



REPUBLIC OF THE PHILIPPINES
SUPREME COURT
Manila

SECOND DIVISION

NOTICE

Sirs/Mesdames:

*Please take notice that the Court, Second Division, issued a Resolution dated **6 July 2020** which reads as follows:*

“**G.R. No. 229777** (*Petron Corporation, petitioner, v. Leandro M. Javier, respondent*). – After a judicious study of the case, the Court resolves to **DENY** the present Petition¹ and **AFFIRM** the October 28, 2016, Decision² and February 2, 2017, Resolution³ of the Court of Appeals (CA) in CA-G.R. SP No. 141063 for failure of Petron Corporation (petitioner) to sufficiently show that the CA committed any reversible error in modifying the award of backwages and separation pay to Leandro M. Javier (respondent).

As correctly ruled by the CA, petitioner is liable for backwages and separation pay which shall be computed up to the finality of the decision as it is at that point that the employment relationship is effectively terminated.⁴

*Bani Rural Bank, Inc. v. De Guzman*⁵ is on all fours in the instant case. As in here, the decision finding the employees illegally dismissed and directing their reinstatement had already attained finality. During the execution proceedings, since the employees manifested that they no longer wanted to be reinstated, the Labor Arbiter directed that separation pay be given to them in lieu of reinstatement. On appeal, the NLRC affirmed the payment of separation pay, but modified the basis of the

¹ *Rollo*, pp. 15-40.

² *Rollo*, pp. 559-571; penned by Associate Justice Jhosep Y. Lopez with Associate Justices Ramon R. Garcia and Leoncia R. Dimagiba, concurring.

³ *Id.* at 605-606; penned by Associate Justice Jhosep Y. Lopez with Associate Justices Ramon R. Garcia and Leoncia R. Dimagiba, concurring.

⁴ *Diwa Asia Publishing Inc. v. De Leon*, G.R. No. 203587, August 13, 2018, 877 SCRA 96, 127 citing *U-Bix Corporation, et al. v. Hollero*, 763 Phil. 668, 685 (2015).

⁵ 721 Phil. 84 (2013).

computation. This also became final and executory.⁶ Soon after, the Labor Arbiter recomputed the award and ruled that backwages should only be paid until the date that the employees manifested that they no longer wanted to be reinstated. Both the NLRC and the CA ruled that the backwages should be computed until the finality of the NLRC decision awarding separation pay.

Accordingly, when there is a supervening event that renders reinstatement impossible, backwages is computed from the time of dismissal until the finality of the decision ordering separation pay.⁷

More recently, in *Bookmedia Press, Inc. and Brizuela v. Sinajon and Abenir*,⁸ the Court held that since separation pay *in lieu* of reinstatement was awarded, the end point of respondents' backwages will no longer be their actual reinstatement, but the finality of its decision. In other words, respondents' backwages should now be reckoned from the time of illegal dismissal up to the time the decision of the Court therein becomes final.⁹

Indeed, when there is an order of separation pay, in lieu of reinstatement, 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.¹⁰

In this case, respondent remained an employee of the petitioner during the pendency of the original case entitled "*Leandro M. Javier v. Petron Corporation and/or Jose K. Campos, Jr., Atty. Wilfred R. Radan, and Caesar N. Claudio*" filed in 2005. His employment was only severed when this Court, per Entry of Judgment dated February 27, 2013, affirmed with finality the ruling of the CA in CA-G.R. SP No. 111194. In the case, the CA upheld the ruling of the NLRC that respondent was illegally terminated, but found that Jose K. Campos, Jr., Atty. Wilfred R. Radan, and Caesar N. Claudio, are not solidarily liable with petitioner. Under the circumstances, therefore, petitioner is entitled to have his backwages and separation pay computed until February 27,

⁶ *Consolidated Distillers of the Far East, Inc. v. Zaragoza*, G.R. No. 229302, June 20, 2018, 867 SCRA 355, 362.

⁷ *Id.*

⁸ G.R. No. 213009, July 17, 2019.

⁹ *Bani Rural Bank, Inc. et al. v. De Guzman*, *supra* note 5.

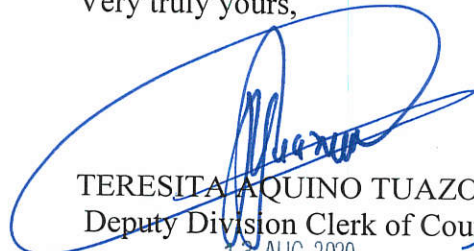
¹⁰ *Consolidated Distillers of the Far East, Inc. v. Zaragoza*, *supra* note 6 citing *Bani Rural Bank, Inc. et al. v. De Guzman*, *supra* note 5.

2013, the date when the judgment of this Court became final and executory.

WHEREFORE, the petition is **DENIED**. The Decision dated October 28, 2016 and Resolution dated February 2, 2017 of the Court of Appeals in CA-G.R. SP No. 141063 are **AFFIRMED**.

SO ORDERED." (GAERLAN, J., designated as additional member, per Special Order No. 2780 dated May 11, 2020).

Very truly yours,


 TERESITA AQUINO TUAZON
 Deputy Division Clerk of Court
 13 AUG 2020

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