

Title: PFIZER, INC. AND/OR REY GERARDO BACARRO, AND/OR FERDINAND CORTES, AND/OR ALFRED MAGALLON, AND/OR ARISTOTLE ARCE, PETITIONERS, VS. GERALDINE VELASCO, RESPONDENT.

Facts:

Geraldine L. Velasco, employed by Pfizer, Inc. since August 1, 1992, went on extended leave in April 2003 due to a high-risk pregnancy. During her leave, Pfizer served Velasco a “Show-cause Notice” for alleged unauthorized deals. Velasco denied the charges but received additional notices related to the investigation. In July 2003, Velasco filed a complaint for illegal suspension with monetary claims. Pfizer informed her of a disciplinary hearing and later terminated her employment.

The Labor Arbiter declared Velasco’s dismissal illegal in December 2003, ordering her reinstatement with backwages, and other compensations. Pfizer appealed to the NLRC, which affirmed the decision except for the damages awards. Pfizer then appealed to the Court of Appeals (CA), which reversed the NLRC and Labor Arbiter’s decision in November 2005, finding Velasco’s dismissal valid but later modified to include payment of wages to Velasco from the Labor Arbiter’s decision to the CA’s decision, upon Velasco’s motion. Pfizer appealed to the Supreme Court (SC).

Issues:

1. Whether the Court of Appeals erred in ordering Pfizer to pay Velasco wages from the date of the Labor Arbiter’s decision until the Court of Appeals’ decision in November 2005, acknowledging Velasco’s dismissal was valid.
2. The application of the principle of immediate executory nature of a reinstatement order pending appeal and the employer’s obligation for payment of backwages despite the appeal.

Court’s Decision:

The Supreme Court (SC) denied Pfizer’s petition and affirmed the Court of Appeals’ resolutions.

- The SC emphasized the immediacy and self-executory nature of a reinstatement order by the Labor Arbiter under Article 223 of the Labor Code, which does not necessitate a writ of execution and should not be delayed by appeals.
- The SC highlighted Pfizer’s delay in compliance with the reinstatement order and clarified that wages paid under a writ of execution for non-compliance are due to the employee, and such compliance cannot be considered voluntary thereby justifying non-payment of subsequent wages.

- The SC resolved that Pfizer's failure to reinstate Velasco, either in her former position or in the payroll during the pendency of appeals, warranted the payment of her wages. The Court also rejected Pfizer's contention that Velasco's failure to report back to work constituted resignation.

Doctrine:

The immediate executory nature of a reinstatement order under Article 223 of the Labor Code does not require a writ of execution. An employer's failure to comply with such an order results in the employee's entitlement to backwages from the issuance of the order until actual reinstatement or reversal by a higher court. The recent case solidifies the principle against requiring a dismissed employee on payroll reinstatement to refund wages following a final decision that validates dismissal.

Class Notes:

- **Reinstatement Order**: Immediately executory upon issuance by the Labor Arbiter, does not require a writ of execution, pending appeal.
- **Backwages**: Due to the employee from the time of the reinstatement order until actual reinstatement or reversal by a higher court.
- **Employer's Compliance**: Must be genuine and in good faith, either actual reinstatement or payroll, without undue delay.
- **Non-compliance**: Entitles the employee to wages as if they had been reinstated during the period of non-compliance.
- **Refund Principle**: Dismissed employees on payroll reinstatement are not required to refund wages even if the dismissal is later validated.

Historical Background:

This case illustrates the evolving jurisprudence surrounding the rights of employees pending appeal of illegal dismissal cases and underscores the importance of immediate compliance with reinstatement orders by employers. It affirms the protection afforded to employees under Philippine labor laws, particularly focusing on mitigating the consequences of wrongful dismissal and emphasizing the employer's accountability in adhering to labor statutes.