

ENGRACIO A. GUERZON, JR., LILIAN E. CRUZ and JOSEFINA O. BAUYON, PETITIONERS, VS. PASIG INDUSTRIES, INC., MASAHIRO FUKADA and YOSHIKITSU FUJITA, RESPONDENTS.

G.R. No. 170266. September 12, 2008

Ponente: CORONA, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-170266/>

CORONA, J.:

Petitioners Engracio A. Guerzon, Jr., Lilian E. Cruz and Josefina O. Bauyon were employees of respondent Pasig Industries, Inc. (PII) stationed in its Makati office. Guerzon was PII's export/import manager for 21 years; Cruz was the company's chief accountant for 20 years and Bauyon was a member of PII's accounting staff since 1989.

In 1995, respondent Yoshikitsu Fujita[1] informed petitioners that PII's parent company had decided to close the Makati office. To streamline operations, functions performed by the Makati office would be transferred to its facilities in the Bataan Export Processing Zone. For this reason, petitioners were given the option to resign, in which case they would be entitled to a special separation package (SSP) equivalent to one-month basic salary for each year of service.[2]

Petitioners decided to resign but requested a recomputation of their respective separation pay based on the monthly gross pay (i.e., basic pay plus all allowances). PII, through Fujita, acceded[3] and accordingly paid Guerzon, P548,100;[4] Cruz, P414,500.22[5] and Bauyon, P10,219.66 on September 25, 1995.[6]

Despite voluntarily availing of the SSP, petitioners filed a complaint for illegal dismissal and payment of separation pay, retirement benefits, leave pay and 13[th] month pay against PII, its president Masahiro Fukada and Fujita in the National Labor Relations Commission (NLRC) on September 27, 1995.[7]

Because petitioners filed the complaint two days after they were "terminated," the labor arbiter found respondents guilty of illegal dismissal. Accordingly, he awarded backwages, separation pay and attorneys' fees to petitioners. [8]

Respondents appealed.

The NLRC found that petitioners voluntarily accepted the terms of the SSP offered by PII. It noted that they negotiated to improve PII's offered SSP. Thus, the NLRC reversed the decision of the labor arbiter.[9]

Aggrieved, petitioners filed a petition for certiorari[10] in the Court of Appeals (CA) asserting that the NLRC committed grave abuse of discretion in reversing the decision of the labor arbiter. The CA, however, dismissed the petition.[11] Petitioners moved for reconsideration but it was denied.[12]

Hence, petitioners availed of this recourse contending that the CA erred in affirming the decision of the NLRC. Respondents allegedly failed to prove that PII had been incurring losses to justify its reorganization. They claimed they were dismissed without just or authorized cause.

We deny the petition.

Petitioners held responsible positions in PII. Employees of their educational backgrounds and professional standing do not easily relinquish their legal rights unless they intend to.[13] In fact, petitioners even bargained to improve the terms of the SSP and, after successfully doing so, voluntarily resigned from PII. [14]

Consequently, whether the streamlining of PII's operations constituted an authorized cause for petitioners' termination became immaterial in view of their voluntary resignation.[15]

ACCORDINGLY, the petition is hereby DENIED.

Costs against petitioners.

SO ORDERED.

Puno, C.J., (Chairperson), Carpio Morales[*], Nachura[**], and Leonardo-De Castro, JJ., concur.

[*]As replacement of Justice Antonio T. Carpio who is on official leave per Special Order No. 515.

[**] As replacement of Justice Adolfo S. Azcuna who is on official leave per Special Order No. 518.

[1] PII managing director.

[2] Letter dated July 20, 1995. Rollo, p. 72.

Compare Labor Code, Art. 283. (Article 283 of the Labor Code requires the employer to serve a written notice on the workers and the Secretary of Labor at least one month before the effective date of termination. Moreover, in cases of closures or cessations 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 pay for every year of service, whichever is higher. Thus, PII offered petitioners terms better than what was required by the law.)

[3] Letters dated September 15, 1995. Rollo, pp. 51-53.

[4] BASIC PAY

P19,800

ALLOWANCE

6,300

SEPARATION PAY

P26,100

X

21 YEARS

=

P548,100.00

=====

[5] BASIC PAY

P17,100

ALLOWANCE

5,500

SEPARATION PAY

P22,600

X

20 YEARS

=

P452,000.00

LESS: COCOLIFE LOAN

(37,499.78)

AMOUNT RECEIVED

P414,500.22

=====

[6] BASIC PAY

P8,300

X

6 YEARS

AND 3 MONTHS

=

SEPARATION PAY

P51,879.00

LESS: COCOLIFE LOAN

(41,659.34)

AMOUNT RECEIVED

P10,219.66

=====

[7] Docketed as NLRC NCR Case No. 00-0906558-95.

[8] Decision dated April 24, 1998 penned by Felipe P. Pati, rollo, pp. 76-83.

Petitioners appealed the April 24, 1998 decision in the National Labor Relations Commission (NLRC). The NLRC, however, found that said decision failed to dispose of Guerzon's claims for compensation, per diem and profit share. Thus, it remanded the case to labor arbiter in its June 17, 1999 decision.

Labor arbiter Pati, upon the motion of respondents, inhibited himself. The case was assigned to labor arbiter Dolores M. Peralta-Beley.

On February 28, 2003, labor arbiter Peralta-Beley rendered a decision affirming the findings of facts of labor arbiter Pati. Respondents were reinstated to their former positions without loss of seniority rights and privileges in addition to the payment of backwages from the time they were illegally dismissed up to the date of their actual reinstatement.

[9] Penned by Commissioner Angelita A. Gacutan and concurred in by Presiding Commissioner Raul T. Aquino and Commissioner Victoriano R. Calaycay of the Second Division of the NLRC. Dated August 31, 2004. Id., pp. 152-167.

[10] Docketed as CA-SP G.R. No. 88737.

[11] Decision penned by Associate Justice Eliezer R. de los Santos and concurred in by Associate Justices Eugenio S. Labitoria and Arturo D. Brion (now a member of this Court) of the Third Division of the Court of Appeals. Dated August 24, 2005. Rollo, pp. 26-34.

[12] Resolution dated October 20, 2005. Id., p. 44.

[13] *Globe Telecom v. Crisologo*, G.R. No. 174644, 10 August 2007, 529 SCRA 811, 818.

[14] *Samaniego v. NLRC*, G.R. No. 93095, 3 June 1991, 198 SCRA 111, 118-119.

[15] Id.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.