

THIRD DIVISION

[G.R. No. 211228, November 12, 2014]

UNIVERSITY OF PANGASINAN, INC., CESAR DUQUE/JUAN LLAMAS AMOR/DOMINADOR REYES, PETITIONERS, VS. FLORENTINO FERNANDEZ AND HEIRS OF NILDA FERNANDEZ, RESPONDENTS.

DECISION

REYES, J.:

University of Pangasinan, Inc. (UPI), an educational institution, and its former officials, Cesar Duque, Juan Llamas Amor and Dominador Reyes (collectively referred to as the petitioners), are before this Court with a petition for review on *certiorari*^[1] filed under Rule 45 of the Rules of Court to assail the Decision^[2] rendered by the Court of Appeals (CA) on November 5, 2013 and the Resolution^[3] thereafter issued on February 7, 2014 in CA-GR. SP No. 107230. The CA reversed and set aside the Decision^[4] dated July 21, 2008 and Resolution^[5] dated November 11, 2008 of the National Labor Relations Commission's (NLRC) First Division in NLRC-NCR CAno. 027116-01 (AE-09-06) granting the appeal filed by the petitioners against the Order^[6] dated August 22, 2006 of Labor Arbiter [LA] Luis D. Flores (LA Flores). The CA, in effect, reinstated LA Flores' order approving an updated computation of the money claims of Florentino Fernandez (Florentino) and his now deceased wife, Nilda Fernandez (Nilda),^[7] both faculty members of UPI, who were illegally dismissed from service on May 9, 2000 for alleged dishonesty, abuse of authority and unbecoming conduct.

Antecedents

The CA aptly summarized the facts of the case up to the filing before it of the Petition for *Certiorari*^[8] by Florentino and the heirs of Nilda (respondents), viz:

This case arose from a complaint for illegal dismissal filed by [Florentino and Nilda] on May 18, 2000 against [UPI], its President Cesar Duque, Executive Vice-President Juan Llamas Amor and Director for Student Affairs Dominador Reyes x x x.

In a Decision dated November 6, 2000, [Labor Arbiter Rolando D. Gambito (LA Gambito)] ruled that [Florentino and Nilda] were illegally dismissed by [the petitioners]. The dispositive portion of the Decision reads:

"ACCORDINGLY, judgment is hereby rendered as follows:

1. Declaring that [the petitioners] are not liable for unfair labor practice;
2. Declaring that [Florentino and Nilda] were dismissed from their positions as college instructors without just and valid cause;
3. Ordering [UPI] and/or its president Cesar T. Duque, and vice-president, Juan Llamas Amor to pay [Florentino and Nilda] backwages, allowances and other benefits computed from the date of their dismissal on May 9, 2000 up to November 6, 2000, date of promulgation of decision;
4. Ordering that instead of reinstatement of [Florentino and Nilda] to their former positions, [the petitioners] should pay them separation pay equivalent to one (1) month salary for every year of service, a fraction of at least six (6) months shall be considered as one (1) whole year;
5. Ordering the [petitioners] to pay [Florentino and Nilda] attorney's fees in the amount of P20,000[.00];
6. Denying [Florentino and Nilda's] claim for moral and exemplary damages and all other claims for want of merit.

COMPUTATION OF AWARD:	
(1) BACKWAGES (May 9-November 6, 2000);	
a)[Florentino]	
P10,706.95 (mo. rate) x 5 mos. & 21 days	= P63,754.82
b)[Nilda]	
P11,282.28 (mo. rate) x 5 mos. & 21 days	= <u>P67,180.83</u>
TOTAL BACKWAGES	P 130,935.65
(2) Separation Pay:	
[Florentino]	
P10,706.95x 26 years	P278,380.70
[Nilda]	
P11,282.28x29 years	<u>P327,186.12</u>
TOTAL	P605,566.82
ATTORNEY'S FEES:	<u>P 20,000.00</u>
TOTAL AWARD:	
BACKWAGES	P130,935.65
SEPARATION PAY	P605,566.82
ATTORNEY'S FEES	<u>P 20,000.00</u>

SO ORDERED."

[The petitioners] interposed an appeal to the NLRC, which affirmed [LA Gambito's] Decision in a Resolution dated June 29, 2001 xxx[.]

X X X X

[The petitioners] filed a *Motion for Reconsideration* which was granted by the NLRC in a Resolution dated February 21, 2002, the dispositive portion of which reads:

"WHEREFORE, finding compelling reasons to reverse Our previous ruling, the Motion for Reconsideration is hereby GRANTED, the Resolution dated June 29, 2001 is hereby SET ASIDE and the decision of [LA Gambito] REVERSED. The complaint is hereby

DISMISSED with costs against [Florentino and Nilda].

SO ORDERED."

Aggrieved, [Florentino and Nilda] filed a *Petition for Certiorari* with [the CA] to annul the NLRC's Resolution dated February 21, 2002. On September 13, 2004, [the CA] rendered a Decision granting the petition. The dispositive portion thereof reads:

"WHEREFORE, premises considered, the petition is hereby GRANTED. The assailed resolution dated February 21, 2002 of x x x NLRC (First Division) in NLRC NCR Case No. SUB-RAB 01-07-05-0092-00; NLRC NCR CA No. 027116-2001 is hereby REVERSED and SET ASIDE. The decision of [LA Gambito] dated November 6, 2000 is hereby REINSTATED.

SO ORDERED."

[UPI] appealed [the CA's] Decision to the Supreme Court but which was denied by the Supreme Court in a Resolution dated February 21, 2005 on the ground that [UPI] failed to properly verify its petition in accordance with Section 1, Rule 45 in relation to Section 4, Rule 7, and A.M. No. 00-2-10-SC. [UPI's] motion for reconsideration was likewise denied with finality by the Supreme Court in a Resolution dated June 6, 2005.

As a consequence, an Entry of Judgment was issued by the Supreme Court declaring its Resolution dated February 21, 2005 final and executory as of July 11, 2005.

Subsequently, [Florentino and Nilda] moved for a re-computation of their award to include their backwages and other benefits from the date of the

decision of [LA Gambito] up to the finality of the decision on July 11, 2005. They likewise moved for the issuance of a writ of execution. During the pre-execution conference, [UPI] questioned the re-computation of [Florentino and Nilda's] backwages and awards. In view of a stand-off, [LA Flores] required both parties to submit their respective computations and justifications.

On August 22, 2006, [LA Flores] issued an Order ruling as follows:

"Before Us is an Omnibus Motion filed by [UPI] through its legal counsel alleging among other things the adoption of the final decision of [LA Gambito] dated November 6, 2000.

"xxx Please take note that x x x the decision rendered by the [CA] reinstating the decision of [LA Gambito] xxx was declared final and executory by no less than the Supreme Court of the Philippines by its issuance of a final entry of Judgment dated July 11, 2005.

Hence, there is a need to update and upgrade the computation of money claims and separation pay which has amounted now to P2,165,467.02 as finally completed by our Labor Arbitration Associate Galo Regino L. Esperanza hereto attached as Annex "A".

The pending motion to Dismiss is hereby set aside for lack of merit.

The substitution of [the] heirs of [Nilda] is hereby granted.

SO ORDERED."

On the same date (August 22, 2006), [LA Flores] issued a writ of execution.

[UPI] filed a *Motion for Reconsideration* of the above Order but it was denied by [LA Flores] in an Order dated September 12, 2006 on the ground that no motion for reconsideration of any order or decision is allowed under Section 19, Rule V of the NLRC Rules of Procedure.

In another Order likewise dated September 12, 2006, [LA Flores] denied [UPI's] *Motion to Quash Writ of Execution* and directed the sheriff to proceed with the due execution of the writ.

[The petitioners] interposed an appeal to the NLRC questioning [LA Flores'] Orders dated August 22, 2006 and September 12, 2006 basically alleging that [Florentino and Nilda] are only entitled to the amount of P756,502.47 awarded by [LA Gambito] in the Decision dated November 6, 2000, and not the recomputed amount of P2,165,467.02.

In the assailed Decision dated July 21, 2008, the NLRC granted the appeal, x x x

x x x x

[Florentino and Nilda] filed a *Motion for Reconsideration* but it was denied by the NLRC in a Resolution dated November 11, 2008 x x x[.]

x x x x^[9] (Citations omitted and italics in the original)

Proceedings before the CA

The respondents filed before the CA a Petition for *Certiorari*^[10] primarily anchored on the issue of what the proper basis was for the computation of backwages and benefits to be paid to an employee. They claimed that the reckoning period should be from the time of illegal dismissal on May 9, 2000 up to the finality of the decision to be executed on July 11, 2005 as stated in the Entry of Judgment. Further, an interest of 12% *per annum* should be imposed upon the total adjudged award.

On November 5, 2013, the CA rendered the assailed Decision, the decretal portion of which reads:

WHEREFORE, premises considered, the *Petition for Certiorari* is **GRANTED**. The Decision dated July 21, 2008 and Resolution dated November 11, 2008 of the [NLRC] are **REVERSED** and **SET ASIDE** and [LA Flores'] Order dated August 22, 2006 is REINSTATED.

[The petitioners] are **ORDERED** to **PAY** [the respondents] the following:

- 1) backwages computed from May 9, 2000 (the date when [Florentino and Nilda] were illegally dismissed from employment) up to July 11, 2005 (the date of the finality of the Supreme Court's Resolution per Entry of Judgment);
- 2) separation pay computed from [Florentino and Nilda's] respective first day[s] of employment with [UPI] up to July 11, 2005 at the rate of one month pay per year of service;
- 3) attorney's fees in the amount of P20,000.00; and
- 4) legal interest of twelve percent (12%) per annum of the total monetary awards computed from July 11, 2005 until their full satisfaction.

The [LA] is hereby **ORDERED** to make another re-computation according to the above directives.

SO ORDERED.^[11]