

THIRD DIVISION

[G.R. No. 187226, January 28, 2015]

**CHERYLL SANTOS LEUS, PETITIONER, VS. ST. SCHOLASTICA'S
COLLEGE WESTGROVE AND/OR SR. EDNA QUIAMBAO, OSB,
RESPONDENTS.**

DECISION

REYES, J.:

Cheryll Santos Leus (petitioner) was hired by St. Scholastica's College Westgrove (SSCW), a Catholic educational institution, as a non-teaching personnel, engaged in pre-marital sexual relations, got pregnant out of wedlock, married the father of her child, and was dismissed by SSCW, in that order. The question that has to be resolved is whether the petitioner's conduct constitutes a ground for her dismissal.

Before this Court is a petition for review on *certiorari* under Rule 45 of the Rules of Court seeking to annul and set aside the Decision^[1] dated September 24, 2008 and Resolution^[2] dated March 2, 2009 issued by the Court of Appeals (CA) in CA-G.R. SP No. 100188, which affirmed the Resolutions dated February 28, 2007^[3] and May 21, 2007^[4] of the National Labor Relations Commission (NLRC) in NLRC CA No. 049222-06.

The Facts

SSCW is a catholic and sectarian educational institution in Silang, Cavite. In May 2001, SSCW hired the petitioner as an Assistant to SSCW's Director of the Lay Apostolate and Community Outreach Directorate.

Sometime in 2003, the petitioner and her boyfriend conceived a child out of wedlock. When SSCW learned of the petitioner's pregnancy, Sr. Edna Quiambao (Sr. Quiambao), SSCW's Directress, advised her to file a resignation letter effective June 1, 2003. In response, the petitioner informed Sr. Quiambao that she would not resign from her employment just because she got pregnant without the benefit of marriage.^[5]

On May 28, 2003, Sr. Quiambao formally directed the petitioner to explain in writing why she should not be dismissed for engaging in pre-marital sexual relations and getting pregnant as a result thereof, which amounts to serious misconduct and conduct unbecoming of an employee of a Catholic school.^[6]

In a letter^[7] dated May 31, 2003, the petitioner explained that her pregnancy out of wedlock does not amount to serious misconduct or conduct unbecoming of an employee. She averred that she is unaware of any school policy stating that being pregnant out of wedlock is considered as a serious misconduct and, thus, a ground

for dismissal. Further, the petitioner requested a copy of SSCW's policy and guidelines so that she may better respond to the charge against her.

On June 2, 2003, Sr. Quiambao informed the petitioner that, pending the promulgation of a "Support Staff Handbook," SSCW follows the 1992 Manual of Regulations for Private Schools (1992 MRPS) on the causes for termination of employments; that Section 94(e) of the 1992 MRPS cites "disgraceful or immoral conduct" as a ground for dismissal in addition to the just causes for termination of employment provided under Article 282 of the Labor Code.^[8]

On June 4, 2003, the petitioner, through counsel, sent Sr. Quiambao a letter,^[9] which, in part, reads:

To us, pre-marital sex between two consenting adults without legal impediment to marry each other who later on married each other does not fall within the contemplation of "disgraceful or immoral conduct" and "serious misconduct" of the Manual of Regulations for Private Schools and the Labor Code of the Philippines.

Your argument that what happened to our client would set a bad example to the students and other employees of your school is speculative and is more imaginary than real. To dismiss her on that sole ground constitutes grave abuse of management prerogatives.

Considering her untarnished service for two years, dismissing her with her present condition would also mean depriving her to be more secure in terms of financial capacity to sustain maternal needs.^[10]

In a letter^[11] dated June 6, 2003, SSCW, through counsel, maintained that pre-marital sexual relations, even if between two consenting adults without legal impediment to marry, is considered a disgraceful and immoral conduct or a serious misconduct, which are grounds for the termination of employment under the 1992 MRPS and the Labor Code. That SSCW, as a Catholic institution of learning, has the right to uphold the teaching of the Catholic Church and expect its employees to abide by the same. They further asserted that the petitioner's indiscretion is further aggravated by the fact that she is the Assistant to the Director of the Lay Apostolate and Community Outreach Directorate, a position of responsibility that the students look up to as role model. The petitioner was again directed to submit a written explanation on why she should not be dismissed.

On June 9, 2003, the petitioner informed Sr. Quiambao that she adopts her counsel's letter dated June 4, 2003 as her written explanation.^[12]

Consequently, in her letter^[13] dated June 11, 2003, Sr. Quiambao informed the petitioner that her employment with SSCW is terminated on the ground of serious misconduct. She stressed that pre-marital sexual relations between two consenting adults with no impediment to marry, even if they subsequently married, amounts to immoral conduct. She further pointed out that SSCW finds unacceptable the scandal brought about by the petitioner's pregnancy out of wedlock as it ran counter to the

moral principles that SSCW stands for and teaches its students.

Thereupon, the petitioner filed a complaint for illegal dismissal with the Regional Arbitration Branch of the NLRC in Quezon City against SSCW and Sr. Quiambao (respondents). In her position paper,^[14] the petitioner claimed that SSCW gravely abused its management prerogative as there was no just cause for her dismissal. She maintained that her pregnancy out of wedlock cannot be considered as serious misconduct since the same is a purely private affair and not connected in any way with her duties as an employee of SSCW. Further, the petitioner averred that she and her boyfriend eventually got married even prior to her dismissal.

For their part, SSCW claimed that there was just cause to terminate the petitioner's employment with SSCW and that the same is a valid exercise of SSCW's management prerogative. They maintained that engaging in pre-marital sex, and getting pregnant as a result thereof, amounts to a disgraceful or immoral conduct, which is a ground for the dismissal of an employee under the 1992 MRPS.

They pointed out that SSCW is a Catholic educational institution, which caters exclusively to young girls; that SSCW would lose its credibility if it would maintain employees who do not live up to the values and teachings it inculcates to its students. SSCW further asserted that the petitioner, being an employee of a Catholic educational institution, should have strived to maintain the honor, dignity and reputation of SSCW as a Catholic school.^[15]

The Ruling of the Labor Arbiter

On February 28, 2006, the Labor Arbiter (LA) rendered a Decision,^[16] in NLRC Case No. 6-17657-03-C which dismissed the complaint filed by the petitioner. The LA found that there was a valid ground for the petitioner's dismissal; that her pregnancy out of wedlock is considered as a "disgraceful and immoral conduct." The LA pointed out that, as an employee of a Catholic educational institution, the petitioner is expected to live up to the Catholic values taught by SSCW to its students. Likewise, the LA opined that:

Further, a deep analysis of the facts would lead us to disagree with the complainant that she was dismissed simply because she violate[d] a Catholic [teaching]. It should not be taken in isolation but rather it should be analyzed in the light of the surrounding circumstances as a whole. We must also take into [consideration] the nature of her work and the nature of her employer-school. For us, it is not just an ordinary violation. It was committed by the complainant in an environment where her strict adherence to the same is called for and where the reputation of the school is at stake. x x x.^[17]

The LA further held that teachers and school employees, both in their official and personal conduct, must display exemplary behavior and act in a manner that is beyond reproach.

The petitioner appealed to the NLRC, insisting that there was no valid ground for the termination of her employment. She maintained that her pregnancy out of wedlock

cannot be considered as “serious misconduct” under Article 282 of the Labor Code since the same was not of such a grave and aggravated character. She asserted that SSCW did not present any evidence to establish that her pregnancy out of wedlock indeed eroded the moral principles that it teaches its students.^[18]

The Ruling of the NLRC

On February 28, 2007, the NLRC issued a Resolution,^[19] which affirmed the LA Decision dated February 28, 2006. The NLRC pointed out that the termination of the employment of the personnel of private schools is governed by the 1992 MRPS; that Section 94(e) thereof cites “disgraceful or immoral conduct” as a just cause for dismissal, in addition to the grounds for termination of employment provided for under Article 282 of the Labor Code. The NLRC held that the petitioner’s pregnancy out of wedlock is a “disgraceful or immoral conduct” within the contemplation of Section 94(e) of the 1992 MRPS and, thus, SSCW had a valid reason to terminate her employment.

The petitioner sought reconsideration^[20] of the Resolution dated February 28, 2007 but it was denied by the NLRC in its Resolution^[21] dated May 21, 2007.

Unperturbed, the petitioner filed a petition^[22] for *certiorari* with the CA, alleging that the NLRC gravely abused its discretion in ruling that there was a valid ground for her dismissal. She maintained that pregnancy out of wedlock cannot be considered as a disgraceful or immoral conduct; that SSCW failed to prove that its students were indeed gravely scandalized by her pregnancy out of wedlock. She likewise asserted that the NLRC erred in applying Section 94(e) of the 1992 MRPS.

The Ruling of the CA

On September 24, 2008, the CA rendered the herein assailed Decision,^[23] which denied the petition for *certiorari* filed by the petitioner. The CA held that it is the provisions of the 1992 MRPS and not the Labor Code which governs the termination of employment of teaching and non-teaching personnel of private schools, explaining that:

It is a principle of statutory construction that where there are two statutes that apply to a particular case, that which was specially intended for the said case must prevail. Petitioner was employed by respondent private Catholic institution which undeniably follows the precepts or norms of conduct set forth by the Catholic Church. Accordingly, the Manual of Regulations for Private Schools followed by it must prevail over the Labor Code, a general statute. The Manual constitutes the private schools’ Implementing Rules and Regulations of Batas Pambansa Blg. 232 or the Education Act of 1982. x x x.^[24]

The CA further held that the petitioner’s dismissal was a valid exercise of SSCW’s management prerogative to discipline and impose penalties on erring employees pursuant to its policies, rules and regulations. The CA upheld the NLRC’s conclusion that the petitioner’s pregnancy out of wedlock is considered as a “disgraceful and

immoral conduct” and, thus, a ground for dismissal under Section 94(e) of the 1992 MRPS. The CA likewise opined that the petitioner’s pregnancy out of wedlock is scandalous per se given the work environment and social milieu that she was in, viz:

Under Section 94 (e) of the [MRPS], and even under Article 282 (serious misconduct) of the Labor Code, “disgraceful and immoral conduct” is a basis for termination of employment.

x x x x

Petitioner contends that her pre-marital sexual relations with her boyfriend and her pregnancy prior to marriage was not disgraceful or immoral conduct sufficient for her dismissal because she was not a member of the school’s faculty and there is no evidence that her pregnancy scandalized the school community.

We are not persuaded. Petitioner’s pregnancy prior to marriage is scandalous in itself given the work environment and social milieu she was in. Respondent school for young ladies precisely seeks to prevent its students from situations like this, inculcating in them strict moral values and standards. Being part of the institution, petitioner’s private and public life could not be separated. Her admitted pre-marital sexual relations was a violation of private respondent’s prescribed standards of conduct that views pre-marital sex as immoral because sex between a man and a woman must only take place within the bounds of marriage.

Finally, petitioner’s dismissal is a valid exercise of the employer-school’s management prerogative to discipline and impose penalties on erring employees pursuant to its policies, rules and regulations. x x x.^[25]
(Citations omitted)

The petitioner moved for reconsideration^[26] but it was denied by the CA in its Resolution^[27] dated March 2, 2009.

Hence, the instant petition.

Issues

Essentially, the issues set forth by the petitioner for this Court’s decision are the following: *first*, whether the CA committed reversible error in ruling that it is the 1992 MRPS and not the Labor Code that governs the termination of employment of teaching and non-teaching personnel of private schools; and *second*, whether the petitioner’s pregnancy out of wedlock constitutes a valid ground to terminate her employment.

The Ruling of the Court

The Court grants the petition.

First Issue: Applicability of the 1992 MRPS