THIRD DIVISION

[G.R. Nos. 238975-76 & 239050-51. January 13, 2026]

COCA-COLA EUROPACIFIC ABOITIZ PHILIPPINES, INC., FORMERLY KNOWN AS COCA-COLA FEMSA PHILS., INC. [CCFPI] PETITIONER, VS. MENARDO A. OSONGCO, JR., RHOMEL P. PROTACIO ET AL., RESPONDENTS.

[G.R. Nos. 239050-51]

MENARDO A. OSONGCO, JR., NOEL V. DEOCALES ET AL., PETITIONERS, VS. COCA-COLA EUROPACIFIC ABOITIZ PHILIPPINES, INC., FORMERLY KNOWN AS COCA-COLA FEMSA PHILS., INC., AND COCA-COLA BOTTLERS PHILS., INC. RESPONDENT.

D E C I S I O N

SINGH, J.:

In G.R. Nos. 238975-76, petitioner Coca-Cola Europacific Aboitiz Philippines, Inc., formerly known as Coca-Cola Beverages Philippines, Inc. (**CCBPI**), filed a Petition for Review on *Certiorari*[1] under Rule 45 of the Rules of Court (**CCBPI Petition**), assailing the Decision,[2] dated September 7, 2017, and the Resolution,[3] dated April 24, 2018, of the Court of Appeals (**CA**) in CA-G.R. SP Nos. 140951 and 142527. The assailed Decision reversed the Decision, dated July 31, 2014, and the Resolution, dated March 31, 2015, of the National Labor Relations Commission (**NLRC**) First Division in NLRC LAC No. 03-000848-14, and the Decision, dated April 8, 2015, and the Resolution, dated July 22, 2015, of the NLRC Fourth Division in LER Case No. 02-024-15, which declared the dismissal of the respondents, Menardo A. Osongco (**Menardo**), Rhomel P. Protacio (**Rhomel**), and others (collectively, **Menardo, et al.**) to be illegal. Furthermore, the CA held that the computation of Menardo, et al.'s payroll reinstatement wages should extend until the final resolution of their Motion for Reconsideration, rather than to the date of the NLRC's decision on appeal.

In G.R. Nos. 239050-51, petitioners Menardo, et al. filed a Petition for Review on *Certiorari*[4] under Rule 45 of the Rules of Court (**Menardo, et al. Petition**), partially assailing the Decision,[5] dated September 7, 2017, and the Resolution,[6] dated April 24, 2018, of the CA in CA-G.R. SP Nos. 140951 and 142527. In their Petition, Menardo, et al. assert that the CA committed a serious reversible error in excluding the benefits under the Collective Bargaining Agreement (**CBA**) and the attorney's fees in

the computation of their accrued wages.

The Facts

The case originated from a corporate action undertaken by one of the Philippines' largest companies, which led to the separation of hundreds of its employees.

CCBPI is a corporation engaged in the manufacture, distribution, and marketing of soft drinks and other beverage products.[7] In order to efficiently deliver its products to a wide range of customers, CCBPI employed four primary distribution channels: (1) Sales Team operating under the Conventional Routing Scheme (**CRS**); (b) Market Execution Partners (**MEP**) under the Route-to-Market (**RTM**) Scheme; (c) Key Accounts (**KA**); and (d) the mini-*bodegas* (**MB**).[8]

In 2007, CCBPI recorded negative figures in its operating income, prompting management to undertake a comprehensive review of its distribution channels[9] during the first quarter of 2008. The initiative aimed to identify areas for potential cost reduction and uncover opportunities to enhance operational efficiency.[10]

Pursuant to CCBPI's objective, CCBPI's Operations Excellence Group conducted a study to evaluate the actual costs associated with each distribution channel and to compare their respective cost-to-serve metrics.[11] The results of the study revealed that the engagement of dealers or MEPs under the RTM scheme, as well as the utilization of KAs, yielded the lowest cost to serve in terms of product sales and distribution.[12] In contrast, the CRS sales team and MBs incurred significantly higher distribution costs when compared to MEPs under the RTM scheme and KAs.[13]

With this information, the CCBPI management resolved to consolidate its commercial operations within the Greater Manila Area and Luzon.[14] As part of this strategic shift, CCBPT adopted a Revised Route to Market (**RRTM**) strategy, which entailed the discontinuation of the CRS and the closure of the MBs.[15] This organizational restructuring led to the displacement of approximately 800 route salesmen and 420 route drivers/helpers.[16]

In response to the resulting workforce disruption, CCBPI undertook an assessment process to evaluate the potential redeployment of affected employees to alternative positions, specifically as Account Developers (**ADs**).[17] However, a total of 610 employees, including Menardo, et al., whose performance ratings fell below the standard for ADs, were ultimately not redeployed.[18] These employees were deemed excess personnel and were subsequently declared redundant.[19] Accordingly, CCBPI issued individual notices of separation to each of them, which uniformly stated:

> We regret to info1m you that as a necessary consequence of the reorganization, your position has become redundant and, therefore, your

employment with the Company will be terminated effective [June 30,] 2009. You will no longer be required to report for work beginning tomorrow, [May 30,] 2009, to afford you all the opportunity to look for employment elsewhere, but will be paid your salary until [June 30,] 2009.

In this regard, you will receive a separation package designed specific for this program which is more than what the law requires to assist you in coping with life after your employment with the Company.

- 175% separation pay per year of service (below 15 years)
- 200% separation pay per year of service (15 years and above)
- Commutation of earned and unused SLNL
- Proportionate 13th month pay
- HMO coverage for [five] years (until [June 30,] 2014) or until 65 years old whichever comes first)
- Commission Buy-Out Premium, if applicable
- Livelihood Program[20]

In compliance with labor regulations, CCBPI notified the Department of Labor and Employment (**DOLE**) of the workforce reduction through the submission of an Establishment Employment Report (**EER**), citing a company-wide restructuring program as the basis for the separation of employees.[21]

Subsequently, the affected employees, including Menardo, et al., each executed separate Deeds of Receipt, Release, Waiver, and Quitclaim in favor of CCBPI upon receiving their respective separation benefits.[22] The pertinent portions of said Deeds state:

> For and [in] consideration of the amount of < >, representing the Company's separation package, receipt of which is hereby acknowledged to my satisfaction, I hereby recognize and acknowledge the validity of my separation from the Company, and as such, hereby release, remise and forever discharge the Company, its affiliates. subsidiaries, successors-in-interest, stockholders, officers, directors, agents[.] or employees. from any action. sum of money, damages. claims[,] and demands[.] I recognize that the Company would not have given me that separation package more than what the law requires if I ha[d] not agreed [to] and accepted [m]y separation from employment.
>
> . . . .
>
> I warrant that neither I nor my heirs or assigns will institute any action nor continue to prosecute any pending action. if any, against the Company. its successors-in-interest. stockholders. officers. directors. agents or employees, by reason of my dealings and/or transactions, and/or employment with and separation from the company. Neither shall I participate. actively or inactively. in any present and future action or claims filed against the

Company, by any person or entity for whatever purpose or end.

I finally declare that I have read and fully understand this document entitled DEED OF RECEIPT, RELEASE, WAIVER AND QUITCLAIM, and have affixed my signature hereunder voluntarily and freely with f[u]ll and complete knowledge of the import and intent of this document and of my rights under existing laws and rules on equity.[23] (Emphasis in the original)

Feeling shortchanged, Menardo, et al. filed various complaints for illegal dismissal and claims for monetary benefits against CCBPI, its Director for the Asia Division. Juan Ramon Felix (**Director Felix**), and its President, William Bill Schultz (**President Schultz**).[24]

In their Position Paper, Menardo, et al. alleged that they had been employed by CCBPI in various capacities—as drivers, route helpers, account specialists, and salesmen—and that they continuously performed their assigned duties throughout the implementation of CCBPI's various distribution schemes.[25] On account of the years and decades of service with CCBPI, Menardo, et al. contended that they were considered specialists in their job positions.[26] They claimed that CCBPJ's redundancy program was executed in bad faith and was designed to circumvent their right to security of tenure.[27]

In support of their claim, Menardo, et al. cited the following circumstances: (1) the absence of a study identifying fair and reasonable criteria for determining which positions would be declared redundant; (2) their being asked to apply for employment with CCBPI's in-house agency, The Red System Company, Inc. (**TRCI**), which allegedly lacked its own tools, equipment, or machinery; and (3) despite transferring to TRCI, they continued to perform the same duties and responsibilities they had undertaken while employed by CCBPI.[28]

For these reasons, Menardo, et al. asserted that they had been illegally dismissed from employment.[29] Accordingly, they prayed for reinstatement to their former positions without loss of seniority rights and with full backwages computed from the date of their dismissal up to the date of their actual reinstatement.[30] In addition, they sought the payment of CBA benefits, other statutory entitlements, as well as the recovery of damages and attorney's fees.[31]

CCBPI categorically denied the allegations raised by Menardo, et al., emphasizing that the sales function under its business strategy had been completely abolished.[32] As such, there was no factual or legal basis for the claim that their former duties had merely been outsourced to TRCI.[33] CCBPI further asserted that the affected employees were, in fact, evaluated for potential redeployment as ADs, a position intended to complement and support the marketing, sales, and promotional functions of the MEPs.[34]

To reinforce the legitimacy of its redundancy program, CCBPI cited the decision of the NLRC in *Guiamo v. Coca-Cola Bottlers Phils., Inc.*, docketed as NLRC Case No. RAB IV-06-00521-09-RI.[35] In that case, the NLRC upheld the validity of a redundancy program involving similarly situated employees, which CCBPI argued served as a precedent affirming the good faith and procedural regularity of its own program.[36]

For their part, Director Felix and President Schultz maintained that the abolition of the positions held by the affected employees, including those of Menardo, et al., constituted a legitimate cost-saving measure undertaken in good faith.[37] They asserted that the implementation of the redundancy program followed a thorough evaluation process, was guided by fair and reasonable criteria, and fully complied with the procedural requirements set forth under Article 282 of the Labor Code.[38]

To further support the validity of the redundancy program, Director Felix and President Schultz also cited the decision in *Coca-Cola Sales Force Union-PTGWO v. CCBPI*, docketed as NLRC NCR Case No. 07-10302-09, in which the NLRC upheld the legality of a similar redundancy program previously implemented by CCBPI.[39] They also contended that Menardo, et al. were estopped from questioning the legality of their termination, having voluntarily executed deeds of quitclaim and release upon receiving their respective separation packages.[40]

In reply, Menardo, et al. insisted that they were blackmailed into signing the quitclaims.[41]

The Ruling of the Labor Arbiter

In the Decision, dated December 27, 2013, Labor Arbiter Melchisedek A. Guan (**LA Guan**) ruled that CCBPI had illegally dismissed Menardo, et al., thereby entitling them to reinstatement, full backwages, damages, and attorney's fees.[42] Although LA Guan acknowledged that CCBPI had complied with the procedural requirements for implementing a redundancy program, he found that CCBPI failed to act in good faith in its execution.[43]

This lack of good faith was evidenced by several circumstances: (1) CCBPI's failure to offer concrete and convincing evidence that it conducted studies before it resorted to redundancy; (2) the absence of proof that reasonable efforts were made to redeploy Menardo, et al. to other departments; (3) the offer of employment to Menardo, et al. at TRCI, a corporation allegedly almost entirely owned by CCBPI; (4) the fact that the positions offered at TRCI involved duties substantially similar to those previously performed at CCBPI; and (5) the contractual nature of the TRCI employment, which included payment of only minimum wages.[44]

The dispositive portion of the LA Decision reads:

WHEREFORE, judgment is hereby rendered:

(1) Declaring that respondents illegally dismissed complainants;

(2) Directing respondents to **REINSTATE** complainants to their former positions without loss of seniority rights and privileges, within [10] days from receipt hereof, and to report compliance with this directive within the same number of days;

(3) Directing respondent CCBPI to pay complainants' moral and exemplary damages and backwages from the dates they were dismissed up to the finality of this decision which up to this date amounts to [PHP 54,995,041.23], as computed above, broken down as follows:

Name	BACKWAGES [IN PHP]	DAMAGES [IN PHP]	TOTAL [IN PHP]
MENARDO OSONGCO JR.	743,307.77	100,000.00	843,307.77
NOEL V. DEOCALES	1,626,078.37	100,000.00	1,726,078.37
JOVITO C. GARCIA	1,780.047.85	100,000.00	1,880,047.85
MARCELINO V. AURIN	1,658,329.79	100,000.00	1,758,329.79
RONALDO M. REYES	1,810,008.64	100,000.00	1,910,008.64
ELIZARDO N. OBRERO	1,314,918.51	100,000.00	1,414,918.51
JOSE IBARRA	1,434,492.20	100,000.00	1,534,492.20
DIOSDADO V. ODONO	743,307.77	100,000.00	843,307.77
MICHAEL P. LEONIDA	1,441,783.73	100,000.00	1,541,783.73
RHOMEL PROTACIO	1,492,318.10	100,000.00	1,592,318.10
ROBERTO A. BALCITA	1,581,252.23	100,000.00	1,681,252.23
NESTOR C. RIVERA	1,631,895.35	100,000.00	1,731,895.35
TEODORO M. GENOSO	743,307.77	100,000.00	843,307.77
MYNARD RECANA	1,108,683.15	100,000.00	1,208,683.15
MAURO DEREQUITO	1,380,052.94	100,000.00	1,480,052.94

FELICIANO 0. LUCIS	1,776,860.33	100,000.00	1,876,860.33
MARIO OLASIMAN	966,942.54	100,000.00	1,066,942.54
BERNARDINO NALIMUTIN JR.	1,244,842.84	100,000.00	1,344,842.84
ALBERTO R. PACIA	1,778,773.63	100,000.00	1,878,773.63
ROMULO B. MAULEON	1,871,148.50	100,000.00	1,971,148.50
EDGAR N. MUCHA	1,474,934.34	100,000.00	1,574,934.34
SERGIO N. ALFANTE JR.	1,476,846.32	100,000.00	1,576,846.32
ANTONIO C. MATEO	1,157,197.57	100,000.00	1,257,197.57
MACARTHUR G. ROSARIO	1,474,934.34	100,000.00	1,574,934.34
RHONESTO NELSON MENDOZA	1,474,934.34	100,000.00	1,574,934.34
GREGORIO R. BLANCO	1,643,503.68	100,000.00	1,743,503.68
RAMON E. DE CASTRO	1,778,798.81	100,000.00	1,878,798.81
ESTELITO E. AGUILA	1,601,442.09	100,000.00	1,701,442.09
CENON C. AGULO	1,401,301.45	100,000.00	1,501,301.45
JIMMY V. MACEDA	1,687,608.78	100,000.00	1,787,608.78
ROMEO B. BASQUINAS	1,204,118.92	100,000.00	1,304,118.92
GLENN A. PADILLA	928,266.72	100,000.00	1,028,266.72
NOEL RICAFRENTE	1,108,682.15	100,000.00	1,208,682.15
ROLLY D. DORDAS	890,717.11	100,000.00	990,717.11
MARY JANE D. LAGUITAN	1,108,683.15	100,000.00	1,208,683.15
JUDITO O. ARRIESGADO	1,108,683.15	100,000.00	1,208,683.15
EDUARDO L. DULUTAN	1,646,035.30	100,000.00	1,746,035.30

	51,295.004.23	3,700,000.00	54,995,041.23

which amounts, however, shall be deducted from the separation pay packages complainants have received from the respondents, the payment of the balance of which, if any, shall be discussed and agreed upon between the parties once complainants are reinstated.

In the case of complainants Jimmy Maceda, Noel Ricafrente, Sergio N. Alfante, Jr., Antonio C. Mateo, Ramon de Castro, Estelito E. Aguila, Rhonesto Nelson V. Mendoza, Alberto R. Pacia, Cenon C. Agulo, Gregorio R. Blanco. Noel V. Deocales, Ronaldo M. Reyes[,] and Marcelino V. Aurin who continued their work with The RedSystems, whatever salaries they received from the said company which are lower than the salaries they used to receive as regular employees of Coke, shall be deducted from their backwages computed above.

4. Directing respondent CCBPI to pay complainants' attorney's fees equivalent to 10%[ ] of the total monetary awards[,] which up to this date amounts to **[PHP 5,499,504.12]**; and

5. All other claims are dismissed for lack of merit.

SO ORDERED.[45] (Emphasis in the original)

CCBPI filed a Memorandum on Appeal, contending that LA Guan committed serious error and/or grave abuse of discretion in rendering his Decision.[46] CCBPI maintained that the separation of the affected employees, including Menardo, et al., on the grounds of redundancy was both valid and lawful.[47] CCBPI further argued that its redundancy program was a necessary and reasonable consequence of its strategic decision to enhance its marketing and distribution framework.[48] Accordingly, the implementation of the program constituted a valid exercise of management prerogative.[49]

Moreover, CCBPI argued that LA Guan erred in concluding that it utilized TRCI as a means to circumvent labor laws.[50] CCBPI maintained that it did not outsource the functions previously performed by employees assigned to its Sales Department, as those services had become unnecessary following the implementation of the RRTM strategy.[51] It clarified that what was contracted out to third-party service provides was the work of its Product Availability Group, and not the functions of its Sales Department.[52]

Additionally, CCBPI reiterated its position that Menardo, et al. are estopped from assailing the validity of their separation, having voluntarily executed quitclaims upon receipt of their separation benefits.[53]

In response, Menardo, et al. moved for the dismissal of CCBPI's Memorandum of

Appeal, reiterating the arguments they had previously raised before the Labor Arbiter.[54] They emphasized their contention that CCBPI established TRCI as a service contractor, whose capitalization and control were entirely attributable to CCBPI.[55] According to Menardo, et al., this corporate arrangement was deliberately structured to outsource their positions in the sales and distribution departments under the guise of a lawful redundancy program.[56]

The Ruling of the NLRC First Division

In its Decision, dated July 31, 2014, the NLRC reversed the Decision of LA Guan.[57] The *fallo* of the Decision reads:

> **WHEREFORE**, the decision of Labor Arbiter Melchisedek A. Guan[,] dated [December 27,] 2013[,] is hereby **REVERSED** and **SET ASIDE** and a new one entered **DISMISSING** the complaints for lack of merit.
>
> **SO ORDERED.**[58] (Emphasis in the original)

The NLRC held that CCBPI had adequately justified the redundancy of Menardo, et al.'s positions. It observed that CCBPI had restructured its operations by shifting marketing and distribution functions to the MEPs. Consequently, the roles of Menardo, et al., who were part of the Sales Department and the Product Availability Group, were rendered unnecessary.

The NLRC further held that CCBPI had exhibited good faith in implementing the redundancy program. According to the NLRC, CCBPI made genuine efforts to accommodate the affected employees by offering them redeployment to other positions within CCBPI.[59] It noted that 636 out of 1,246 employees affected by the redundancy program were successfully reassigned as ADs, a fact that was not disputed by Menardo, et al.[60] Further, Menardo, et al. did not categorically deny having executed Deeds of Receipt, Waiver, and Quitclaims, nor did they refute having received their respective separation packages upon their termination pursuant to the redundancy program.[61]

The NLRC further ruled that Menardo, et al. failed to present evidence showing that their positions were outsourced to TRCI. It also found that the invitation to apply to TRCI came not from CCBPI, but from a separate entity.

Based on the foregoing, the NLRC concluded that there was no factual or legal basis to claim that Menardo, et al. had been illegally dismissed.[62]

Aggrieved, Menardo, et al. filed a Motion for Reconsideration and sought the inhibition of the NLRC Commissioners, alleging bias in the resolution of the appeal.[63]

In a Resolution, dated March 31, 2015, the NLRC First Division denied both the

Motions for Reconsideration and Inhibition.[64]

The Ruling of the Labor Arbiter on the Motion for Writ of Execution

In the interim, Menardo, et al. filed an Omnibus Motion for Writ of Execution and Approval of Attached Computation (**Omnibus Motion**), asserting that CCBPI's failure to reinstate them to their former positions constituted an implied election to reinstate them through payroll.[65] They claimed entitlement to payroll reinstatement from February 20, 2014 to August 20, 2014, amounting to PHP 5,547,416.36.[66] This computation included vacation leave pay, sick leave pay, gratuity pay, and the cash equivalent of one sack of rice.[67]

The case was raffled to Labor Arbiter Enrico Angelo Portillo (**LA Portillo**),[68] who granted the Omnibus Motion, citing CCBPI's failure to reinstate the affected employees within 10 days from receipt of LA Guan's Decision, dated December 27, 2013.[69] LA Portillo emphasized that an order of reinstatement is immediately executory, and thus, even if later reversed on appeal, the employer remains obligated to reinstate the dismissed employees and pay their wages from the time of the decision until such reversal by a higher tribunal.[70] This obligation subsists notwithstanding the employees' acceptance of separation packages.[71]

LA Portillo further ruled that the payroll reinstatement amount must be updated, given that the NLRC Decision, dated July 31, 2014, had not yet attained finality.[72] Applying the same formula used by LA Guan in his earlier Decision, LA Portillo computed the accrued payroll reinstatement wages of Menardo, et al. at PHP 10,540,960.52.[73]

The Omnibus Motion was disposed in this wise:

> WHEREFORE, premises considered, the instant motion is hereby GRANTED and the computation of the accrued wages of complainants as updated in the sum of PHP 10,540,960.52, as of January 10, 2015, is hereby Approved. Accordingly, the corresponding writ of execution to enforce the payment thereof shall issue.
>
> SO ORDERED.[74] (Emphasis in the original)

Subsequently, on February 3, 2015, LA Portillo issued a Writ of Execution, directing the enforcement of the adjudged monetary award against CCBPI.[75]

Aggrieved, CCBPI filed a Petition for Annulment before the NLRC Fourth Division, seeking to set aside LA Portillo's Resolution, dated January 23, 2015.[76] CCBPI argued that the NLRC First Division had already dismissed the claims of illegal dismissal filed by Menardo, et al., and that, consequently, LA Portillo had no legal basis to implement the execution of the earlier Decision, dated December 27, 2013.[77]

CCBPI further contended that, even assuming it was liable for the accrued salaries during the pendency of the appeal, the computation used by LA Portillo was erroneous.[78] Specifically, it asserted that payroll reinstatement should be limited strictly to the employee's basic salary and should not include additional items such as vacation leave pay, sick leave pay, gratuity pay, the cash equivalent of one sack of rice per month, or moral and exemplary damages.[79]

The Ruling of the NLRC Fourth Division

In its Decision, dated April 8, 2015, the NLRC modified the Resolution issued by LA Portillo on January 23, 2015.[80] The NLRC held that an employer who fails to reinstate an employee during the pendency of an appeal, despite the immediately executory nature of a reinstatement order, may still be held liable for the employee's accrued wages up to the date of reversal by a higher tribunal, regardless of the eventual finding that the dismissal was legal.[81]

However, the NLRC found no]egal basis to include vacation leave pay, sick leave pay, gratuity pay, rice subsidy, or other CBA benefits in the computation of payroll reinstatement.[82] It emphasized that payroll reinstatement covers only basic wages during the appeal period.[83] In addition, the award of attorney's fees was deleted for lack of factual and legal basis.[84]

The NLRC also noted that the Decision of the NLRC First Division, which reversed the LA's finding of illegal dismissal, was promulgated on July 31, 2014.[85] Accordingly, the computation of accrued wages due to Menardo, et al. should be limited to the period ending on that date.[86]

The dispositive portion of the Decision reads:

> **WHEREFORE**, this Petition filed by petitioner under Rule XII (Extraordinary Remedies) of the 2011 NLRC Rules of Procedure, as amended, is **PARTIALLY GRANTED**.
>
> The assailed Resolution[,] dated January 23, 2015[,] is MODIFIED. The period covering the award for accrued wages on the reinstatement aspect of the Labor Arbiter's Decision must be from February 10, 2014 up to July 31, 2014 only. In addition, the amounts for vacation leave pay, sick leave pay, gratuity pay, cash equivalent of one [ ] sack of rice per month or rice subsidy, and attorney's fees must be DELETED from the computation of said award.
>
> The public and private respondents, as well as the agents acting under their authority, are perpetually enjoined from implementing the Labor Arbiter's Resolution[,] dated January 23, 2015[,] and the Writ of Execution[,] dated

February 3, 2015.

SO ORDERED.[87] (Emphasis in the original)

Menardo, et al. sought reconsideration of the Decision, which the NLRC Fourth Division denied in its July 22, 2015 Resolution.[88] They then elevated the matter to the CA by filing two petitions.[89]

The Ruling of the CA

a. CA-G.R. SP No. 140951

In their first Petition for *Certiorari*, docketed as CA-G.R. SP No. 140951, Menardo, et al. initially alleged that the NLRC committed grave abuse of discretion in giving due course to CCBPI's appeal despite the latter's failure to post a valid surety bond. Further, they contended that the NLRC committed grave abuse of discretion by disregarding evidence suggesting that CCBPI had merely transferred its employees to TRCI under the pretense of a sham redundancy program. They further argued that CCBPI lacked a legitimate basis for implementing redundancy, pointing out that while CCBPI claimed to have conducted studies to support the decision, it failed to present any documentary proof. Moreover, they asserted that the records did not reflect any fair or reasonable criteria for determining which positions were declared redundant. They also claimed that the quitclaims cannot be taken against them.

The CA preliminarily held that the NLRC did not commit grave abuse of discretion in giving due course to CCBPI's appeal. It found that CCBPI posted a surety bond amounting to PHP 54,995,041.23 issued by Prudential Life Guarantee (**Prudential**). Documents proving the legal status of Prudential and a joint declaration between CCBPI and Prudential were likewise submitted.

As to the substantive aspect of the case, however, the CA ruled in favor of Menardo, et al. and held that CCBPI failed to establish the validity of its redundancy program.[90] According to the CA, CCBPI did not substantiate its assertion that the streamlining measure was the result of a comprehensive evaluation of its operational and structural framework.[91] No such assessment or supporting study was presented before the labor tribunals or submitted to the appellate court.[92] Furthermore, CCBPI failed to provide any explanation for selecting Menardo, et al. for termination.[93]

The CA emphasized that it is insufficient for an employer to merely assert that its workforce has become overmanned; rather, it must present competent and convincing evidence of actual redundancy to lawfully justify the termination of the affected employees.[94]

Given its finding that the redundancy program was invalid, the CA concluded that the termination of Menardo, et al. was illegal.[95] Consequently, the CA held that the

affected employees were entitled to reinstatement without loss of seniority rights and with full backwages from the time of their dismissal until actual reinstatement.[96]

With regard to the quitclaims executed by Menardo, et al., the CA held that these were likewise invalid.[97] Since the termination of employment was unlawful, the employees' consent to the quitclaims was deemed vitiated by mistake or fraud.[98] The CA found that Menardo, et al. had been led to believe that CCBPI was experiencing financial losses that justified their termination, thereby inducing them to accept the separation packages and execute the quitclaims under a mistaken impression of the legality of their dismissal.[99]

The CA disposed the case in this wise:

> **WHEREFORE**, the first petition for *certiorari* in CA-G.R. SP No. 140951 is **GRANTED**. Accordingly, the July 31, 2014 Decision and March 31, 2015 Resolution of the National Labor Relations Commission First Division in NLRC LAC No. 03-000848-14 are **ANNULLED** and **SET ASIDE**. The December 27, 2013 Decision of the Labor Arbiter is hereby **REINSTATED**[.][100] (Emphasis in the original)

b. CA-G.R. SP No. 142527

In their second Petition for *Certiorari*, docketed as CA-G.R. SP No. 142527, Menardo, et al. contended that the NLRC Fourth Division committed grave abuse of discretion amounting to lack or excess of jurisdiction when it modified LA Portillo's Resolution by limiting their reinstatement payroll wages to basic salary alone.[101]

Menardo, et al. further argued that the NLRC Fourth Division erred in ruling that the period for computing their accrued reinstatement wages should end with the NLRC First Division's initial reversal of the LA's Decision, rather than at the finality of the NLRC First Division's Resolution denying their Motion for Reconsideration.[102]

The CA found the Petition partly meritorious. The dispositive portion of the Decision provides:

> The second petition for *certiorari* in CA-G.R. SP No. 142527 is **PARTLY GRANTED**. The April 8, 2015 Decision and July 22, 2015 Resolution of the National Labor Relations Commission Fourth Division in LER Case No. 02-024-15 are **ANULLED** and **SET ASIDE** [insofar] as the period for the computation of accrued wages of petitioners Rhomel P. Protacio, Menardo A. Osongco, Jr. [et al.] is concerned. The accrued wages must be computed from December 27, 2013 until April 25, 2015. All other aspects of the assailed April 8, 2015 Decision and July 22, 2015 Resolution stand[.][103] (Emphasis in the original)

The CA held that the NLRC did not commit grave abuse of discretion in concluding that Menardo, et al. were not entitled to the CBA benefits, including vacation leave and sick leave pay, gratuity pay, and the cash equivalent of a rice ration of one sack of rice per month, and the payment of attorney's fees.[104]

However, the CA agreed with Menardo, et al. that the period for computing their accrued wages should extend until the finality of their Motion for Reconsideration, rather than terminating it earlier.[105]

Both parties sought a reconsideration of the CA Decision.

In a Resolution,[106] dated April 24, 2018, the CA denied both Motions.

Hence, CCBPI and Menardo, et al. filed their respective Petitions, docketed as G.R. Nos. 238975-76 and G.R. Nos. 239050-51.

G.R. Nos. 238975-76

In its Petition, CCBPI contends that the CA erred in declaring the dismissal of Menardo, et al. illegal.[107] It argues that the CA should have resolved the case consistently with the rulings of other CA Divisions and this Court, which had previously upheld the validity of CCBPI's redundancy program.[108] Specifically, CCBPI cites several cases in which its redundancy program was sustained, including *Benigno Tabago v. Coca-Cola Bottlers Philippines, Inc., Vicente H Dy, Jr. v. Coca-Cola Bottlers Philippines, Inc., Coca-Cola Bottlers Philippines, Inc. v. NLRC, Pablo A. Dumaog et al., Andrew R. Balecha et al., and Moises D. Escasura v. Coca-Cola Bottlers Philippines, Inc.*, among others.[109]

Further, CCBPI maintains that it adequately demonstrated the business necessity of restructuring its operations by adopting a direct sales model through its MEPs, which inevitably resulted in the abolition of the positions held by Menardo, et al.[110] It also asserts that Menardo, et al. voluntarily executed their quitclaims with full knowledge of their rights and in exchange for valuable consideration.[111] Accordingly, CCBPI argues that there is no basis for awarding reinstatement, backwages, or damages, as the separation was lawful.[112]

CCBPI likewise challenges the CA's ruling extending the computation of reinstatement wages until the resolution of Menardo, et al.'s Motion for Reconsideration, asserting—based on prevailing jurisprudence—that such computation should be limited to the date of the NLRC Decision reversing the LA Decision.[113]

G.R. Nos. 239050-51

In their separate Petition, Menardo, et al. contend that the CA erred in excluding CBA

benefits and attorney's fees from the computation of their accrued wages.[114] They note that LA Guan's original computation included these entitlements.[115] Thus, they argue that reinstating the LA Decision necessarily requires the inclusion of both CBA benefits and attorney's fees in the computation.[116]

Moreover, they contend that their entitlement to CBA benefits was impliedly admitted by CCBPI, which neither refuted their claim nor denied it in its pleadings.[117] They further note that in the Notices of Termination, CCBPI offered to extend HMO coverage—a recognized CBA benefit—thereby reinforcing their position.[118]

Since the filing of their Petition, Menardo, et al. have filed several Manifestations requesting the early resolution of their case.

In one of their Manifestations, Menardo, et al. alleged that CCBPT publicly announced that it would absorb all TRCI employees nationwide as regular employees.[119] They contend that this statement affirms the identity of CCBPI and TRCI as a single entity, thereby suggesting that CCBPI's redundancy program was fraudulently implemented. [120]

The Issues

1. Did the CA commit grave abuse of discretion when it ruled that the dismissal of Menardo, et al. was illegal?

2. Should the termination be declared legal, would Menardo, et al. still be entitled to the payment of reinstatement wages, damages, and attorney's fees?

3. If Menardo, et al. are entitled to the payment of reinstatement wages, should the computation thereof extend until the resolution of their Motion for Reconsideration with the NLRC? Further, should their reinstatement wages include CBA benefits?

The Ruling of the Court

Scope of a Rule 45 Petition in Labor cases

Preliminarily, the Court observes that the central issue before it is whether Menardo, et al.'s separation from CCBPI was the result of a valid redundancy program. This is clearly a factual matter, as it requires the Court to review and assess the evidence on record. This issue is not a proper subject of a petition for review under Rule 45 of the Rules of Court.

A petition for review under Rule 45 of the Rules of Court confines the Court's jurisdiction to resolve only questions of law raised against the CA.[121] Since the Court is not a trier of facts, it is not duty-bound to analyze, review, and weigh the evidence all

over again in the absence of any showing of any arbitrariness, capriciousness, or palpable error.[122] Thus, the factual findings of administrative or quasi-judicial bodies, including labor tribunals, are accorded much respect by the Court.[123]

As an exception, however, the Court may resolve factual issues presented before it when the findings of the NLRC are completely different from those of the Labor Arbiter and the CA,[124] as in this case.

In ruling upon a petition for review on *certiorari* in labor cases, the Court must examine the CA decision from the prism of whether the CA correctly determined the presence or absence of grave abuse of discretion in the NLRC decision.[125]

In *Dela Cruz-Cagampan v. One Network Bank, Inc.*,[126] citing *Manggagawa ng Komunikasyon sa Pilipinas v. Philippine Long Distance Telephone Co., Inc.*,[127] the Court explained when a court or tribunal acts in grave abuse of discretion and the parameters of judicial review in labor cases:

> A court or tribunal is said to have acted with grave abuse of discretion when it capriciously acts or whimsically exercises judgment to be "equivalent to lack of jurisdiction." Furthermore, the abuse of discretion must be so flagrant to amount to a refusal to perform a duty or to act as provided by law.
>
> *Career Philippines Shipmanagement, Inc. v. Serna*, citing *Montoya v. Transmed*, provides the parameters of judicial review for a labor case under Rule 45:
>
> As a rule, only questions of law may be raised in a Rule 45 petition. In one case, [the Court] discussed the particular parameters of a Rule 45 appeal from the CA's Rule 65 decision on a labor case, as follows:
>
> > In a Rule 45 review, [the Court] consider[s] 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 [the Court] to the review of questions of law raised against the assailed CA decision. In ruling for legal correctness, [the Court has] to view the CA decision in the same context that the petition for certiorari it ruled upon was presented to it; *[the Court has] 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, [the Court has] to be keenly aware that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it.

Justice Arturo D. Brion's dissent in *Abbot Laboratories, Philippines v. Alcaraz* thereafter laid down the guidelines to be followed in reviewing a petition for review under Rule 45:

> If the NLRC ruling has basis in the evidence and the applicable law and jurisprudence, then no grave abuse of discretion exists and the CA should so declare and, accordingly, ***dismiss*** the petition. If grave abuse of discretion exists, then the CA must grant the petition and nullify the NLRC ruling, entering at the same time the ruling that is justified under the evidence and the governing law, rules and jurisprudence. In our Rule 45 review, this Court must deny the petition if it finds that the CA correctly acted.[128] (Emphasis in the original; citations omitted)

Redundancy is one of the authorized causes for termination of employment

While the Constitution upholds social justice and the protection of labor, it also guarantees the employer's right to a reasonable return on investment.[129] In line with this balance, the Court has consistently recognized the employer's prerogative to adopt measures that promote efficiency, reduce overhead costs, and improve economic viability, so long as these are carried out within the bounds of the law.[130]

Consistent with this principle, the Labor Code expressly allows redundancy as a valid ground for termination. Article 298, as amended, identifies redundancy as one of the authorized causes for dismissing employees:

> Article 298. *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 [ ] 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 [ ] month pay or to at least one [ ] 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 [ ] 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 [ ] months shall be considered one [ ] whole year.[131] (Emphasis supplied)

In *McConnell Dowell Phils., Inc. v. Bernal*,[132] citing *Mejila v. Wrigley Philippines, Inc.*,[133] the Court explained the concept of redundancy:

> Redundancy exists where the services of an employee are **in excess of what is reasonably demanded by the actual requirements of the enterprise**. In the seminal case of *Wiltshire File Co., Inc. v. NLRC*, the Court, speaking through Justice Feliciano, held that:
>
> [R]edundancy in an employer's personnel force necessarily or even ordinarily refers to **duplication of work**. That no other person was holding the same position that private respondent held prior to the termination of his services, does not show that his position had not become redundant. Indeed, in any well-organized business enterprise, it would be surprising to find duplication of work and two [ ] or more people doing the work of one person. [The Court] believe[s] that redundancy, 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.**[134] (Emphasis in the original; citations omitted)

While the characterization of an employee's services as no longer necessary or sustainable and, therefore, properly terminable, is an exercise of management prerogative, an employer cannot exercise such prerogative in violation of the law.[135]

Undoubtedly, an employer must adhere to strict legal requisites when dismissing employees on the ground of redundancy.[136] These requirements serve to guard against arbitrariness and ensure that the process is free from bad faith.[137]

An employer must comply with certain requisites before a redundancy program becomes valid

A redundancy program is considered valid only when the employer fully complies with legal requirements prior to termination. In *Asian Alcohol Corporation v. NLRC*,[138] the Court outlined the necessary conditions for a lawful redundancy program:

> 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-half 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.[139] (Citations omitted)

The employer bears the burden of proving, by substantial evidence, the factual and legal basis for dismissals due to redundancy.[140]

Here, it is undisputed that CCBPI complied with the first two requisites—written notice to both the employees and the DOLE, and payment of separation pay.

However, as regards the third and fourth requisites, the NLRC and the CA had conflicting views.

To recapitulate, the NLRC held that CCBPI implemented a valid redundancy program.[141] The pertinent portion of the NLRC Decision stated:

> The Commission, thus, finds that respondents have sufficiently explained the reason for declaring complainants' positions redundant. As corrected by complainants themselves in their reply, they are part of respondent CCBPI's Sales Department and not the Product Availability Group. Thus, when respondent CCBPI decided to rely on the MEPs to market and distribute its product to its consumers, necessarily, the positions of complainants had to be abolished. In fact, respondent CCBPI had to open additional positions, the ADs, to support the current structure of the company and tried to absorb as many as redunda[ ]ted employees under the Sales Department. This is a sign of good faith on the part of respondent CCBPI.[142]

The CA reversed the NLRC Decision on the ground that CCBPI failed to substantiate its assertion that its redundancy program was a result of a comprehensive evaluation of its operational and structural framework.[143] The CA further held that CCBPI failed to provide any explanation for selecting Menardo, et al. for termination.[144]

The Court disagrees with the CA.

CCBPI's redundancy program is valid; CCBPI exhibited good faith in implementing its redundancy program

At the outset, the Court notes that the validity of CCBPI's redundancy program has already been addressed in several prior rulings by this Court.

In *San Fernando Coca-Cola Rank-and-File Union (SACORU) v. Coca-Cola Bottlers Philippines, Inc. (CCBPI)*,[145] the Court ruled on a related redundancy program implemented by CCBPI. There, CCBPI adopted a new method of selling and distributing its products through MEPs or a Dealership System to expand market reach at reduced operational costs.[146] This shift led to the termination of 27 employees whose positions were declared redundant.[147]

Upholding the validity of the redundancy program, the Court found that CCBPI satisfied the legal requisites. Relying on the findings of the NLRC and the CA, the Court held:

> It appears that the termination was due to the scheme adopted and implemented by respondent company in distributing and selling its products, to reach consumers at greater length with greater profits, through MEPs or dealership system is basically an exercise of management prerogative. The adoption of the scheme is basically a management prerogative and even if it cause the termination of some [27] regular employees, it was not in violation of their right to self-organization much more in violation of their right to security of tenure because the essential freedom to manage business remains with management[.]
>
> Prior to the termination of the herein individual complainants, respondent company has made a careful study of how to be more cost effective in operations and competitive in the business recognizing in the process that its multi-layered distribution system has to be simplified. Thus, it was determined that compared to other distribution schemes, the company incurs the lowest cost-to-serve through Market Execution Partners (ME[P]s) or Dealership system. The CRS and Mini-Bodega systems posted the highest in terms of cost-to-serve. Thus, the phasing out of the CRS and MB is necessary which. however, resulted in the termination of the complainants as their positions have become redundant. Be that as it may, respondent company complied with granting them benefits that is more than what the law prescribes. They were duly notified of their termination from employment thirty days prior to actual termination[.]
>
> . . . .
>
> In the case at hand, CCBPI was able to prove its case that from the study it conducted, the previous CRS and MB selling and distribution schemes generated the lowest volume contribution which thus called for the redesigning and enhancement of the existing selling and distribution strategy; that such study called for maximizing the use of the MEPs if the company is to retain its market competitiveness and viability; that furthermore, based on the study, the company determined that the MEPs will enable the CCBPI to "reach more" with fewer manpower and assets to manage; that it is but a consequence of the new scheme that CCBPI had to

> implement a redundancy program structured to downsize its manpower complement.[148] (Citations omitted)

Similarly, in *Coca-Cola FEMSA Philippines v. Macapagal*,[149] the Court upheld the validity of CCBPI's redundancy program and the resulting dismissal of employees.[150] In that case, CCBPI abolished its Product Availability Group (**PAG**), including all associated warehouses and positions, to enhance operational efficiency. The Court found the redundancy program valid, citing CCBPI's legitimate objective of streamlining its distribution system.[151] As the Court explained:

> [I]n this case, Court finds that the termination of respondents was due to the simplification of the distribution systems in the Company, considering that PAG's work primarily involved coordination for the Company's finished products to reach the distribution channels for delivery to the customers. Since the Company's operating income still posted negative figures despite improvement in sales volumes in 2007, management further reviewed the Company's distribution channels to identify areas where cost may be reduced, as well as opportunities to enhance operational efficiency.[152] (Citations omitted)

In *Santiago v. Coca-Cola Bottlers Phils., Inc.*,[153] the Court likewise upheld the validity of CCBPI's redundancy program, finding that it was undertaken to enhance operational efficiency and effectiveness.[154] Similarly, in *Coca-Cola Bottlers Philippines, Inc. [Now Coca-Cola FEMSA Philippines] v. Guanzon*,[155] the Court ruled that the program aimed to improve sales force effectiveness and was part of CCBPI's broader effort to sustain its business and strengthen its Route-to-Market strategy.[156] The same rationale was affirmed in *Tamayao v. Cola Bottlers Philippines, Inc.*,[157] where the Court found that a nationwide reorganization was implemented to reduce costs and improve sales efficiency, thereby justifying the termination of affected employees.[158]

In all these cases, CCBPI implemented redundancy measures following the realization that its then existing marketing and distribution strategies were not generating sufficient sales volume. Consistently, CCBPI complied with legal requirements by providing written notice to affected employees, paying separation benefits almost double the statutory minimums, and notifying the DOLE through the submission of an EER.

The current redundancy program thus aligns with those previously upheld by the Court, both in purpose and in compliance with procedural and substantive legal standards.

First, the redundancy program was implemented based on CCBPI's genuine intent to improve operational efficiency and address negative operating income. The management's assessment concluded that adopting an RRTM strategy—replacing the dealer or MEP-based RTM scheme and utilizing KAs—offered the lowest cost to serve in product sales and distribution.

Second, CCBPI timely notified the DOLE of the termination of the affected employees, through the submission of an EER, 30 days prior to the implementation of the redundancy program.

Third, CCBPI informed the affected employees of the redundancy and their subsequent dismissal, issuing individual notices of separation.

Fourth, CCBPI provided separation pay exceeding statutory requirements. While the Labor Code mandates, at least, one month's pay or one-half month's pay per year of service, whichever is higher,[159] CCBPI paid separation benefits comprising: (1) 175% of separation pay per year of service for employees with less than 15 years, or 200% for those with 15 years or more; (2) commutation of earned but unused sick and vacation leaves; (3) proportionate 13th-month pay; (4) HMO coverage for five years or until age 65, whichever comes first; (5) a Commission Buy-Out Premium, if applicable; and (6) participation in a Livelihood Program. In *Coca-Cola FEMSA Philippines v. Macapagal*, [160] the Court held that such generosity in separation packages demonstrates good faith on the part of the employer.[161]

Menardo, et al. belabor the point that CCBPI did not submit the evidence of the alleged study justifying the necessity of the redundancy program.

This argument is specious considering that the redundancy program was a result of CCBPI's strategic decision to consolidate its multi-layered distribution system in the Greater Metro Manila Area and Luzon in pursuit of cost-efficiency and sustained competitiveness.[162] Further, as thoroughly explained by CCBPI, the decision was informed by the management's assessment that the existing scheme did not achieve the lowest cost or optimal sales volume.

Therefore, the redundancy program and the consequent dissolution of the Sales Department were neither arbitrary nor baseless. Rather, they reflect a genuine effort to streamline operations and improve financial performance. The decision to abolish the Sales Department falls squarely within management's prerogative, and absent any evidence of bad faith or arbitrariness, the Court must respect this legitimate exercise of discretion. As declared by the Court in *Association of Integrated Security Force of BISLIG (AISFB) – ALU v. Hon. Court of Appeals and Paper Industries Corporation of the Philippines*:[163]

> Labor law discourages interference with an employer's judgment in the conduct of his business. Even as the law is solicitous of the welfare of the employees, it must also protect the right of an employer to exercise what are clearly management prerogatives. As long as the company's exercise of the same is in good faith to advance its interest and not for the purpose of defeating or circumventing the rights of employees under the laws or valid agreements, such exercise will be upheld.

> By and large, the determination of whether to maintain or phase out an entire department or section or to reduce personnel lies with the management. The cessation of operation of its security force was a business judgment properly within the exercise of the management prerogative of private respondent PICOP especially considering the need for continuous security around the premises of the private respondent in view of insurgents in the area, a fact which was never challenged by petitioner. Being a valid exercise of management prerogative, the need by private respondent PICOP to close its own security force and the ensuing resolution to hire out the vacant positions, we are proscribed from inquiring or probing into the wisdom of such decisions as we have ascertained that private respondent PICOP has exercised said right fairly, practically and in accordance with law.[164]

Even assuming that CCBPI failed to submit a copy of the study supporting its current redundancy program, the Court takes judicial notice of its prior rulings upholding the validity of similar or related programs.

Rule 129, Section 1 of the Revised Rules on Evidence, provides that mandatory judicial notice shall be taken of the official acts of the judicial department of the Philippines:

> Section 1. *Judicial notice, when mandatory*. — A court shall take judicial notice, without the introduction of evidence, of the existence and territorial extent of states, their political history, forms of government and symbols of nationality, the law of nations, the admiralty and maritime courts of the world and their seals, the political constitution and history of the Philippines, *official acts of the* legislative, executive and *judicial departments of the National Government of the Philippines*, the laws of nature, the measure of time, and the geographical divisions.[165] (Emphasis supplied)

In *Republic v. Court of the Appeals*,[166] the Court, citing Justice Edgardo L. Paras, explained:

> A court will take judicial notice of its own acts and records in the same case, of facts established in prior proceedings in the same case, of the authenticity of its own records of another case between the same parties, of the files of related cases in the same court, and of public records on file in the same court. In addition judicial notice will be taken of the record, pleadings or judgment of a case in another court between the same parties or involving one of the same parties, as well as of the record of another case between different parties in the same court. Judicial notice will also be taken of court personnel.[167]

The Court applied this principle in *Mazy's Capital, Inc. v. Republic of the Philippines*,[168] where it took judicial notice of the case records of the Expropriation and Reconstitution cases involving the same parties, holding that mandatory judicial notice

shall be taken of the official acts of the judicial department of the Philippines.[169] The Court ruled:

> Another matter which the Court is confronted with is whether it can take judicial notice of the case records of both the Expropriation Case and the Reconstitution Case. The answer is a simple yes. Indeed, what value is there for the Court to have ordered the Executive Judge of the RTC, Cebu City to locate and take custody of the records of both the Expropriation Case and the Reconstitution Case, to keep the same secure, and to transmit them, with certified true copies, to the Court if the Court cannot take judicial notice of these records.
>
> Rule 129, Section 1 of the Revised Rules on Evidence provides that mandatory judicial notice shall be taken of the official acts of the judicial department of the Philippines:
>
> > Section 1. *Judicial notice, when mandatory*. – A court shall take judicial notice, without the introduction of evidence, of the existence and territorial extent of states, their political history, forms of government and symbols of nationality, the law of nations, the admiralty and maritime courts of the world and their seals, the political constitution and history of the Philippines, official acts of the legislative, executive and judicial departments of the National Government of the Philippines, the laws of nature, the measure of time, and the geographical divisions.[170]

Further, the Court may take judicial notice of proceedings in other cases that are so closely interwoven or clearly interdependent with the matter at hand.[171]

In this instance, the rulings of this Court in prior cases upholding the validity of similar redundancy programs implemented by CCBPI are clearly relevant and interrelated. As previously discussed, the Court has consistently affirmed the legitimacy of CCBPI's redundancy programs, which were designed to improve operational efficiency and profitability. These programs were supported by studies demonstrating the inefficiencies of CCBPI's existing marketing and distribution systems.

There is no compelling reason to doubt the credibility of these studies or to disregard their applicability to the present case, given the parallel circumstances under which the current program was implemented.

There is no evidence that Menardo, et al.'s positions were merely outsourced to TRCI

Menardo, et al. argued that CCBPI's redundancy program was fraudulent, claiming that their positions were merely outsourced to TRCI following their dismissal. They further

alleged that CCBPI and TRCI function as a single entity, citing CCBPI's declaration that it would absorb all TRCI employees nationwide as regular employees.

The Court finds this contention unavailing.

The records are bereft of any evidence that CCBPI merely outsourced the positions of Menardo, et al. to TRCI. The Court quotes the NLRC Decision, which in relevant part, states:

> Complainants mainly argue that the declaration of redundancy was done in bad faith on the ground that respondent CCBPI outsourced certain functions to TRCI. Complainants argue that since TRCI is almost wholly owned by respondent CCBPI, then TRCI should be declared as a labor only contractor and consequently, their termination should be declared illegal. However, the Commission finds the argument untenable.
>
> *First*, assuming *arguendo* that TRCI is a labor only contractor, it does not follow that complainants herein were illegally terminated. There is still a need to first establish that the positions that were outsourced to TRCI were the same positions held by herein complainants. However, the complainants in this case failed to establish such fact. Moreover, respondents in their reply already disputed the complainants' allegation that the same positions they previously held were the same positions that were outsourced to TRCI.
>
> In fact, respondents have been consistent in reiterating that complainants' job functions were not contracted out to TRCI. In addition, aside from complainants' bare assertions that some of them were hired by TRCI performing similar functions. no other evidence was presented by them to support such claim. While complainants present TRCI identification cards, these did not disclose their job functions. In fact, the identification cards support respondents['] claim that there was a considerate gap in their employment from CCBPI to TRCI. Complainants were separated from CCBPI in 2009 while their identification cards show that they were hired by TRCI in 2010. Clearly, if complainants' positions were necessary and indispensable to the operations of respondent CCBPI's business, the gap of more than one [ ] year would have resulted [in] the collapse of CCBPI's business operations.
>
> *Second*, complainants repeatedly aver that respondent CCBPI offered them to apply with TRCI[;] however, based on the letters they themselves submitted as evidence, there is no showing that it was respondent CCBPI who invited them to apply. The letter clearly came from "Select Manpower Resources Corporation" and not respondent CCBPI[,] contrary to their allegation.[172]

The Court finds no reason to disturb this factual finding of NLRC.

Further, even if CCBPI outsourced the positions of Menardo, et al. to TRCI, jurisprudence holds that the engagement of an independent contractor following the implementation of a redundancy program does not, by itself, constitute bad faith on the part of the employer. As declared by the Court in *Asian Alcohol Corporation v. National Labor Relations Commission*:[173]

> [A]n employer's good faith in implementing a redundancy program is not necessarily destroyed by availment of the services of an independent contractor to replace the services of the terminated employees. [The Court] ha[s] previously ruled that the reduction of the number of workers in a company made necessary by the introduction of an independent contractor is justified when the latter is undertaken in order to effectuate more economic and efficient methods of production. In the case at bar, private respondents failed to proffer any proof that the management acted in a malicious or arbitrary manner in engaging the services of an independent contractor to operate the Laura wells. Absent such proof, the Court has no basis to interfere with the *bona fide* decision of management to effect more economic and efficient methods of production.[174] (Citations omitted)

CCBPI did not need to strictly abide by the fair and reasonable criteria

One of the reasons the CA found CCBPI's redundancy program invalid was CCBPI's alleged failure to explain why Menardo, et al. were selected for termination.

However, here, CCBPI abolished its entire Sales Department, which necessarily led to the elimination of the positions held by Menardo, et al. and their consequent termination.

Contrary to the CA Decision, jurisprudence provides that the application of fair and reasonable criteria is not strictly required when an entire department is abolished. In *Coca-Cola FEMSA Philippines v. Macapagal*[175] the Court explained:

> Since all PAG positions were abolished, the CA erred in ruling that the Company still needed to choose who among the employees should be dismissed, to wruch the fair and reasonable criteria requisite is pertinent.
>
> Instructive is the case of *Asian Alcohol Corporation v. NLRC* (Asian Alcohol), which presented two types of redundancy. In the first scenario, the services of all the water pump tenders working in the leased wells had to be terminated because the lease contract over the wells had expired. In the second scenario, the employer found that one [ ] of three [ ] briquetting helper position[s] was redundant, and accordingly, chose which employee should be separated from service based on age and the physical strength that comes with it. In the same way, the employer found it more cost effective to maintain nine [ ] instead of [10] mechanics in the machine shop, and thus,

> removed the least efficient among them. In all these instances, the Court upheld the validity of the employees' dismissal from service.
>
> The first scenario in *Asian Alcohol* is similar to this case wherein all positions for a particular line of service had been abolished. Needless to say, the services of all employees under the PAG had to be terminated. *Hence, the fair and reasonable criteria to determine which employees should be dismissed from service, no longer finds application.*[176] (Emphasis supplied; citations omitted)

Accordingly, CCBPI was not required to apply fair and reasonable criteria in selecting employees for termination. Nevertheless, the Court notes that in determining which employees to redeploy, CCBPI evaluated the affected personnel based on their performance. This demonstrates that the redeployment decisions were not made arbitrarily.

The quitclaims executed by Menardo, et al. are valid

Quitclaims executed by employees are generally disfavored for being contrary to public policy.[177] As such, they do not preclude employees from asserting claims to legally mandated benefits or from challenging the legality of their dismissal, and acceptance of benefits under such agreements does not constitute estoppel.[178]

However, when a quitclaim is executed voluntarily, with full understanding of its terms, and supported by credible and reasonable consideration, it is deemed a valid and binding agreement.[179]

Here, there is no showing that Menardo, et al. were coerced into signing the Deeds of Receipt, Release, Waiver, and Quitclaim. Although they claimed to have signed the documents out of dire necessity, such assertion alone does not invalidate the quitclaims, absent proof that they were misled or deceived into executing them. As the Court held in *Aujero v. Philippine Communications Satellite Corporation*:[180]

> That the petitioner ... was in dire need of money would likewise not qualify as undue pressure sufficient to invalidate the quitclaim. "Dire necessity" may be an acceptable ground to annul quitclaims if the consideration is unconscionably low and the employee was tricked into accepting it, but is not an acceptable ground for annulling the release when it is not shown that the employee has been forced to execute it.[181]

In this case, there is no evidence that Menardo, et al. were misled or forced into signing the quitclaims. The consideration they received was not unconscionably low; on the contrary, the amounts were double the minimum amounts mandated by law. Further, there was no indication that they lacked understanding of the documents' consequences.

As literate individuals, they are presumed capable of comprehending the nature and effect of the agreements they entered.

Based on the foregoing discussion, the Court finds that CCBPI's redundancy program complied with the legal requisites. As such, the CA erred in reversing the NLRC Decision, which upheld the program's validity.

Menardo, et al. are entitled to the payment of reinstatement wages

To recall, during the pendency of the appeal before the NLRC, Menardo, et al. filed an Omnibus Motion with the LA, asserting that CCBPI's failure to reinstate them to their former positions constituted an implied election to reinstate them through payroll.

LA Portillo granted the Omnibus Motion, citing CCBPI's failure to reinstate the affected employees within 10 days from receipt of LA Guan's Decision, dated December 27, 2013.

The NLRC and the CA upheld LA Portillo's Decision to grant the Omnibus Motion with modification.

In its Petition, CCBPI argued that LA Portillo had no legal basis to enforce the execution of the earlier Decision dated December 27, 2013, as the NLRC had already declared the dismissal of Menardo, et al. to be valid. Assuming that it is liable for reinstatement wages, CCBPI contended that the computation should be limited only up to the date of the NLRC Decision reversing the LA's earlier ruling.

The Court finds CCBPI's arguments bereft of merit.

Article 229 of the Labor Code governs appeals from, and the execution of the LA Decision. In relevant part, it reads:

> Article 229. *Appeal*. – Decisions, awards, or orders of the Labor Arbiter are final and executory unless appealed to the Commission by any or both parties within [10] calendar days from receipt of such decisions. awards, or orders...
>
> . . . .
>
> In any event, the decision of the Labor Arbiter reinstating a dismissed or separated employee, insofar as the reinstatement aspect is concerned, shall immediately be executory. even pending appeal. The employee shall either be admitted back to work under the same terms and conditions prevailing prior to his dismissal or separation or, at the option of the employer, merely reinstated in the payroll[.][182]

The abovequoted provision clearly establishes that the LA's Decision is immediately executory, even during the pendency of an appeal. An employer's failure to comply with the reinstatement order renders him or her liable to pay the employee's salaries. [183]

In *Wenphil Corporation v. Abing and Tuazon*,[184] the Court, citing *Aris v. NLRC*,[185] explained the rationale behind the grant of reinstatement wages, even during the pendency of appeal and notwithstanding the result thereof:

> In authorizing execution pending appeal of the reinstatement aspect of a decision of the Labor Arbiter reinstating a dismissed or separated employee, the law itself has laid down a compassionate policy which, once more, vivifies and enhances the provisions of the 1987 Constitution on labor and the working-man. These provisions are the quintessence of the aspirations of the workingman for recognition of his role in the social and economic life of the nation, for the protection of his rights, and the promotion of his welfare... These duties and responsibilities of the State are imposed not so much to express sympathy for the workingman as to forcefully and meaningfully underscore labor as a primary social and economic force, which the Constitution also expressly affirms with equal intensity. Labor is an indispensable partner for the nation's progress and stability.
>
> *Since the decision is immediately executory, it is the duty of the employer to comply with the order of reinstatement, which can be done either actually or through payroll reinstatement. As provided under Article 223 of the Labor Code, this immediately executory nature of an order of reinstatement is not affected by the existence of an ongoing appeal.* The employer has the duty to reinstate the employee in the interim period until a reversal is decreed by a higher court or tribunal.
>
> In the case of payroll reinstatement, even if the employer's appeal turns the tide in its favor, the reinstated employee has no duty to return or reimburse the salary he received during the period that the lower court or tribunal's governing decision was for the employee's illegal dismissal.[186] (Emphasis supplied; citations omitted)

Here, it is established that LA Guan issued a Decision on December 27, 2013, declaring Menardo, et al. to have been illegally dismissed from their employment. Thus, the right of Menardo, et al. to be reinstated, either actual or in payroll, automatically attached. CCBPI, therefore, became liable for Menardo, et al.'s accrued salary or reinstatement wages since they were not actually reinstated.

However, in *Del Monte Land Transport Bus Company v. Jaranilla*,[187] the Court clarified that the computation of the accrued salary or reinstatement wages should not end until the date of the NLRC Decision, if such NLRC Decision was likewise reversed on appeal by the CA. As clarified by the Court in *Del Monte*:

> The Court is guided by its earlier ruling in the case of *Aboc v. Metropolitan Bank and Trust Company*. In that case, the Court declared, "[That] it is obligatory on the part of the employer to reinstate and pay the wages of the dismissed employee during the period of appeal until *final reversal* by the higher court." The use of the words "final reversal" is all important. It prescribes that the employee's right to reinstatement, either actual or in payroll, ceases only when a higher court or tribunal reverses the LA's decision favoring the employee, and such reversal was not later on set aside by itself, on reconsideration, or by a superior court or tribunal.
>
> To put things into more perspective, *if the LA Decision declaring the employees illegally dismissed was reversed by the NLRC on appeal, but on reconsideration, the NLRC sets aside its earlier resolution and reinstates the LA Decision, or if the CA sets aside the NLRC's reversal of the LA Decision, the NLRC's reversal of the LA Decision cannot be considered a final reversal as it is later on reversed by itself, on reconsideration, or by the CA, on review*. Differently stated, if the LA Decision declaring the employees illegally dismissed is affirmed by the NLRC, but reversed by the CA, and such reversal is later affirmed by this Court in a Rule 45 petition, the final reversal contemplated by jurisprudence is not when this Court issues a decision affirming the ruling of the CA, but when the CA reversed the LA Decision. The CA's reversal is considered a final reversal as it was not later set aside or reversed. Such is the case even if it is this Court's decision that attains finality.[188] (Emphasis supplied; citations omitted)

In this case, the NLRC Decision upholding the validity of Menardo, et al.'s dismissal was subsequently reversed by the CA through its September 7, 2017 Decision and April 24, 2018 Resolution. However, with the present Decision, the CA's ruling is reversed, and the LA Decision is effectively and finally set aside.

Consistent with *Del Monte*, the final reversal of the LA's ruling occurs with this Court's Decision. However, the Court notes that on April 8, 2015, the NLRC issued an order perpetually restraining the LA from implementing the writ of execution. Although the CA later reversed the NLRC's ruling, there is no indication that this restraining order was lifted. On the contrary, the CA expressly stated that "all other aspects of the assailed April 8, 2015 Decision and July 22, 2015 Resolution stand,"[189] even as it modified the period of accrued wages.

A plain reading of the dispositive portion of the CA Decision confirms that the NLRC's restraining order was not lifted. Accordingly, despite the CA's reversal of the NLRC ruling that upheld the validity of Menardo, et al.'s termination, reinstatement wages did not accrue during the period the restraining order remained effective.

In *Roquero v. Philippine Airlines, Inc.*,[190] the Court recognized that a restraining order may affect the immediate enforceability of a reinstatement order. As held:

> The order of reinstatement is immediately executory. The unjustified refusal of the employer to reinstate a dismissed employee entitles him to payment of his salaries effective from the time the employer failed to reinstate him despite the issuance of a writ of execution. *Unless there is a restraining order issued, it is ministerial upon the Labor Arbiter to implement the order of reinstatement.* In the case at bar, no restraining order was granted. Thus, it was mandatory on PAL to actually reinstate Roquero or reinstate him in the payroll. Having failed to do so, PAL must pay Roquero the salary he is entitled to, as if he was reinstated, from the time of the decision of the NLRC until the finality of the decision of this Court.[191]

Given this Court's present ruling affirming the validity of the redundancy program and the consequent termination of Menardo, et al., reinstatement wages are deemed to have accrued only from the date of the LA Decision until the effectivity of the restraining order—that is, from December 27, 2013 to April 8, 2015.

The reinstatement wages shall not include CBA benefits

Under established jurisprudence, reinstatement wages include not only basic salary but also allowances, benefits, or their monetary equivalent. However, in this case, Menardo, et al. failed to establish entitlement to the CBA benefits they claim. The records contain no evidence that they were covered by any collective bargaining agreement. Accordingly, they are entitled only to benefits mandated by law—specifically, 13th month pay and five days of service incentive leave.

The Court deletes the award of damages and attorney's fees

Moral damages are recoverable when the dismissal of an employee is attended by bad faith or fraud or constitutes an act oppressive to labor or is done in a manner contrary to good morals, good customs, or public policy.[192] Exemplary damages, on the other hand, are recoverable when the dismissal was done in a wanton, oppressive, or malevolent manner.[193]

As it is ultimately declared that CCBPI validly terminated Menardo, et al., there is no basis to grant the award of damages and attorney's fees.

Based on the foregoing, the Court finds it necessary to direct the LA to recompute the reinstatement wages of Menardo, et al., in accordance with this Court's ruling. Following the principle of unjust enrichment, which is held applicable in labor cases, [194] the amount Menardo, et al. received as separation pay shall be deducted from the total reinstatement wages due.

ACCORDINGLY, the Petition for Review on *Certiorari* filed by petitioner Coca-Cola Europacific Aboitiz Philippines, Inc., formerly known as Coca-Cola Beverages Philippines, Inc., in G.R. Nos. 238975-76 is **GRANTED**. On the other hand, the Petition for Review on *Certiorari* filed by petitioners Menardo A. Osongco, Jr., Noel V. Deocales, Jovito C. Garcia, Marcelino V. Aurin, Ronaldo M. Reyes, Elizardo N. Obrero, Jose Ibarra, Diosdado V. Odoño, Michael P. Leonida, Rhomel P. Protacio, Roberto A. Balcita, Nestor C. Rivera, Teodoro M. Genoso, Mynard Recaña, Mauro Derequito, Jorge E. Austrial, Feliciano O. Lucis, Mario M. Olasiman, Bernardino R. Malimutin, Jr., Alberto R. Pacia, Romulo B. Mauleon, Edgar N. Mucha, Sergio Alfante, Jr., Antonio C. Mateo, MacArthur G. Rosario, Rhonesto Nelson Mendoza V., Gregorio R. Blanco, Ramon Espina De Castro, Estelito E. Aguila, Cenon C. Agulo, Noel Ricafrente, Jimmy V. Maceda, Romeo R. Basquifias, Glenn A. Padilla, Rolly D. Dordas, Judito O. Arriesgado, Mary Jane D. Laguitan, and Eduardo L. Dulutan, in G.R. Nos. 239050-51 is **DENIED**.

The Decision, dated September 7, 2017, and the Resolution, dated April 24, 2018, of the Court of Appeals in CA-G.R. SP No. 140951 are **REVERSED**, insofar as it declared Coca-Cola Beverages Philippines, Inc. redundancy program as invalid. Accordingly, Menardo A. Osongco, Jr., Noel V. Deocales, Jovito C. Garcia, Marcelino V. Aurin, Ronaldo M. Reyes, Elizardo N. Obrero, Jose Ibarra, Diosdado V. Odoño, Michael P. Leonida, Rhomel P. Protacio, Roberto A. Balcita, Nestor C. Rivera, Teodoro M. Genoso, Mynard Recaña, Mauro Derequito, Jorge E. Austrial, Feliciano O. Lucis, Mario M. Olasiman, Bernardino R. Malimutin, Jr., Alberto R. Pacia, Romulo B. Mauleon, Edgar N. Mucha, Sergio Alfante, Jr., Antonio C. Mateo, MacArthur G. Rosario, Rhonesto Nelson Mendoza V., Gregorio R. Blanco, Ramon Espina De Castro, Estelito E. Aguila, Cenon C. Agulo, Noel Ricafrente, Jimmy V. Maceda, Romeo R. Basquiiias, Glenn A. Padilla, Rolly D. Dordas, Judito O. Arriesgado, Mary Jane D. Laguitan, and Eduardo L. Dulutan's dismissal from employment is **DECLARED** as **VALID**.

The Decision of the Court of Appeals in CA-G.R. SP No. 142527 is **MODIFIED** in that respondents Menardo A. Osongco, Jr., Noel V. Deocales, Jovito C. Garcia, Marcelino V. Aurin, Ronaldo M. Reyes, Elizardo N. Obrero, Jose Ibarra, Diosdado V. Odoño, Michael P. Leonida, Rhomel P. Protacio, Roberto A. Balcita, Nestor C. Rivera, Teodoro M. Genoso, Mynard Recaña, Mauro Derequito, Jorge E. Austrial, Feliciano O. Lucis, Mario M. Olasiman, Bernardino R. Malimutin, Jr., Alberto R. Pacia, Romulo B. Mauleon, Edgar N. Mucha, Sergio Alfante, Jr., Antonio C. Mateo, MacArthur G. Rosario, Rhonesto Nelson Mendoza V., Gregorio R. Blanco, Ramon Espina De Castro, Estelito E. Aguila, Cenon C. Agulo, Noel Ricafrente, Jimmy V. Maceda, Romeo R. Basquiñas, Glenn A. Padilla, Rolly D. Dordas, Judito O. Arriesgado, Mary Jane D. Laguitan, and Eduardo L. Dulutan are declared entitled to reinstatement wages from December 27, 2013 until April 8, 2015. Let an Alias Writ of Execution be **ISSUED** to such effect.

Coca-Cola Beverages Philippines, Inc. is **ORDERED** to pay Menardo A. Osongco, Jr., Noel V. Deocales, Jovito C. Garcia, Marcelino V. Aurin, Ronaldo M. Reyes, Elizardo N. Obrero, Jose Ibarra, Diosdado V. Odoño, Michael P. Leonida, Rhomel P. Protacio, Roberto A. Balcita, Nestor C. Rivera, Teodoro M. Genoso, Mynard Recaña, Mauro

Derequito, Jorge E. Austrial, Feliciano O. Lucis, Mario M. Olasiman, Bernardino R. Malimutin, Jr., Alberto R. Pacia, Romulo B. Mauleon, Edgar N. Mucha, Sergio Alfante, Jr., Antonio C. Mateo, MacArthur G. Rosario, Rhonesto Nelson Mendoza V., Gregorio R. Blanco, Ramon Espina De Castro, Estelito E. Aguila, Cenon C. Agulo, Noel Ricafrente, Jimmy V. Maceda, Romeo R. Basquiñas, Glenn A. Padilla, Rolly D. Dordas, Judito O. Arriesgado, Mary Jane D. Laguitan, and Eduardo L. Dulutan the following:

1. **REINSTATEMENT WAGES**, including benefits mandated by law—specifically, 13th month pay and five days of service incentive leave, from December 27, 2013 until April 8, 2015.

2. The total monetary award shall be subject to legal interest of 6% per annum from the date of finality of this Decision until full satisfaction of the same.

The Labor Arbiter is **DIRECTED** to make a recomputation of the amount of Menardo A. Osongco, Jr., Noel V. Deocales, Jovito C. Garcia, Marcelino V. Aurin, Ronaldo M. Reyes, Elizardo N. Obrero, Jose Ibarra, Diosdado V. Odoño, Michael P. Leonida, Rhomel P. Protacio, Roberto A. Balcita, Nestor C. Rivera, Teodoro M. Genoso, Mynard Recaña, Mauro Derequito, Jorge E. Austrial, Feliciano O. Lucis, Mario M. Olasiman, Bernardino R. Malimutin, Jr., Alberto R. Pacia, Romulo B. Mauleon, Edgar N. Mucha, Sergio Alfante, Jr., Antonio C. Mateo, MacArthur G. Rosario, Rhonesto Nelson Mendoza V., Gregorio R. Blanco, Ramon Espina De Castro, Estelito E. Aguila, Cenon C. Agulo, Noel Ricafrente, Jimmy V. Maceda, Romeo R. Basquiñas, Glenn A. Padilla, Rolly D. Dordas, Judito O. Arriesgado, Mary Jane D. Laguitan, and Eduardo L. Dulutan's reinstatement wages for the said period and determine whether the amounts already paid to them exceed or are less than the amounts that they are entitled to. Thereafter, the Labor Arbiter is **DIRECTED** to collect from Coca-Cola Beverages Philippines, Inc. the amounts necessary for the full satisfaction of Menardo A. Osongco, Jr., Noel V. Deocales, Jovito C. Garcia, Marcelino V. Aurin, Ronaldo M. Reyes, Elizardo N. Obrero, Jose Ibarra, Diosdado V. Odoño, Michael P. Leonida, Rhomel P. Protacio, Roberto A. Balcita, Nestor C. Rivera, Teodoro M. Genoso, Mynard Recaña, Mauro Derequito, Jorge E. Austrial, Feliciano O. Lucis, Mario M. Olasiman, Bernardino R. Malimutin, Jr., Alberto R. Pacia, Romulo B. Mauleon, Edgar N. Mucha, Sergio Alfante, Jr., Antonio C. Mateo, MacArthur G. Rosario, Rhonesto Nelson Mendoza V., Gregorio R. Blanco, Ramon Espina De Castro, Estelito E. Aguila, Cenon C. Agulo, Noel Ricafrente, Jimmy V. Maceda, Romeo R. Basquiñas, Glenn A. Padilla, Rolly D. Dordas, Judito O. Arriesgado, Mary Jane D. Laguitan, and Eduardo L. Dulutan's reinstatement wages.

SO ORDERED.

Caguioa (Chairperson), Inting, Gaerlan, and *Marquez*,[*] *JJ.*, concur.

---

[*] Member vice Dimaampao. J., per Raffle dated November 21, 2023.

[1] *Rollo* (**G.R. Nos. 238975-76**), pp. 22-83.

[2] *Id.* at 105-141. Penned by Associate Justice Pedro B. Corales and concurred in by Associate Justices Japar B. Dimaampao (now a member of the Court) and Renato C. Francisco of the Special Sixth Division, Court of Appeals, Manila.

[3] *Id.* at 143-147. Penned by Associate Justice Pedro B. Corales and concurred in by Associate Justices Japar B. Dimaampao (now a member of the Court) and Renato C. Francisco of the Former Special Sixth Division, Court of Appeals, Manila.

[4] *Rollo* (**G.R. Nos. 239050-51**), pp. 32-69.

[5] *Id.* at 122-158.

[6] *Id.* at 159-163.

[7] *Id.* at 109.

[8] *Id.*

[9] *Id.*

[10] *Id.* at 35.

[11] *Id.* at 35-36.

[12] *Id.* at 36.

[13] *Id.*

[14] *Id.* at 109.

[15] *Id.* at 36.

[16] *Id.* at 37.

[17] *Id.*

[18] *Id.* at 109.

[19] *Id.*

[20] *Id.* at 110.

[21] *Id.*

[22] *Id.*

[23] *Id.* at 40-41.

[24] *Id.* at 110.

[25] *Id.* at 111.

[26] *Id.* at 141.

[27] *Id.*

[28] *Id.*

[29] *Id.*

[30] *Id.*

[31] *Id.*

[32] *Id.*

[33] *Id.*

[34] *Id.* at 112-113.

[35] *Id.* at 113.

[36] *Id.*

[37] *Id.* at 112.

[38] *Id.*

[39] *Id.*

[40] *Id.*

[41] *Id.*

[42] *Id.* at 113.

[43] *Id.*

[44] *Id.*

[45] *Id.* at 114-115.

[46] *Id.* at 573.

[47] *Id.*

[48] *Id.*

[49] *Id.*

[50] *Id.* at 581-582.

[51] *Id.*

[52] *Id.*

[53] *Id.* at 590.

[54] *Id.* at 116.

[55] *Id.*

[56] *Id.*

[57] *Id.*

[58] *Id.* at 118.

[59] *Id.*

[60] *Id.*

[61] *Id.*

[62] *Id.*

[63] *Id.* at 118.

[64] *Id.*

[65] *Id.* at 125.

[66] *Id.*

[67] *Id.*

[68] *Id.* at 45.

[69] *Id.* at 125.

[70] *Id.*

[71] *Id.*

[72] *Id.* at 126.

[73] *Id.*

[74] *Id.*

[75] *Id.*

[76] *Id.*

[77] *Id.*

[78] *Id.*

[79] *Id.*

[80] *Id.*

[81] *Id.*

[82] *Id.* at 127.

[83] *Id.*

[84] *Id.*

[85] *Id.*

[86] *Id.*

[87] *Id.*

[88] *Id.*

[89] *Id.*

[90] *Id.* at 134.

[91] *Id.*

[92] *Id.*

[93] *Id.*

[94] *Id.*

[95] *Id.* at 135.

[96] *Id.*

[97] *Id.* at 136.

[98] *Id.*

[99] *Id.* at 137.

[100] *Id.* at 140.

[101] *Id.* at 129.

[102] *Id.*

[103] *Id.* at 140-141.

[104] *Id.* at 137.

[105] *Id.* at 138.

[106] *Id.* at 142-147.

[107] *Id.* at 53.

[108] *Id.*

[109] *Id.* at 55-63.

[110] *Id.*

[111] *Id.*

[112] *Id.*

[113] *Id.* at 78.

[114] *Id.* at 60.

[115] *Id.* at 61.

[116] *Id.* at 63.

[117] *Id.*

[118] *Id.* at 64.

[119] *Id.*

[120] *Id.*

[121] *See* **Morales v. Central Azucarera De la Carlota, Inc.**, 931 Phil. 516, 524 (2022)

[Per J. Leonen, Second Division].

[122] *See* **Central Azucarera de Bais v. Heirs of Apostol**, 828 Phil. 211, 221-222 (2018) [Per J. Reyes, Jr., Second Division].

[123] *See* **Ascent Skills Human Resources Services, Inc. v. Manuel**, 912 Phil. 971, 976 (2021) (Per J. Zalameda, Third Division].

[124] *Id.* at 977.

[125] *See* **Coca-Cola FEMSA Philippines v. Macapagal**, 858 Phil. 363, 370 (2019) [Per J. Perlas-Bernabe, Second Division].

[126] 923 Phil. 649 (2022) [Per J. Leonen, Second Division].

[127] 809 Phil. 106 (2017) (Per J. Leonen, Second Division].

[128] **Dela Cruz-Cagampan v. One Network Bank, Inc.**, 923 Phil. 649, 656-657 (2022) [Per J. Leonen, Second Division].

[129] *See* **Smart Communications, Inc. v. Astorga**, 566 Phil. 422, 439 (2008) [Per J. Nachura, Third Division].

[130] *Id.*

[131] Labor Code, as renumbered in 2015, art. 298.

[132] 914 Phil. 99 (2021) [Per J. Gaerlan, Second Division].

[133] 862 Phil. 575 (2019) [Per J. Jardeleza, First Division].

[134] **McConnell Dowell Phils., Inc. v. Bernal**, 914 Phil. 99, 117-118 (2021) [Per J. Gaerlan, Second Division].

[135] *See* **Aguilera v. Coca-Cola FEMSA Philippines, Inc.**, 911 Phil. 517, 527 (2021) [Per J. Lazaro-Javier, First Division].

[136] *See* **McConnell Dowell Phils., Inc. v. Bernal**, 914 Phil. 99, 118 (202I) [PerJ. Gaerlan, Second Division].

[137] *Id.*

[138] 364 Phil. 912 (1999) [Per J. Puno, Second Division].

[139] *Id.* at 930.

[140] *See* **Aguilera v. Coca-Cola FEMSA Philippines, Inc.**, 911 Phil. 517, 528 (2021) [Per J. Lazaro-Javier, First Division].

[141] *Rollo* (**G.R. Nos. 238975-76**), p. 117.

[142] *Id.* at 972.

[143] *Id.* at 134.

[144] *Id.*

[145] 819 Phil. 326 (2017) [Per J. Caguioa, Second Division].

[146] *Id.* at 331.

[147] *Id.*

[148] *Id.* at 335-337.

[149] 858 Phil. 363 (2019) [Per J. Perlas-Bernabe, Second Division].

[150] *Id.* at 375.

[151] *Id.* at 367-368.

[152] *Id.* at 373.

[153] **G.R. No. 230329**, December 7, 2022 [Unsigned Resolution, Second Division].

[154] *Id.*

[155] **G.R. No. 241691**, July 14, 2021 [Unsigned Resolution, First Division].

[156] *Id.*

[157] **G.R. Nos. 227521-22**, May 14, 2021 [Unsigned Resolution, First Division].

[158] *Id.*

[159] LABOR CODE, art. 322.

[160] 858 Phil. 363 (2019) [Per J. Perlas-Bernabe, Second Division].

[161] *Id.* at 374.

[162] *Rollo* (**G.R. Nos. 238975-76**), p. 36.

[163] 505 Phil. 10 (2005) [Per J. Chico-Nazario, Second Division].

[164] *Id.* at 25-26.

[165] RULES OF COURT, Rule 129, sec. 1.

[166] 343 Phil. 428 (1997) [Per J. Vitug, First Division].

[167] *Id.* at 437.

[168] 957 Phil. 37 (2024) [Per J. Caguioa, Third Division].

[169] *Id.* at 75.

[170] *Id.*

[171] *See* **Bongato v. Spouses Malvar**, 436 Phil. 109, 118 (2002) [Per J. Panganiban, Third Division].

[172] *Rollo* (**G.R. Nos. 238975-76**), pp. 969-970.

[173] 364 Phil. 912 (1999) [Per J. Puno, Second Division].

[174] *Id.* at 933.

[175] 858 Phil. 363 (2019) [Per J. Perlas-Bernabe, Second Division].

[176] *Id.* at 373-374.

[177] *See* **Jiao v. National Labor Relations Commission**, 686 Phil. 171, 188 (2012) [Per J. Reyes, Second Division].

[178] *Id.*

[179] *See* **Philippine National Bank v. Dalmacio**, 813 Phil. 127, 136-137 (2017) [Per J. Tijam, Third Division].

[180] 679 Phil. 463 (2012) [Per J. Reyes, Second Division].

[181] *Id.* at 479.

[182] LABOR CODE, as renumbered in 2015, art. 229.

[183] *See* **Del Monte Land Transport Bus Company, et al. v. Jaranilla**, 961 Phil. 405, 412 (2024) [Per J. Gaerlan, Third Division].

[184] 731 Phil. 685 (2014) [Per J. Brion, Second Division].

[185] 277 Phil. 282 (1991) [Per J. Davide, Jr., *En Banc*].

[186] **Wenphil Corporation v. Abing and Tuazon**, 731 Phil. 685, 696-697 (2014) [Per J. Brion, Second Division].

[187] 961 Phil. 405 (2024) [Per J. Gaerlan, Third Division].

[188] *Id.* at 415.

[189] *Rollo* (**G.R. Nos. 238975-76**), pp. 140-141.

[190] 449 Phil. 437 (2003) [Per J. Puno, Third Division].

[191] *Id.* at 446.

[192] *See* **Philippine Clearing House Corporation v. Magtaan**, 914 Phil. 305, 316-317 (2021) [Per J. Inting, Second Division].

[193] *Id.* at 317.

[194] *Id.*

Source: Supreme Court E-Library | Date created: May 04, 2026
This page was dynamically generated by the E-Library Content Management System