

### Title:

\*\*Philippine Long Distance Telephone Company, Inc. vs. Rosalina C. Arceo, G.R. No. 153221 (2001)\*\*

### Facts:

In May 1990, Rosalina Arceo applied for the position of telephone operator at the Tarlac Exchange of the Philippine Long Distance Telephone Company, Inc. (PLDT). She failed the pre-employment qualifying examination but requested to work without pay, which PLDT allowed. She performed various office tasks and subsequently was paid minimum wage after two weeks.

On February 15, 1991, PLDT decided to terminate her services but, upon recommendation, she was assigned on-the-job training for minor traffic work, which she failed to assimilate, and then was moved to auxiliary services. Despite taking the pre-qualifying exams for the telephone operator position two more times, she failed again. On October 13, 1991, PLDT terminated her employment.

Arceo filed a case for illegal dismissal before the labor arbiter, who ruled in her favor on May 11, 1993, ordering her reinstatement. On June 9, 1993, she was reinstated as a casual employee earning minimum wage and assigned to similar initial tasks.

On September 3, 1996, Arceo filed a complaint for unfair labor practice, underpayment of salary, overtime pay, holiday pay, and other monetary claims. On August 18, 1997, the labor arbiter ruled that Arceo was qualified as a regular employee and entitled her to various benefits amounting to P316,496.24 plus attorney's fees.

PLDT appealed to the National Labor Relations Commission (NLRC), which affirmed her regular employment status but remanded the monetary claims back to the labor arbiter for reception of evidence. PLDT's motion to reconsider was rejected by the NLRC.

PLDT then filed a certiorari petition to the Court of Appeals (CA), which on June 29, 2001, affirmed the NLRC decision. PLDT's motion for reconsideration was also denied. Consequently, PLDT petitioned the Supreme Court under Rule 45.

### Issues:

1. Whether Arceo qualifies as a regular employee under Article 280 of the Labor Code.
2. Whether Arceo should be reinstated to her previous position or an equivalent position.

### Court's Decision:

**\*\*Issue 1: Regular Employment under Article 280\*\***

The Supreme Court concluded that Arceo qualifies as a regular employee based on two premises under Article 280:

1. She performed activities that were necessary or desirable in the usual business of PLDT.
2. She rendered more than one year of service (even if the service duration was interrupted), which under the second criterion of Article 280, makes her eligible for regular employment.

Therefore, despite PLDT's contention that her position had long been abolished, Arceo was deemed a regular employee due to her substantial length of service.

**\*\*Issue 2: Reinstatement to Former Position or Equivalent Position\*\***

The Court affirmed that Arceo should be reinstated to her former position or any equivalent, given the requisites of her role still subsisted. The absence of proof from PLDT that the activities she engaged in were discontinued reinforced this decision. Furthermore, the question about regularizing her as a telephone operator was irrelevant since the original complaint was regarding her regular work performed at PLDT.

### Doctrine:

**\*\*Regular Employment under Article 280 of the Labor Code:\*\***

An employment is deemed regular (1) if the work performed by the employee is necessary or desirable to the usual business or trade of the employer, or (2) if the employee has rendered at least one year of service, regardless if it is continuous or broken, related to their employment activity.

### Class Notes:

- **\*\*Regular Employment Criteria\*\***: Two bases under Article 280, Labor Code:
  1. Work is necessary or desirable to the employer's usual business.
  2. At least one year of service—continuous or broken.
- **\*\*Employment Rights and Benefits\*\***: An employee who meets the regular employment criteria is entitled to all accompanying rights and benefits from the date they should have been deemed regular.
- **\*\*Reinstatement\*\***: If an initial position is abolished, the employer must reinstate the employee to an equivalent position.
- **\*\*Key Statutes\*\***: Article 280 of the Labor Code.

### Historical Background:

During the 1990s, Philippine labor law underwent significant legal battles surrounding employment status classifications and workers' rights in privatized and corporate industries. The re-employment of casual workers as regular employees based on the length of service aimed to solidify worker protection and reinforce fair labor practices amidst evolving industrial and commercial challenges.

This case highlights the legal precedent regarding the transformation of casual employment into regular employment through judicial interpretation of Article 280 of the Labor Code, reinforcing employee rights in the context of lengthy service.