transact surety business in relation to "**CIVIL/SPECIAL PROCEEDINGS CASES ONLY** filed/pending before the Regional Trial Courts of Caloocan City, City of Manila, Las Piñas City, Makati City, Marikina City, Mandaluyong City, Muntinlupa City, Parañaque City, Pasay City, Pasig City and Quezon City x x x.[26] Clearly, the authority does not include labor cases filed before the NLRC. Thus, as far as the NLRC is concerned, the [s]upersedeas bond posted by U-Bix Corporation has no force and effect.
>
> Assuming only that it is authorized, it failed to present proof of security deposit or collateral securing the bond as required by Section 6(c) of Rule 6, NLRC Rules of Procedure. U-Bix failed to perfect its appeal. Therefore, the Order appealed from has attained finality.[27]

Anent the Motion to Quash Writ of Execution and to Lift Order of Garnishment, it held as follows:

> As mentioned earlier, the Order approving the judgment award has become final and executory, thus, the issuance of the writ of execution is proper. There is nothing more left to be done except its execution.[28]

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23 Id. at 118-122.
24 Id. at 123-144.
25 Id. at 34-37.
26 Id. at 35.
27 Id. Emphasis in the original.
28 Id. at 36.

Hence:

> WHEREFORE, premises considered, the Appeal, Omnibus Motion to Quash Writ of Execution and to Lift Order of Garnishment filed by U-Bix Corporation and Edilberto Bravo are **DENIED** for lack of merit.
>
> SO ORDERED.[29]

Petitioners moved for reconsideration which was dismissed in a Resolution[30] dated September 27, 2010.

Ruling of the Court of Appeals

Thus, petitioners sought recourse from the CA through a Petition for *Certiorari* with Prayer for the Issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction. They imputed upon the NLRC grave abuse of discretion amounting to lack or in excess of jurisdiction when it denied their appeal outright on the ground that the supersedeas bond accompanying the appeal has no force and effect. They argue that: (1) Mapfre is a bonding company accredited by this Court and the NLRC; (2) petitioner Bravo's signature in the indemnity agreement constitutes his personal guarantee of the supersedeas bond; and (3) the grounds relied upon in their memorandum of appeal are meritorious.[31]

In a Decision[32] dated August 9, 2011, the CA denied the Petition. Citing Article 223[33] of the Labor Code and Section 6[34] Rule VI of the New Rules of

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29 Id. Emphasis in the original.

30 Id. at 39-40.

31 Petition for *Certiorari*, id. at 3-28, 14-25.

32 Id. at 415-428.

33 **Art. 223. Appeal.** Decisions, awards, or orders of the Labor Arbiter are final and executory unless appealed to the Commission by any or both parties within ten (10) calendar days from receipt of such decisions, awards, or orders. Such appeal may be entertained only on any of the following grounds:

x x x x

In case of a judgment involving a monetary award, an appeal by the employer may be perfected only upon the posting of a cash or surety bond issued by a reputable bonding company duly accredited by the Commission in the amount equivalent to the monetary award in the judgment appealed from.

x x x x

34 Section 6. *Bond.* - In case the decision of the Labor Arbiter or the Regional Director involves a monetary award, an appeal by the employer may be perfected only upon the posting of a bond, which shall either be in the form of cash deposit or surety bond equivalent in amount to the monetary award, exclusive of damages and attorney's fees.

In case of surety bond, the same shall be issued by a reputable bonding company duly accredited by the Commission or the Supreme Court, and shall be accompanied by original or certified true copies of the following:

a) a joint declaration under oath by the employer, his counsel, and the bonding company, attesting that the bond posted is genuine, and shall be in effect until final disposition of the case.

b) a copy of the indemnity agreement between the employer-appellant and bonding company; and

c) a copy of security deposit or collateral securing the bond.

A certified true copy of the bond shall be furnished by the appellant to the appellee who shall verify the regularity and genuineness thereof and immediately report to the Commission any irregularity.

Procedure of the NLRC, it emphasized that the filing of a supersedeas bond for the perfection of an appeal is mandatory and jurisdictional. In this case, the CA found the supersedeas bond posted by petitioners to be irregular in view of the Certification of Accreditation and Authority issued by the Office of the Court Administrator (OCA) that Mapfre's authority to transact business was limited only to Civil/Special cases and does not cover labor cases. Besides, the said court found no meritorious ground to relax the requirement of posting a supersedeas bond. Thus:

> WHEREFORE, in view of the foregoing premises, the petition filed in this case is hereby DENIED for lack of merit. The Resolutions issued by the Third Division of the National Labor Relations Commission dated June 29, 2010 and September 27, 2010 in NLRC NCR Case No. 00-05-03696-97 is hereby AFFIRMED.
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> SO ORDERED.[35]

As petitioners' Motion for Reconsideration[36] was likewise denied in a Resolution[37] dated December 7, 2011, they are now before this Court through this Petition for Review on *Certiorari*.

Issues

> THE COURT OF APPEALS COMMITTED GRAVE REVERSIBLE ERROR IN AFFIRMING THE NLRC'S DECISION DISMISSING OUTRIGHT PETITIONERS' APPEAL ON THE GROUND THAT THE ACCOMPANYING SUPERSEDEAS BOND WAS INVALID, CONSIDERING THAT:
>
> A. MAPFRE INSULAR INSURANCE CORPORATION IS A BONDING COMPANY ACCREDITED BY BOTH THE NLRC AND THE SUPREME COURT.
>
> B. PETITIONER BRAVO'S SIGNATURE IN THE INDEMNITY AGREEMENT CONSTITUTES HIS PERSONAL GUARANTEE OF THE SUPERSEDEAS BOND.
>
> C. PETITIONERS' MEMORANDUM OF APPEAL IS IMPRESSED WITH MERIT SUCH THAT A RESOLUTION OF THE SUBSTANTIAL ISSUES RAISED THEREIN WAS WARRANTED.[38]

Upon verification by the Commission that the bond is irregular or not genuine, the Commission shall cause the immediate dismissal of the appeal.

No motion to reduce bond shall be entertained except on meritorious grounds and upon the posting of a bond in a reasonable amount in relation to the monetary award.

The filing of the motion to reduce bond without compliance with the requisites in the preceding paragraph shall not stop the running of the period to perfect an appeal.

35 CA *rollo*, p. 427.

36 Id. at 453-467.

37 Id. at 482-483.

38 *Rollo*, p. 38.

Our Ruling

The Petition has no merit.

*Perfection of an appeal **in the manner** and within the period prescribed by law is not only mandatory and jurisdictional and failure to conform to the rules will render the judgment sought to be reviewed final and unappealable.*

Petitioners argue that the CA erred in concluding that the supersedeas bond they posted was irregular and therefore has no force and effect based on the OCA certification that Mapfre's authority to transact business as a bonding company refers only to civil and special cases. They call attention to the Memorandum[39] dated June 8, 2010 issued by the NLRC's Legal and Enforcement Division for the information and guidance of all Presiding/Commissioners and Executive/Labor Arbiters regarding the list of bonding companies accredited by this Court with respect to criminal and civil cases, which include Mapfre. Petitioners assert that the NLRC's endorsement of the said list to all Presiding Commissioners and Executive/Labor Arbiters could only mean that the bonding companies therein listed can also well be considered for labor cases.

The Court agrees with petitioners. In the 2013 Guidelines for Accreditation of Surety Companies[40] of the NLRC, one of the requirements for the accreditation of a bonding company is the submission of a valid Certificate of Accreditation and Authority issued by the OCA. Upon a bonding company's submission of the same and compliance with the other requirements, the Legal and Enforcement Division of the NLRC shall furnish all Presiding/Commissioners and Deputy/ Executive Clerks of Court a copy of the Certificate of Accreditation and Authority and a list of accredited surety companies and their agents. While the said guidelines were issued only in 2013, it is logical to conclude that the Memorandum dated June 8, 2010 was for the same purpose mentioned, *i.e.*, to furnish all Presiding/Commissioners and Executive/Labor Arbiters a list of accredited bonding companies. For one, the said Memorandum was issued by the Legal and Enforcement Division to all Presiding/Commissioners and Executive/Labor Arbiters or similar to what is outlined under the aforementioned guidelines. For another, and as aptly pointed out by petitioners, there could have been no other plausible reason for the said issuance but to apprise the concerned labor officials of the list of bonding companies which they may consider in transacting business in their respective offices.

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39 Id. at 471-473

40 *En Banc* Resolution No. 03-13, Series of 2013.

Nevertheless, the Court still finds that petitioners failed to comply with the bond requirement in perfecting their appeal. Article 223 of the Labor Code provides in part:

> Article 223. *Appeal*. Decisions, awards, or orders of the Labor Arbiter are final and executory unless appealed to the Commission by any or both parties within ten (10) calendar days from receipt of such decisions, awards, or orders. x x x
>
> x x x x
>
> In case of a judgment involving a monetary award, an appeal by the employer may be perfected only **upon the posting of a cash or surety bond** issued by a reputable bonding company duly accredited by the Commission in the amount equivalent to the monetary award in the judgment appealed from. (Emphasis supplied)

In case of a surety bond, the applicable Section 6, Rule VI of the 2005 Revised Rules of Procedure of the NLRC requires that the same should be accompanied by original and certified true copies of the following:

a) a joint declaration under oath by the employer, his counsel and the bonding company, attesting that the bond posted is genuine, and shall be in effect until final disposition of the case;

b) an indemnity agreement between the employer-appellant and bonding company;

c) **proof of security deposit or collateral securing the bond; provided, that a check shall not be considered as an acceptable security;**

d) a certificate of authority from the Insurance Commission;

e) certificate of registration from the Securities Exchange Commission;

f) certificate of authority to transact surety business from the Office of the President;

g) certificate of accreditation and authority from the Supreme Court; and

h) notarized board resolution or secretary's certificate from the bonding company showing its authorized signatories and their specimen signatures.

Here, petitioners did not submit any proof of security deposit or collateral securing the bond. They themselves admit this in their Petition by stating that they

no longer attached a separate document of security deposit or collateral securing the bond because Mapfre did not find it necessary to require them to give a security deposit and/or collateral. According to them, Mapfre finds it sufficient that the Indemnity Agreement attached to the Memorandum of Appeal was signed by petitioner Bravo, the president of petitioner U-Bix, in his personal capacity.

The Court, however, cannot accept such flimsy excuse of petitioners.

It must be noted that right from the start, petitioners were well represented by counsel who is presumed to know the explicit requirement under the aforementioned Section 6 that a surety bond should be accompanied by a proof of security deposit or collateral. Hence, petitioners cannot reason out that they were not able to submit the same because Mapfre did not require them to give such a deposit or collateral. What appears here instead is that while petitioners seem to be aware of the said requirement, they risked dispensing with the same and chose to stand by the alleged word of Mapfre that they need not submit any proof of security deposit or collateral. It is well to remind petitioners that parties are not at a liberty to choose which rule of technicality to comply with or not. To stress, "[t]he requirements for perfecting an appeal must, as a rule, be strictly followed. Such requirements are considered indispensable interdictions against needless delay and are necessary for the orderly discharge of the judicial business."[41]

In the same vein, petitioners are clutching at straws in impressing upon this Court that petitioner Bravo, in signing the Indemnity Agreement in his personal capacity, has already bound himself to be jointly and severally liable with Mapfre for the monetary award and this has the effect of securing the bond. Suffice it to say that "[t]he obvious purpose of an appeal bond is to ensure, during the period of appeal, against any occurrence that would defeat or diminish recovery by the aggrieved employees under the judgment if subsequently affirmed."[42] To the Court's mind, the intention in requiring a security deposit or collateral to secure the bond, apart from the indemnity agreement between the employer-appellant and the bonding company, is to further ensure recovery by the employee of the judgment award should the same be affirmed, in any and all eventualities. This is also in keeping with the purpose of the bond requirement which is to "discourage employers from using the appeal to delay, or even evade, their obligation to satisfy their employee's possible just and lawful claims."[43] Besides, it is an all-too familiar rule in statutory construction that when a rule is clear and unambiguous, interpretation need not be resorted to.[44] Since Section 6, Rule VI of the 2005 NLRC Rules of Procedure requires that a surety bond should be accompanied by both an indemnity agreement and proof of security deposit or collateral securing the bond, among others, that two must be presented. The submission of one

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41 *Accessories Specialist, Inc. v. Alabanza*, 581 Phil. 517, 530 (2008).
42 *Cordova v. Keysa's Boutique*, 507 Phil. 147, 158 (2005).
43 Id. at 159.
44 *Adasa v. Abalos*, 545 Phil. 168, 184 (2007).

cannot be considered sufficient as to dispense with the other. No resort to any interpretation is necessary, there is only room for application.[45]

It is a settled rule that "the perfection of an appeal *in the manner* and within the period prescribed by law is, not only mandatory, but jurisdictional, and failure to conform to the rules will render the judgment sought to be reviewed final and unappealable."[46] As can be gleaned from the foregoing, petitioners failed to perfect their appeal in the manner prescribed by the rules. Hence and as correctly ruled by the NLRC and affirmed by the CA, the April 16, 2010 Order of Labor Arbiter Flores approving the recomputation of the money award and ordering the issuance of a writ of execution has already attained finality and this warranted the dismissal of petitioners' appeal therefrom before the NLRC.

It is worth stating that indeed in several cases, the Court –

> relaxed the rigid application of the rules of procedure to afford the parties the opportunity to fully ventilate their cases on the merits. This is in line with the time honored principle that cases should be decided only after giving all the parties the chance to argue their causes and defenses. Technicality and procedural imperfections should thus not serve as bases of decisions. In that way, the ends of justice would be better served. For indeed, the general objective of procedure is to facilitate the application of justice to the rival claims of contending parties, bearing always in mind that procedure is not to hinder but to promote the administration of justice.[47]

It must be emphasized, however, that "the policy of liberal interpretation is qualified by the requirement that there must be exceptional circumstances to allow the relaxation of the rules. Absent exceptional circumstances, [the Court adheres] to the rule that certain procedural precepts must remain inviolable x x x."[48] After all, an "appeal is not a constitutional right, but a mere statutory privilege. Thus, parties who seek to avail themselves of it must comply with the statutes or rules allowing it."[49] The Court adheres to the strict interpretation of the rule in this case in the absence of exceptional circumstance or compelling reason to depart from the same.

The questioned recomputation of monetary award is in order.

Petitioners argue that the recomputation of the monetary award in the sum of □3,270,512.82 is erroneous. In particular, they assail the computation of backwages from the time of respondent's dismissal up to the finality of the Court's

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45 *Aquino v. Aure*, 569 Phil. 403, 419 (2008).

46 *Republic Cement Corporation v. Guinmapang*, 613 Phil. 294, 300-301 (2009).

47 Id. at 301, citing *Chronicle Securities Corporation v. National Labor Relations Commission*, 486 Phil. 560, 568 (2004).

48 *Manaya v. Alabang Country Club, Inc.*, 552 Phil. 226, 235 (2007).

49 *Accessories Specialist, Inc. v. Alabanza*, supra note 41.

October 31, 2008 Decision in the illegal dismissal case on March 12, 2009. They point out that full backwages is computed from the time an illegally dismissed employee's compensation is withheld up to the time of his actual reinstatement. And since the July 12, 1999 Decision of the NLRC awarded separation pay in lieu of reinstatement, petitioners argue that backwages should no longer accrue beyond the date of the said NLRC Decision. This is because when the NLRC awarded separation pay in lieu of reinstatement in its Decision, the employment tie between petitioners and respondent was already effectively severed.

This Court has already meticulously explained in *Bani Rural Bank Inc. v. De Guzman*[50] that:

> The computation of separation pay is based on the length of the employee's service; and the computation of backwages is based on the actual period when the employee was unlawfully prevented from working.
>
> ***The basis of computation of backwages***
>
> **The computation of backwages depends on the final awards adjudged as a consequence of illegal dismissal, in that:**
>
> *First*, when reinstatement is ordered, the general concept under Article 279 of the Labor Code, as amended, computes the backwages from the time of dismissal until the employee's reinstatement. The computation of backwages (and similar benefits considered part of the backwages) can even continue beyond the decision of the labor arbiter or NLRC and ends only when the employee is actually reinstated.
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> ***Second*, when separation pay is ordered in lieu of reinstatement (in the event that this aspect of the case is disputed) or reinstatement is waived by the employee (in the event that the payment of separation pay, in lieu, is not disputed), backwages is computed from the time of dismissal until the finality of the decision ordering separation pay.**
>
> *Third*, when separation pay is ordered after the finality of the decision ordering the reinstatement by reason of a supervening event that makes the award of reinstatement no longer possible x x x backwages is computed from the time of dismissal until the finality of the decision ordering separation pay.
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> **The above computation of backwages, when separation pay is ordered, has been the Court's consistent ruling. In *Session Delights Ice Cream and Fast Foods v. Court Appeals Sixth Division*, we explained that the finality of the decision becomes the reckoning point because in allowing separation pay, the final decision effectively declares that the employment relationship ended so that separation pay and backwages are to be computed up to that point.**
>
> We may also view the proper computation of backwages (whether based on reinstatement or an order of separation pay) in terms of the life of the employment relationship itself.

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[50] G.R. No. 170904, November 13, 2013, 709 SCRA 330.

> When reinstatement is ordered, the employment relationship continues. Once the illegally dismissed employee is reinstated, any compensation and benefits thereafter received stem from the employee's continued employment. In this instance, backwages are computed only up until the reinstatement of the employee since after the reinstatement, the employee begins to receive compensation from his resumed employment.
>
> When there is an order of separation pay (in lieu of reinstatement or when the reinstatement aspect is waived or subsequently ordered in light of a supervening event making the award of reinstatement no longer possible), **the employment relationship is terminated only upon the finality of the decision ordering the separation pay. The finality of the decision cuts-off the employment relationship and represents the final settlement of the rights and obligations of the parties against each other. Hence, backwages no longer accumulate upon the finality of the decision ordering the payment of separation pay since the employee is no longer entitled to any compensation from the employer by reason of the severance of his employment.**[51] (Citations omitted; emphases and underscoring supplied)

Clearly, therefore, respondent is entitled to backwages computed from the time she was illegally dismissed up to the date of the finality of the Court's October 31, 2008 Decision in the illegal dismissal case on March 12, 2009. The Court, thus, finds the subject recomputation of money award to be in order.

WHEREFORE, premises considered, the Petition is hereby **DENIED.** The Decision dated August 9, 2011 and the Resolution dated December 7, 2011 of the Court of Appeals in CA-G.R. SP No. 117199 are hereby **AFFIRMED.**

SO ORDERED.

MARIANO C. DEL CASTILLO
Associate Justice

WE CONCUR:

DIOSDADO M. PERALTA
Associate Justice

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[51] Id. at 350-352.

JOSE PORTUGAL PEREZ
Associate Justice

JOSE CATRAL MENDOZA
Associate Justice

MARVIC M.V.F. LEONEN
Associate Justice

ATTESTATION

I attest that the conclusions in the above Resolution had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

MARIANO C. DEL CASTILLO
Associate Justice
Acting Chairperson

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Resolution 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