CANDIDO ALFARO, PETITIONER, VS. COURT OF APPEALS, NATIONAL LABOR RELATIONS COMMISSION AND STAR PAPER CORPORATION, RESPONDENTS.

G.R. No. 140812. August 28, 2001

Ponente: PANGANIBAN, J.

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PANGANIBAN, J.:

Generally, separation pay need not be paid to an employee who voluntarily resigns. However, an employer who agrees to expend such benefit as an incident of the resignation should not be allowed to renege in the performance of such commitment.

The Case

Before us is a Petition for Review on Certiorari[1] under Rule 45 of the Rules of Court, seeking to set aside the Decision[2] of the Court of Appeals (CA), which affirmed the June 16, 1998 Decision of the National Labor Relations Commission (NLRC).[3]

The Facts

The facts as related by petitioner in his Memorandum[4] are hereunder reproduced as follows:

> "Petitioner was employed as a helper/operator of private respondent since November 8, 1990. From November 23, 1993 until December 5, 1993, he took a sick leave. When he reported back to work on December 6, 1993, he was surprised to find out that another worker was recruited to take his place, and instead, he was transferred to [the] wrapping section where he was required to work with overtime up to 9:30 PM, from his regular working hours of from 7:00 a.m., to 4:00 p.m., despite the fact that he had just recovered from illness. On December 7, 1993, he was given a new assignment where the work was even more difficult[;] when he complained o[f] what he felt was rude treatment or sort of punishment since he was being exposed to hard labor notwithstanding his predicament of just coming from sickness, petitioner was told to look for another job because he was dismissed effective on said date, December 7, 1993, when petitioner was seeking his 13th month pay and fifteen (15) days sick leave pay [o]n the afternoon of the same day, he was ignored when he refused to sign documents which indicated that he was renouncing claims against private respondent. Before Christmas of 1993, petitioner sought private respondent to pay his 13th month pay and [his] 15 days sick leave pay, but he was told to come next year.
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> "On January 12, 1994, petitioner came to private respondent for his aforestated money claims. During that occasion, private respondent dangled to petitioner a check worth P3,000.00 which [would] be released to him, only if he [signed] the documents, being forced upon him to sign on December 7, 1993. Deperate for the money to support his subsistence, and against his will, petitioner was constrained to sign the said documents which contained no amount of money released to him. The actual sum of money received by petitioner from private respondent amounted to P3,000.00 in the form of check, while his claims for 15 days sick leave pay was secured by him from the Social Security System.

"The documents forced upon the petitioner to sign were a `resignation letter, and a Release and Quit Claim'. Said `resignation letter' read, thus:

`To the Personal Manager
Mr. Michael Philip Elizalde
Star Paper Corporation
46 Joy St., Grace Village, Q.C.

Dear Sir,

Ako po si Candido Alfaro ay nagbibigay ng aking resignation letter dahilan po sa aking sakit. Umaasa po ako na mabigyan ng tulong.

Lubos na gumagalang
(sgd) Candido Alfaro'

"As submitted by private respondent in its pleadings on record, petitioner allegedly tendered said resignation letter on January 12, 1994, on the basis of which, the former maintains that the latter was not illegally dismissed, was paid [his] separation pay of P8,455.50, and that he voluntarily resigned from his job effective January 12, 1994."[5]

Private respondent, in its Memorandum[6], adopts Labor Arbiter Donato Quinto's findings of fact as follows:

"Complainant alleges that he was hired by respondent corporation in November 1990 [as] the latter's machine tape operator. Thereafter, or in the month[s] of September and October, 1993, he was suffered to do some painting work on pallets guide using [a] spray gun. As a result, in the third week of October, 1993 he felt general body weakness coupled with constant coughing and fever.

"As a consequence of his illness, complainant alleges that he took a vacation leave from November 22, 1993 to December 5, 1993. However, upon reporting for work on December 6, 1993, complainant was surprised to find out that somebody was already recruited to take his place. Instead, he was transferred to the wrapping section.

"On December 7, 1993, complainant complained of the work being given to him for being difficult which was interpreted as some sort of a punishment given to him by the respondent. As a result thereof, complainant alleges that he was dismissed without valid cause and without due process of law. He further alleges that he was not paid his 13th month pay and 15 days sick leave which he was claiming because he refused to sign a document renouncing all his claim[s] against respondent corporation.

"On January 12, 1994, complainant went to the respondent corporation to claim his 13th month pay and his 15 days sick leave pay. He received the amount of P3,000.00 but he was allegedly pressured to sign a Quitclaim and Release with no amount or consideration written on said document. Further, complainant also alleges that he was also made to sign a prepared resignation letter in exchange for the P3,000.00 which he received which [was] contrary to the claim of the respondent corporation that he received P8,452.00.

"On June 14, 1996, the complainant filed a case against the respondent corporation for non-payment of separation pay. Said complaint was later amended on August 1, 1996 by claiming illegal dismissal and damages in lieu of separation pay, with a prayer for reinstatement with backwages and attorney's fees.

"On the other hand, respondent corporation maintains that complainant while still under its employ contracted PTB Minimal Active for which reason he applied for SSS benefits on November 25, 1993. Considering his illness, complainant asked the respondent corporation that he be allowed to resign with benefits. After getting a favorable reply, complainant submitted a resignation letter to the respondent corporation on January 12, 1994.

"Because of his request for help, separation benefits were likewise given to complainant in the amount of P8,452.50 Complainant, upon receipt of said benefits, executed a Release and Quitclaim in favor of respondent

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corporation."

The CA Ruling

In denying petitioner's claims, the CA ruled as follows:

"It is not easy to uphold petitioner's submission. For, the Labor Arbiter's report to the National Labor Relations Commission shows that petitioner `resigned voluntarily'. Thus, as written in the letter of resignation:

`Ako po si candido Alfaro ay nagbibigay ng aking resignation dahilan po sa aking sakit.

`Umaasa po ako na mabigyan ng tulong.'

"The same report likewise mentioned the "Quitclaim and Release" (Annex 2, of private respondent's position paper) which further strengthened the fact that petitioner resigned due to his ailment. If petitioner's concatenation is true that he was forced to sign the resignation letter against his better judgment, then why should he also sign the quitclaim and release[?]

"We find no reason to reverse and set aside the findings and recommendation of the Labor Arbiter, and affirmed by the NLRC. As a quasi-judicial body, the findings of the NLRC deserve respect, even finality (M. Ramirez Industries vs. Secretary of Labor, 266 SCRA 111; Bataan Shipyard and Engineering Corporation vs. NLRC, 269 SCRA 199; Naguiat vs. NLRC, 269 SCRA 564; Conti vs. NLRC, 271 SCRA 114.)"

Hence, this recourse.[7]

The Issues

Petitioner submits the following issues for the consideration of this Court:

"1.) Whether or not the Honorable Court of Appeals committed grave abuse of discretion tantamount to lack or x x x excess of jurisdiction and/or serious reversible error in holding that petitioner was not illegally dismissed by private respondent;

"2.) Whether or not the Honorable Court of Appeals committed grave abuse of discretion tantamount to lack of or x x x excess of jurisdiction, and/or serious reversible error in holding that petitioner voluntarily resigned from employment

"3.) Whether or not the Honorable Court of Appeals committed grave abuse of discretion tantamount to lack of or x x x excess of jurisdiction and/or reversible error in holding that the finding of the NLRC, deserve respect and even finality despite serious flaws in its appreciation of facts and evidence;

"4.) Whether or not the Honorable Court of Appeals committed grave abuse of discretion tantamount to lack of or x x x excess of jurisdiction, and/or serious reversible error in dismissing the petition for certiorari"[8]

The Court's Ruling

The Petition has no merit.

Main Issue: Illegal Dismissal and
Separation Pay

At the outset, it bears stressing that in a petition for review on certiorari, the scope of the Supreme Court's judicial review of decisions of the Court of Appeals is generally confined only to errors of law[9]; questions of fact are not entertained.[10] Thus, only questions of law may be brought by the parties and passed upon by this Court in the exercise of its power to review.[11]

The Supreme Court is not a trier of facts, and this doctrine applies with greater force in labor cases.[12] Factual

questions are for the labor tribunals to resolve.[13] In this case, the factual issues have already been determined by the labor arbiter and the National Labor Relations Commission. Their findings were affirmed by the CA. Judicial review by this Court does not extend to a reevaluation of the sufficiency of the evidence upon which the proper labor tribunal has based its determination.[14]

Indeed, factual findings of labor officials who are deemed to have acquired expertise in matters within their respective jurisdictions are generally accorded not only respect, but even finality, and are binding on the Supreme Court.[15] Verily, their conclusions are accorded great weight upon appeal, especially when supported by substantial evidence.[16] Consequently, the Supreme Court is not duty-bound to delve into the accuracy of their factual findings, in the absence of a clear showing that the same were arbitrary and bereft of any rational basis.[17]

The factual findings of the labor arbiter and the NLRC, as affirmed by the CA, reveal that petitioner resigned from his work due to his illness, with the understanding that private respondent would give him separation pay. Unfortunately, it seems that private respondent did not keep its promise to grant the separation pay, prompting petitioner to institute the present action for illegal dismissal. It was only for this reason that the Court gave due course to this Petition.

Generally, an employee who voluntarily resigns from employment is not entitled to separation pay.[18] In the present case, however, upon the request of petitioner, private respondent agreed to a scheme whereby the former would receive separation pay despite having resigned voluntarily. Thus, the terms and conditions they both agreed upon constituted a contract freely entered into, which should be performed in good faith, as it constituted the law between the parties.

Not all waivers and quitclaims are invalid as against public policy. If the agreement was voluntarily entered into and represented a reasonable settlement, it is binding on the parties and may not later be disowned, simply because of a change of mind.[19] The position taken by petitioner on the alleged illegal dismissal was vacillating and indecisive, as correctly found by the labor arbiter who provided a ratiocination on the matter as follows:

> "Thus, after a careful perusal of the evidence on hand, we are of the opinion that the position taken by the respondent corporation is more credible than that of complainant. This is evident from the fact that the complaint filed by complainant on June 14, 1996, or more than two (2) years from his alleged dismissal on December 7, 1993, was only payment of separation pay. It was only on August 1, 1996 when complainant abandoned his claim for separation pay and instead filed an amended complaint claiming that he was, illegally dismissed.
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> "To our mind, therefore, the foregoing coupled with the fact that there is practically no evidence on record which shows that complainant was pressured and made to sign a resignation letter and Release and Quitclaim against his will [and] better judgment only shows that his claim of illegal dismissal is unsubstantiated and is a mere afterthought.
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> "Moreover, if indeed complainant was illegally dismissed, he should have pursued his claim against the respondent corporation by immediately filing a complaint for illegal dismissal. As it is, however, complainant filed a complaint for separation pay against the respondent corporation only after two (2) years from his alleged dismissal which complaint was amended for the purpose of claiming illegal dismissal almost two (2) months thereafter."[20]

Voluntary resignation is defined as the act of an employee, who finds himself in a situation in which he believes that personal reasons cannot be sacrificed in favor of the exigency of the service; thus, he has no other choice but to disassociate himself from his employment.[21] As discussed above, petitioner negotiated for a resignation with separation pay as the manner in which his employment relations with private respondent would end. He was

already suffering from a lingering illness at the time he tendered his resignation. His continued employment would have been detrimental not only to his health, but also to his performance as an employee of private respondent.

Hence, the termination of the employment relations of petitioner with private respondent was ultimately, if not outrightly inevitable. Resignation with separation pay was the best option for him under the circumstances. Rightly so, this was the mode adopted and agreed upon by the parties, as evidenced by the Release and Quitclaim petitioner executed in connection with his resignation.

Clearly then, the claim of petitioner that he was illegally dismissed cannot be sustained, considering that his voluntary resignation has been indubitably established as a fact by the three tribunals below. Indeed, illegal dismissal and voluntary resignation are adversely opposed modes of terminating employment relations, in that the presence of one precludes that of the other.

Although the Supreme Court has, more often than not, been inclined towards the workers and has upheld their cause in their conflicts with the employers, such inclination has not blinded it to the rule that justice is in every case for the deserving, to be dispensed in the light of the established facts and applicable law and doctrine.[22] An employee who resigns and executes a quitclaim in favor of the employer is generally estopped from filing any further money claims against the employer arising from the employment.[23]

However, private respondent has not complied with its obligation to give petitioner's separation pay in the amount of P8,542.50. It was this deliberate withholding of monetary benefits that necessitated the long, litigious and lethargic proceedings in this case. Had private respondent simply paid the measly amount of P8,452.50 as separation pay to petitioner, this legal controversy could have been avoided and the court dockets unclogged.

WHEREFORE, the Petition is hereby DENIED and the assailed Decision of the Court of Appeals AFFIRMED, with the modification that private respondent is directed to pay petitioner P8,452.50 plus legal interest thereon, computed from December 7, 1993, until fully paid, representing the unpaid separation pay benefit agreed upon by the parties.

SO ORDERED.

Melo, (Chairman), Vitug, Gonzaga-Reyes, and Sandoval-Gutierrez, JJ., concur.

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[1] Rollo, p. 3.

[2] Rollo, pp. 19-22. Second Division, penned by J. Artemon D. Luna, (Division chairman) and concurred in by JJ Conchita Carpio Morales and Bernardo P. Abesamis (members).

[3] Rollo, pp. 57-61. First Division, penned by Comm. Vicente S.E. Veloso and concurred in by Comm. Alberto R. Quimpo. Pres. Comm. Rogelio I. Rayala was "on leave."

[4] Rollo, pp. 106-108.

[5] Ibid., at pp. 106-108.

[6] Rollo, pp. 93-99.

[7] The Court deemed the case submitted for resolution upon receipt on May 15, 2000, of petitioner's Memorandum signed by Atty. Ricardo Perez. Respondents' Memorandum, signed by Atty. F. F. Bonifacio Jr., was received by this Court on May 10, 2000.

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[8] Petitioner's Memorandum, p. 5; rollo, p. 120.

[9] Viloria v. CA, 309 SCRA 529, June 30, 1999.

[10] Cebu Shipyard and Engineering Works, Inc. v. William Lines Inc., 306 SCRA 762, May 5, 1999; Villarico v. CA, 309 SCRA 193, June 28, 1999.

[11] Alipoon v. CA, 305 SCRA 118, March 22, 1999; Baguio v. Republic, 301 SCRA 450, January 21, 1999.

[12] Ropali Trading Corporation v. NLRC, 296 SCRA 309, September 25, 1998.

[13] Chua v. NLRC, 267 SCRA 196, January 30, 1997.

[14] Social Security System Employees Association v. Bathan-Velasco, 313 SCRA 250, August 27, 1999.

[15] C. Planas Commercial v. NLRC, 303 SCRA 49, February 11, 1999.

[16] Barros v. NLRC, 315 SCRA 23, September 22, 1999.

[17] Tan v. NLRC, supra.

[18] Travelaire and Tours Corporation v. NLRC, 294 SCRA 505, August 20, 1998; Hinatuan Mining Corporation v. NLRC, 268 SCRA 622, February 21, 1997; Phimco Industries, Inc. v. NLRC, 273 SCRA 286, June 11, 1997.

[19] AG&P United Rank and File Association v. NLRC, 265 SCRA 159, November 29, 1996.

[20] Decision of Labor Arbiter Donato G. Quinto, Jr. dated May 30, 1997; rollo, pp. 41-46, at pp. 44-45.

[21] Philippine Wireless, Inc. (Pocketbell) v. NLRC, 310 SCRA 653, July 20, 1999; Valdez v. NLRC, 286 SCRA 87, February 9, 1998; Habana v. NLRC, 298 SCRA 537, November 16, 1998.

[22] Sime Darby Pilipinas, Inc. v. NLRC, 289 SCRA 86, April 15, 1998.

[23] Philippine National Construction Corporation v. NLRC, 280 SCRA 109, October 2, 1997.

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