

**\*\*Title:** Philippine Long Distance Telephone Company vs. National Labor Relations Commission and Marilyn Abucay**\*\***

**\*\*Facts:\*\***

Marilyn Abucay, a traffic operator employed by the Philippine Long Distance Telephone Company (PLDT), was accused of soliciting and accepting P3,800.00 from two complainants in exchange for the expedited approval of their telephone installation applications. After an investigation, Abucay was found guilty and dismissed from service.

Subsequently, Abucay filed a complaint for illegal dismissal with the Ministry of Labor and Employment. The labor arbiter determined that Abucay's dismissal was lawful and dismissed her complaint but, in a surprising twist, awarded her financial assistance equivalent to one month's pay for each year of service, considering the complainants were partly to blame for offering a bribe.

Both parties appealed to the National Labor Relations Commission (NLRC). The NLRC upheld the labor arbiter's decision in total, including the grant of financial assistance. PLDT lodged a petition with the Supreme Court, contesting only the award of financial assistance, arguing that such an award is improper for an employee dismissed for cause.

**\*\*Issues:\*\***

1. **\*\*Whether an employee dismissed for cause is entitled to financial assistance or separation pay.\*\***

**\*\*Court's Decision:\*\***

The Supreme Court ruled in favor of PLDT, emphasizing the following points:

1. **\*\*Dismissal for Cause and Entitlement to Separation Pay:\*\***

- The Court considered the doctrine that an employee dismissed for cause described in the Labor Code is not entitled to separation pay. The exception premised on social justice does not automatically apply; malfeasance involving moral turpitude, such as dishonesty, typically precludes the award of financial assistance or separation pay.
- Abucay's offense, involving dishonesty, reflected poorly on her moral character. The Supreme Court held that awarding financial assistance under these circumstances would effectively reward unethical behavior rather than serving punitive and deterrent purposes.

The decision thus underscores that while the Constitution supports social justice and workers' rights, these protections do not extend to employees who are dismissed due to

serious misconduct or actions reflecting moral failures.

**\*\*Doctrine:\*\***

- **\*\*Separation Pay and Serious Misconduct:\*\***

- The Supreme Court clarified that separation pay should only be granted as a measure of social justice to employees validly dismissed for reasons other than serious misconduct or those reflecting moral character defects.

**\*\*Class Notes:\*\***

1. **\*\*Legal Principles:\*\***

- Employees dismissed for cause as defined in the Labor Code (e.g., serious misconduct, dishonest acts) are typically not entitled to separation pay.  
- Equity and compassion considerations do not override express legal mandates, particularly where moral character and serious offenses are implicated.

2. **\*\*Key Statutory Provisions:\*\***

- **\*\*Labor Code of the Philippines:\*\*** Art. 282 (now Art. 297) outlines the just causes for terminating an employee without entitlement to separation pay.

**\*\*Historical Background:\*\***

This case is set within a period of extensive labor law protections under the 1987 Philippine Constitution, which emphatically advances social justice and workers' rights. Despite these constitutional mandates favoring labor, this case illustrates the balance the judiciary seeks between promoting social justice and ensuring that it does not unduly reward or excuse serious employee misconduct. This ruling remains impactful in guiding determinations surrounding the boundaries of financial assistance and separation pay in the context of employment terminations for cause.