

## **THIRD DIVISION**

**[ G.R. No. 224729, February 08, 2021 ]**

**MANILA ELECTRIC COMPANY, PETITIONER, VS. APOLINAR A. ARGENTERA, RESPONDENT.**

**[G.R. No. 225049]**

**APOLINAR A. ARGENTERA, PETITIONER, VS. MANILA ELECTRIC COMPANY/MANNY V. PANGILINAN, RESPONDENTS.**

### **DECISION**

**LEONEN, J.:**

Without an express provision on forfeiture of benefits in a company policy or contractual stipulation under an individual or collective contract, an employee's rights, benefits, and privileges are not automatically forfeited upon their dismissal.

This Court resolves the consolidated Petition for Review on Certiorari<sup>[1]</sup> filed by Manila Electric Company (Meralco) against Apolinar A. Argentera (Argentera), and Argentera's Petition for Review on Certiorari<sup>[2]</sup> that he filed against Meralco and its president, Manny V. Pangilinan (Pangilinan). They assail the Decision<sup>[3]</sup> and Resolution<sup>[4]</sup> of the Court of Appeals, which upheld the validity of Argentera's dismissal and awarded monetary benefits and bonuses as of the day he was terminated.

Argentera started working for Meralco on January 16, 1990. He was eventually promoted as an acting foreman in January 2012.<sup>[5]</sup>

Meralco is a public utility which distributes electric power to Metro Manila and different provinces.<sup>[6]</sup> It operates many substations, including the recently retired substation in Forbes Park. The Central Operation and Maintenance Substation Office—where Argentera worked under Crew T-2319—was in charge of maintaining the substation.<sup>[7]</sup>

On August 6, 2012, Crew T-2319 went to the Forbes Park substation. This included Argentera, Antonio C. Tizon (Tizon), and a reliever, Edward F. Garcia (Garcia). They informed the guard on duty, Gil M. Udag (Udag), that they would be inspecting the equipment within the substation. Since Argentera and Tizon were the crew members who would usually inspect the substations, Udag allowed them to go inside. He gave them a Substation Action Form to indicate the activities done in the premises and the items that would be removed.<sup>[8]</sup>

Argentera and Tizon did not allow Udag to go near what they were inspecting because it was allegedly dangerous. After the crew had left, Udag checked the area

and found that three disconnect switch blades were missing, even if these were not in the Substation Action Form that Crew T-2319 filled out. Udag noted this incident in the security logbook.<sup>[9]</sup>

On August 22 and 23, 2012, Argentera and Tizon returned to the Forbes Park substation to continue their inspections.<sup>[10]</sup> The guard on duty, Roberto Mecina, Jr. (Mecina), allowed them to enter and gave them a Substation Action Form for each day.<sup>[11]</sup> Like Udag, Mecina was prevented from going near where Argentera and his crew were working.<sup>[12]</sup> For each day, after Argentera and his crew had left, Mecina noted in the security logbook that the following were missing: six disconnect switch blades on August 22 and another three on August 23. In both instances, the forms did not indicate that these were removed from the premises.<sup>[13]</sup>

In October 2012, Argentera's supervisors and team leader found out about the missing disconnect switch blades during their inventory inspection. Argentera's team leader, Enrique B. Santos (Santos), reported the missing items to Meralco's management on October 17, 2012.<sup>[14]</sup>

On November 29, 2012, Meralco issued a Notice of Investigation against the members of Crew T-2319: Argentera, Tizon, Christian Reformina (Reformina), and its former reliever, Garcia.<sup>[15]</sup> Hearings were conducted and statements submitted until January 29, 2014.<sup>[16]</sup>

Argentera alleged that on August 6, 2012, he received a text message from his supervisor, Jamar Eco (Eco), to pick up oil pump and hose at the Forbes Park substation.<sup>[17]</sup> He went to the substation with Tizon while Garcia remained in the truck.<sup>[18]</sup> Similarly, on August 22, 2012, he also went to the substation to bring SAF pads<sup>[19]</sup> as previously requested by a guard.<sup>[20]</sup> On August 23, 2012, his crew was checking the disconnect switch at the Malibay substation.<sup>[21]</sup> On all these dates, he alleged that they returned to base at around 4:00 p.m. However, when confronted about their return time to base beyond 4:00 p.m., Argentera said he could not remember.<sup>[22]</sup>

Tizon corroborated Argentera's account. He alleged that they did not bring tools, but simply loaded the oil pump on the truck and returned to their base before 4:00 p.m. on August 6, 2012. Similarly, on August 22, 2012, he said that they went to the Forbes Park substation to give SAF pads to the requesting guards, and that he only went inside to use the bathroom. Likewise, he claimed that he did not remember why they arrived beyond 4:00 p.m. on August 6 and 23, speculating that they must have been delayed due to the usual traffic jam.<sup>[23]</sup>

Garcia executed two affidavits.<sup>[24]</sup> In his first affidavit, he alleged that he was assigned to Crew T-2319 on August 6, 2012 because of insufficient personnel.<sup>[25]</sup> He remained in the truck as Argentera and Tizon entered the Forbes Park substation with tools on hand. He said that he did not see what they were doing as he was inside the truck, and when they returned, he did not see them carry anything aside from the tools they brought.<sup>[26]</sup>

Garcia changed his account in his second affidavit. He claimed that from inside the truck, he saw Tizon on top of the disconnect switches removing the blade contact and, with Argentera, returning with the blades and excess bolts and nuts, which they stored at the back of the truck.<sup>[27]</sup>

Eco was the supervisor assigned to Argentera's crew. He said the crew was in charge of retiring the Forbes Park substation, in which the crew would dismantle parts that cannot be brought outside the substation.<sup>[28]</sup> He said he confronted Argentera and Tizon upon discovering that they had pulled out the missing blades, and that the two admitted to doing so. He also said Eco's superiors later went to the Forbes Park substation to confirm the missing disconnect switch blades.<sup>[29]</sup>

Enrique Santos (Santos) was the team leader of the Central Operation and Maintenance Office, in charge of giving crew assignments. He denied having instructed Argentera's crew to remove an oil pump from the substation on August 6, 2012. He likewise denied having instructed the crew to pull out the blades from the substation, asserting that Argentera and Tizon had admitted to removing them.<sup>[30]</sup>

On January 29, 2014, Meralco issued a Disciplinary Process Report<sup>[31]</sup> recommending that Argentera and Tizon be dismissed from employment. The case was also referred to Meralco's legal department for the possible filing of qualified theft charges against them. Garcia and Reformina were not held liable.<sup>[32]</sup>

On February 18, 2014, Meralco issued a Notice of Decision terminating Argentera and Tizon from employment for violating its Code on Right Employee Conduct/Code on Employee Discipline.<sup>[33]</sup> Argentera was notified of this decision on February 19, 2014.<sup>[34]</sup>

Specifically, Argentera and Tizon were held to have committed the following: "[l]eaving work area, loafing, loitering, sleeping or performing personal matters while on duty"; "[t]heft of property belonging to another person. committed during working time or on company premises, or of company property regardless of place or time"; "[w]illful disobedience by the employee of the lawful orders of his superior in connection with his work"; "[a]ny improper act, omission, conduct or behavior analogous to the provisions of this rule and prejudicial to the interest of the Company"; and "[u]nauthorized use, lending or improper care of Company property[.]"<sup>[35]</sup> It also indicated that Argentera was terminated from work based on Article 282 of the Labor Code, for serious misconduct or willful disobedience.<sup>[36]</sup>

On March 14, 2014, Argentera filed a Request for Assistance with the NCR-Arbitration Branch of the Department of Labor and Employment.<sup>[37]</sup>

On May 12, 2014, Meralco filed a Complaint-Affidavit for qualified theft against Argentera and Tizon.<sup>[38]</sup> Subsequently, Reformina executed an affidavit supporting the charge, where he stated that he and the rest of Crew T-2319 would go to the Forbes Park substation twice or thrice a week from January to August 2012. During these visits, he said Argentera and Tizon would illegally dismantle retireable materials to sell to junkshops.<sup>[39]</sup> Argentera would allegedly decide when to go to the substation and Tizon would select the junkshop. The two would evade the guards by

placing retirable materials inside the toolbox on the truck and misdeclaring items in the Substation Action Form. Allegedly, the two would use the proceeds from the sale of these items to buy illegal drugs.<sup>[40]</sup>

After the mediation had failed, Argentera filed a Complaint for illegal dismissal against Meralco and its president, Pangilinan.<sup>[41]</sup>

In his Complaint, Argentera claimed that he was entitled to a lump sum of P70,000.00 under the Collective Bargaining Agreement. He also alleged that Meralco failed to pay him the P20,000.00 signing bonus, 2012 and 2013 Christmas bonuses, monetized sick and vacation leave benefits, 2012 anniversary bonus, 2012 and 2013 midyear bonuses, and performance incentive plan benefits.<sup>[42]</sup>

On November 3, 2014, the Labor Arbiter dismissed Argentera's Complaint.<sup>[43]</sup> However, it ordered Meralco to pay him P70,000.00 based on the lump sum indicated in the Collective Bargaining Agreement:

WHEREFORE, premises considered, the instant complaint for illegal dismissal as well as complainant's claims for backwages, moral, nominal and exemplary damages, attorney's fees, as well as his claims for signing bonus, Christmas bonus, cash conversion of Sick Leave and Vacation Leaves, Anniversary Bonus, Mid-Year Bonus and Incentive Plan Benefits, are all DISMISSED/DENIED for lack of merit.<sup>[44]</sup>

The Labor Arbiter held that Argentera was validly dismissed. Based on the testimonies of his co-workers and the security guards, the Labor Arbiter found sufficient evidence showing that Argentera and Tizon were responsible for the missing disconnect switch blades. It was also shown that Argentera and his crew were not authorized to go to Forbes Park substation on the dates the blades went missing. Aside from Argentera's denials, he was not able to "present any witness to support his innocence."<sup>[45]</sup>

As to his money claims, the Labor Arbiter held that no evidence was presented to support these except for the P70,000.00 lump sum stipulated in the Collective Bargaining Agreement. The Labor Arbiter found no showing that Meralco paid this benefit to Argentera.<sup>[46]</sup>

On appeal, the National Labor Relations Commission issued a March 9, 2015 Decision<sup>[47]</sup> affirming the Labor Arbiter's ruling.<sup>[48]</sup> It held that there was substantial evidence presented-including Reformina's statement of the modus operandi which Argentera and Tizon failed to rebut-that the two were illegally taking items from the Forbes Park substation and selling these to junk yards.<sup>[49]</sup> It also noted that the guards could not have possibly caught Argentera and Tizon in the act, precisely because they were prevented from going near the area where the two were allegedly inspecting.<sup>[50]</sup>

In an April 22, 2015 Resolution,<sup>[51]</sup> the National Labor Relations Commission denied Argentera's Motion for Reconsideration.

Argentera filed a Petition for Certiorari,<sup>[52]</sup> which the Court of Appeals partially

granted in a November 27, 2015 Decision.<sup>[53]</sup> While it affirmed that Argentera was validly dismissed for just cause, it awarded all the monetary benefits due to Argentera "under the law or the [Collective Bargaining Agreement] as of February 19, 2014[,]"<sup>[54]</sup> with legal interest:

**WHEREFORE**, based on the foregoing, the petition is **PARTLY GRANTED**. The assailed Decision of the NLRC - 4th Division dated March 9, 2015 affirming the decision of the Labor Arbiter dated November 3, 2014 in NLRC NCR Case No. 05-05661-14, and the Resolution dated April 22, 2015 in NLRC LAC No. 12-003105-14/NLRC NCR Case No. 05-05661-14 denying herein petitioner's Motion for Reconsideration are **AFFIRMED WITH THE MODIFICATION** that private respondents are **DIRECTED** to release to petitioner Apolinar A. Argentera all the monetary benefits due him under the law or the CBA as of February 19, 2014.

An interest rate of six percent (6%) per annum shall be imposed on all monetary awards from date of finality of this Decision until full payment.

The Court hereby remands the case to the Arbitration Branch of origin for purposes of computation of petitioner's monetary benefits.

**SO ORDERED.**<sup>[55]</sup> (Emphasis in the original)

In so ruling, the Court of Appeals said that there was no showing that Argentera was preventively suspended during the investigation, or that the Collective Bargaining Agreement indicated reasons for forfeiting an employee's benefits. Meralco also failed to show that employees under investigation are not entitled to their bonuses and benefits. As such, the Court of Appeals held that Argentera was entitled to the P70,000.00 lump sum, "proportional existing economic and social benefits..., converted vacation and sick leave credits, and longevity pay" as indicated in the Collective Bargaining Agreement.<sup>[56]</sup>

Both parties filed Partial Motions for Reconsideration, but these were denied by the Court of Appeals in a May 12, 2016 Resolution.<sup>[57]</sup>

Hence, both parties filed their respective Petitions for Review on Certiorari before this Court. On June 13, 2016, Meralco filed its Petition for Review on Certiorari docketed as G.R. No. 224729.<sup>[58]</sup> Argentera filed his on August 1, 2016, docketed as G.R. No. 225049.<sup>[59]</sup>

On August 3, 2016, this Court required Argentera to file his comment in G.R. No. 224729 and for Meralco to fully comply with Rule 45 of the Rules of Court,<sup>[60]</sup> which Meralco did on September 20, 2016.<sup>[61]</sup>

Upon Argentera's motion,<sup>[62]</sup> this Court consolidated the cases on September 28, 2016.<sup>[63]</sup>

On October 12, 2016, Argentera filed his Comment in G.R. No. 224729.<sup>[64]</sup>

On January 23, 2017, this Court required Meralco and Pangilinan to file their