

THIRD DIVISION

[G.R. No. 114307, July 08, 1998]

PHILIPPINE AIRLINES, INC., PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION (2ND DIVISION), LABOR ARBITER JOSE DE VERA, AND EDILBERTO CASTRO, RESPONDENTS.

RESOLUTION

ROMERO, J.:

The central issue in the case at bar is whether or not an employee who has been preventively suspended beyond the maximum 30-day period is entitled to backwages and salary increases granted under the Collective Bargaining Agreement (CBA) during his period of suspension.

Private respondent Edilberto Castro was hired as manifesting clerk by petitioner Philippine Airlines Inc. (PAL) on July 18, 1977. It appears that on March 12, 1984, respondent, together with co-employee Arnaldo Olfindo, were apprehended by government authorities while about to board a flight en route to Hongkong in possession of P39,850.00 and P6,000.00 respectively, in violation of Central Bank (CB) Circular 265, as amended by CB Circular 383,^[1] in relation to Section 34 of Republic Act 265, as amended.

When informed of the incident, PAL required respondent "to explain within 24 hours why he should not be charged administratively."^[2] Upon failure of the latter to submit his explanation thereto, he was placed on preventive suspension effective March 27, 1984 for grave misconduct.

On May 28, 1984, an investigation was conducted wherein respondent admitted ownership of the confiscated sum of money but denying any knowledge of CB Circular 265. No further inquiry was conducted. On August 13, 1985, respondent, through the Philippine Airlines Employees Association (PALEA), sought not only the dismissal of his case but likewise prayed for his reinstatement, to which appeal, PAL failed to make a reply thereto. He reiterated the same appeal in his letter dated August 13, 1987.

On September 18, 1987 or three (3) years and six (6) months after his suspension, PAL issued a resolution finding respondent guilty of the offense charged but nonetheless reinstated the latter explaining that the period within which he was out of work shall serve as his penalty for suspension. The said resolution likewise required respondent to affix his signature therein to signify his full conformity to the action taken by PAL. Upon his reinstatement, respondent filed a claim against PAL for backwages and salary increases granted under the collective bargaining agreement (CBA) covering the period of his suspension which the latter, however, denied on account that under the existing CBA, "an employee under suspension is not entitled to the CBA salary increases granted during the period covered by his

penalty.”^[3]

On March 22, 1991, Labor Arbiter Jose G. de Vera rendered a decision, the decretal portion of which reads as follows:

“WHEREFORE, all the foregoing premises being considered, judgment is hereby rendered limiting the suspension imposed upon the complainant to one (1) month, and the respondent to pay complainant his salaries, benefits, and other privileges from April 26, 1984 up to September 18, 1987 and to grant complainant his salary increases accruing during the period aforesaid. Further, the respondent is hereby ordered to pay complainant P50,000.00 in moral damages and P10,000.00 in exemplary damages.

SO ORDERED.”^[4]

On appeal, this decision was affirmed by the National Labor Relations Commission (NLRC) in its decision dated December 29, 1993 with the deletion of the award of moral and exemplary damages. Hence, the instant petition.

We resolve to dismiss the petition.

Preventive suspension is a disciplinary measure for the protection of the company’s property pending investigation of any alleged malfeasance or misfeasance committed by the employee.^[5] The employer may place the worker concerned under preventive suspension if his continued employment poses a serious and imminent threat to the life or property of the employer or of his co-workers.^[6]

Sections 3 and 4, Rule XIV of the Omnibus Rules Implementing the Labor Code provides:

“Sec. 3. Preventive suspension. - The employer can place the worker concerned under preventive suspension if his continued employment poses a serious and imminent threat to the life or property of the employer or of his co-workers.

Sec. 4. - *Period of suspension.* - No preventive suspension shall last longer than 30 days. The employer shall thereafter reinstate the worker in his former or in a substantially equivalent position or the employer may extend the period of suspension provided that during the period of extension, he pays the wages and other benefits due to the workers. In such case, the worker shall not be bound to reimburse the amount paid to him during the extension if the employer decides, after completion of the hearing, to dismiss the worker.” (Underscoring supplied)

It is undisputed that the period of suspension of respondent lasted for three (3) years and six (6) months. PAL, therefore, committed a serious transgression when it manifestly delayed the determination of respondent’s culpability in the offense charged. PAL stated lamely in its petition that “due to numerous administrative cases pending at that time, the Committee inadvertently failed to submit its recommendation to (the) management.”^[7] This is specious reasoning. The rules clearly provide that a preventive suspension shall not exceed a maximum period of