

## SECOND DIVISION

[ G.R. No. 185449, November 12, 2014 ]

**GOODYEAR PHILIPPINES, INC. AND REMEGIO M. RAMOS,  
PETITIONERS, VS. MARINA L. ANGUS, RESPONDENT.**

### DECISION

**DEL CASTILLO, J.:**

In the absence of an express or implied prohibition against it, collection of both retirement benefits and separation pay upon severance from employment is allowed. This is grounded on the social justice policy that doubts should always be resolved in favor of labor rights.<sup>[1]</sup>

By this Petition for Review on *Certiorari* with Prayer for Injunctive Relief,<sup>[2]</sup> petitioners Goodyear Philippines, Inc. (Goodyear) and Remigio M. Ramos (Ramos) assail the May 13, 2008 Decision<sup>[3]</sup> and November 17, 2008 Resolution<sup>[4]</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 98418. The CA partly granted the Petition for *Certiorari* filed therewith by modifying the September 30, 2005 Decision<sup>[5]</sup> of the National Labor Relations Commission (NLRC) in that it ordered petitioners to pay respondent Marina L. Angus (Angus) separation pay, attorney's fees equivalent to 10% of the separation pay, and moral damages.

#### ***Factual Antecedents***

Angus was employed by Goodyear on November 16, 1966 and occupied the position of Secretary to the Manager of Quality and Technology.

In order to maintain the viability of its operations in the midst of economic reversals, Goodyear implemented cost-saving measures which included the streamlining of its workforce. Consequently, on September 19, 2001, Angus received from Ramos, the Human Resources Director of Goodyear, a letter which reads as follows:

September 18, 2001

x x x x

Dear Ms. Angus:

Please be advised that, based on a thorough study made by Management, the position of Secretary to the Manager of Quality & Technology is already redundant or is no longer necessary for its effective operation and is to be abolished effective today, September 18, 2001.

In view of the above, we regret to inform you that your services, as Secretary to the Manager of Quality & Technology, will be terminated effective October 18, 2001. Your last day of work, however, will be effective today, September 18, 2001, to give you a month's time to look for another employment.

As Company practice, termination due to redundancy or retrenchment is paid at 45 days' pay per year of service. Considering, that you have rendered 34.92 years of service to the Company as of October 18, 2001, and have reached the required minimum age of 55 to qualify for early retirement, Management has decided to grant you early retirement benefit at 47 days' per year of service.

The Company will pay you the following termination benefits on October 18, 2001: 47 days' pay per year of service (which will come from the Pension Fund), fractions of 13<sup>th</sup> and 14<sup>th</sup> months pay, longevity pay, emergency leave and any earned and unused vacation and/or sick leave. The refund of your contributions to the Goodyear Savings Plan, as well as the Company's share will be handled separately by Security Bank Corporation, the Administrator of said Plan.

Should the Company find in the future that your services are again needed, it shall inform you of the opportunity so you can apply. The Company will try to assist you find-new work elsewhere, and you may use Goodyear as a reference, if needed.

We thank you for your 34.92 years of loyal service with Goodyear Philippines, and we wish you success in your future endeavours.

Very truly yours,

GOODYEAR PHILIPPINES INC.

(signed)  
LUIS J. ISON

Manager-Quality & Technology

(signed)  
REMIGIO M. RAMOS

Human Resources Director<sup>[6]</sup>

Upon receipt, Angus responded through a letter of even date, viz:

Dear Sirs:

With reference to the attached letter dated September 18, 2001, I accept Management decision to avail early retirement benefit. However, I do not agree on the terms stated therein. I suggest I be given a premium of additional 3 days for every year of service which is only 6.3% or a total of 50 days. I gathered it is Philippine industry's practice to give premium to encourage employees to avail of the early retirement benefit.

Acceptance of this proposal will make my separation from Goodyear

pleasant.

Very truly yours,

(signed)

MARINA L. ANGUS<sup>[7]</sup>

Meanwhile and in connection with the retrenchment of Angus, an Establishment Termination Report<sup>[8]</sup> was filed by Goodyear with the Department of Labor and Employment (DOLE).

On November 20, 2001, Angus accepted the checks which covered payment of her retirement benefits computed at 47 days' pay per year of service and other company benefits. However, she put the following annotation in the acknowledgement receipt thereof:

Received under protest - amount is not acceptable. Acceptance is on condition that I will be given a premium of additional 3 days for every year of service.

Since my service was terminated due to redundancy, I now claim my separation pay as mandated by law. This is a separate claim from my early retirement benefit.

(Signed)

Marina L. Angus

11-20-01<sup>[9]</sup>

Allegedly because of the above-quoted annotation, and also of Angus' refusal to sign a Release and Quitclaim, petitioners took back the checks.<sup>[10]</sup>

In response to Angus' protest, Ramos wrote her a letter<sup>[11]</sup> dated November 29, 2001 explaining that the company has already offered her the most favorable separation benefits due to redundancy, that is, 47 days' pay per year of service instead of the applicable rate of 45 days' pay per year of service. And based on the Retirement Plan under the Collective Bargaining Agreement (CBA) and the parties' Employment Contract, Angus is entitled to only one of the following kinds of separation pay: (1) normal retirement which is payable at 47 days' pay per year of service; (2) early retirement at a maximum of 47 days' pay per year of service; (3) retrenchment, redundancy, closure of establishment at 45 days' pay per year of service; (4) medical disability at 45 days' pay per year of service; or (5) resignation at 20 days' pay per year of service. Because of these, Ramos informed Angus that the company cannot anymore entertain any of her additional claims.

In reply,<sup>[12]</sup> Angus reiterated her claim for both termination pay and early retirement benefits. She also demanded that she be given a copy of the Notice of Redundancy filed with the DOLE and a copy of the specific provisions in the Retirement Plan, CBA and Employment Contract which could justify the prohibition

against the grant of both to a separated employee as asserted by petitioners. However, Ramos merely reminded Angus to claim her checks and brushed aside her demands in a letter<sup>[13]</sup> dated December 19, 2001.

On January 17, 2002, Angus finally accepted a check in the amount of P1,958,927.89 purportedly inclusive of all termination benefits computed at 47 days' pay per year of sendee. She likewise executed a Release and Quitclaim<sup>[14]</sup> in favor of Goodyear.

On February 5, 2002, Angus filed with the Labor Arbiter a complaint for illegal dismissal with claims for separation pay, damages and attorney's fees against petitioners.

In her Position Paper,<sup>[15]</sup> Angus claimed that her termination by reason of redundancy was effected in violation of the Labor Code for it was not timely reported to the DOLE and no separation pay was given to her; that the separation pay to which she is entitled by law is entirely different from the retirement benefits that she received; that nothing in the company's Retirement Plan under the CBA, the CBA itself or the Employment Contract prohibits the grant of more than one land of separation pay; and, that she was only forced to sign a quitclaim after accepting her retirement benefits.

On the other hand, petitioners asseverated in their Position Paper<sup>[16]</sup> that Angus was validly dismissed for an authorized cause; that she voluntarily accepted her termination benefits and freely executed the corresponding quitclaim; that her receipt of early retirement benefits equivalent to 47 days' pay for every year of service, which amount is higher than the regular separation pay, had effectively barred her from recovering separation pay due to redundancy; and, that the following Section 1, Article XI of the last company CBA supports the grant of only one benefit:

It is hereby understood that the availment of the retirement benefits herein provided for shall exclude entitlement to any separation pay, termination pay, redundancy pay, retrenchment pay or any other severance pay.

The parties finally agree that an employee shall be entitled to only one (1) benefit, whichever is higher.<sup>[17]</sup>

In her Rejoinder,<sup>[18]</sup> Angus disputed the existence of the aforesaid provision in the company's CBA. She presented a copy of the latest CBA<sup>[19]</sup> between Goodyear and Unyon ng mga Manggagawa sa Goma sa Goodyear Phils., Inc. effective for the period July 25, 2001 to July 24, 2004, to show that the provisions alluded to by the petitioners do not exist. In contrast, she pointed to Section 5, Article VIII of the latest CBA which she claimed to be the one applicable to her case, viz:

#### SECTION 5. Retirement Plan.

At normal retirement age of 60 years, a worker shall be entitled to a lump sum retirement benefit in an amount equivalent to his daily rate (base rate x 8) multiplied by 47 days, and further multiplied by his years of service.

A worker who is at least 50 years old and with at least 15 years of service, and who has been recommended by the President of the UNION for early retirement and duly approved by the Human Resources Director, shall be paid a lump sum retirement benefit as follows:

Years of Service Rendered	Retirement Benefit Equivalent to
15 - less than 21	34 days pay per year of service
21 - less than 26	35 days pay per year of service
26 - less than 31	36 days pay per year of service
31 and up	47 days pay per year of service <sup>[20]</sup>

### ***Ruling of the Labor Arbiter***

In a Decision<sup>[21]</sup> dated January 23, 2004, the Labor Arbiter upheld the validity of Angus' termination from employment. It likewise declared that the amount she received from the company was actually payment of separation pay due to redundancy, only that it was computed under the CBA's retirement plan since the same was more advantageous to her. Anent her claim for both separation pay and retirement benefits, the Labor Arbiter held that the grant of both is not allowed under the Retirement Plan/CBA. Moreover, it was held that her claim of vitiated consent in signing the quitclaim is unworthy of credence considering that she fairly negotiated the matter with the management and that the consideration for its execution is higher than what she is mandated to receive.

Hence, the dispositive portion of the Labor Arbiter's Decision, viz:

WHEREFORE, premises considered, the instant complaint is hereby dismissed for lack of merit.

SO ORDERED.<sup>[22]</sup>

### ***Ruling of the National Labor Relations Commission***

Angus appealed to the NLRC, but was unsuccessful as it rendered a Decision<sup>[23]</sup> dated September 30, 2005 affirming the ruling of the Labor Arbiter. Thus:

WHEREFORE, finding no cogent reason to modify, alter, much less reverse the decision appealed from, the same is AFFIRMED and the instant appeal is DISMISSED for lack of merit.

SO ORDERED.<sup>[24]</sup>