FIRST DIVISION

[G.R. No. 220935, July 28, 2020]

ARIEL ESPINA, ANALY DOLOJAN, DARIA DONOR, ROEL DONOR, ET AL., PETITIONERS, VS. HIGHLANDS CAMP/RAWLINGS FOUNDATION, INC. AND JAYVELYN PASCAL, RESPONDENTS.

[G.R. NO. 219868]

EDWIN ADONA, DARYLE MONTEVIRGEN, EDERLINA ESTEBAN, ET AL., PETITIONERS, VS. HIGHLANDS CAMP/RAWLINGS FOUNDATION, INC. AND JAYVELYN PASCAL, RESPONDENTS.

D E C I S I O N

LAZARO-JAVIER, J.:

The Case

This is a consolidated petition assailing the following dispositions of the Court of Appeals in CA-G.R. SP No. 133460 entitled *"Highlands Camp/Rawlings Foundation, Inc., Jayvelyn Pascal v. National Labor Relations Commission (First Division), et al.*:"

1. Decision[1] dated May 15, 2015 finding that petitioners were seasonal employees and their termination did not amount to illegal dismissal; and

2. Resolution[2] dated July 29, 2015 denying petitioners' motion for reconsideration.

Antecedents

On March 24, 2011, two (2) groups of employees filed separate complaints for illegal dismissal, non-payment of overtime pay, holiday pay, and 13th month pay, with claims for moral and exemplary damages against respondents Highlands Camp/Rawlings Foundation, Inc. and Jayvelyn Pascal. In NLRC LAC No. 03-001071-13, petitioner Randy Dolojan headed the first group of employees.[3] On the other hand, in NLRC NCR Case No. RAB-III-03-17502-11, petitioner Edwin Adona headed the second group of employees.[4] The complaints were consolidated[5] and raffled to the National Labor Relations Commission (NLRC) – Branch III, San Fernando City, Pampanga.

Petitioners essentially averred that in 2000, Highlands hired them as cooks, cook

helpers, utility workers, and service crew in its camping site in Iba, Zambales.[6] For ten (10) years, they regularly reported for work from January to June. They were on call from July to September. For the entire month of October, they were required to report daily as it was the peak season for campers. In November or December, they were also on call depending on the number of campers.[7] But Highlands' business was open to the public the whole year round.[8]

Every start of the year, Highlands required them to submit their biodata, medical clearances, medical health card, and Social Security number. In 2011, after submitting the requirements for rehiring, Highlands informed them they will be called once the campers arrive. But Highlands never did. Later, they discovered that new employees got hired instead of them.[9]

Their annual rehiring since 2001 and the services they rendered, which were necessary and desirable to Highlands' business, conferred them the status of regular employees. Thus, Highlands' failure to rehire them in 2011 without valid cause constituted illegal dismissal.[10] Too, Highlands failed to pay them holiday pay, overtime pay, and other benefits due them as regular employees.[11] Having been illegally dismissed, they prayed for separation pay in lieu of reinstatement.[12]

On the other hand, respondent Highlands Camp countered it is under the management of Rawlings Foundation, Inc., a non-profit religious organization established to provide a camping site in Lobotluta, Bangantalinga, Iba, Zambales for various religious and civic events. The primary purpose of Highlands' business was to provide a venue for religious training, spiritual growth, and evangelization.[13] Respondent Jayvelyn Pascal was Highlands' Administrator.[14]

Highlands' camp operations were not a whole year-round business as there were peak seasons only. Petitioners were seasonal employees whose work was only for a specific season.[15] None of them had rendered at least six (6) months of service in a year.[16] As proof, Highlands presented a summary table for years 2000-2010 showing that petitioners worked on the average of less than three (3) months per year.[17]

Petitioners cannot be considered regular seasonal employees because their employment was terminated after every seasonal year. To be reemployed, they had to apply anew.[18] Their reemployment was based on their qualification for the position they applied for. More, petitioners' services as cooks, cook helpers, utility workers, service crew, etc., were not necessary and desirable in Highlands' business and were not, in any way, directly related to its main purpose of evangelization.[19] It can continue to operate even without kitchen workers, service crew, and utility workers.[20]

The Labor Arbiter's Ruling

By Decision[21] dated January 16, 2013, Labor Arbiter Reynaldo Abdon ruled that petitioners were regular employees, not mere seasonal workers. He found that while Highlands may have low clientele in some months, it did not totally stop its

operations. Even during off-season, petitioners were still on call and were not separated from the service.[22] Their termination without valid cause, therefore, amounted to illegal dismissal.

Respondents Highlands Camp/Rawlings Foundation Inc. and Jayvelyn Pascal were held jointly and severally liable for petitioners' separation pay, backwages, 13th month pay, and attorney's fees,[23] except holiday pay and overtime pay for petitioners' failure to prove they were entitled thereto.[24] Petitioners' claim for moral and exemplary damages were denied because respondents were not found to have acted in bad faith in terminating petitioners' employment.[25] The dispositive portion of the Labor Arbiter's Decision reads:[26]

> WHEREFORE, premises considered, judgment is hereby rendered DECLARING that complainants were illegally dismissed by respondents. Accordingly, respondents are jointly and severally ORDERED to pay complainants their separation pay at the rate of one month for every year of service in lieu of reinstatement and backwages from the time they were dismissed until the finality of this decision. Additionally, respondents are jointly and severally DIRECTED to pay complainants their 13th month pay.
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> Last but not the least, a ten percent 10% attorney's fees is also awarded to the complainants.
>
> SO ORDERED.

The Ruling of the NLRC

By Decision[27] dated July 31, 2013, the NLRC affirmed with modification, awarding petitioners holiday pay and directing the labor arbiter to recompute the total award due petitioners.[28]

The NLRC ruled that Highlands failed to present petitioners' employment contracts which raised a serious question whether they were properly informed of their employment status and the duration of their employment.[29] It emphasized that per Highlands' summary of reservation/bookings from 2000-2011, its business operated not for a particular season but for the whole year.[30] Petitioners' repeated and continuous hiring for the same kind of work as utility workers and service crew established their regular employment status.[31] Thus, they cannot be terminated without just or authorize cause. The *fallo* reads:

> **WHEREFORE,** the appeals filed by respondents and the complainants are **PARTLY GRANTED** and the assailed Decision dated January 16, 2013 is hereby **MODIFIED** in that the computation of the award is **SET ASIDE and the** Labor Arbiter shall during execution proceedings recompute the same based on the guidelines aforementioned and with

the 13th month pay, as well as holiday pay for three (3) years accordingly included.

SO ORDERED.[32]

Under Resolution dated October 30, 2013, the NLRC denied respondents' Motion for Reconsideration.[33]

The Court of Appeals' Ruling

By Decision[34] dated May 15, 2015, the Court of Appeals reversed. It ruled that petitioners were seasonal employees whose tenure of work was for a specific season only. The Table[35] presented by Highlands summarizing the days worked by petitioners showed they only worked for an average of less than three (3) months in a given year.[36] Petitioners' employment also did not pertain to the same position every year. An employee may be a utility worker for a particular year but may be rehired as cook or cook helper the following year. Hence, their termination at the end of each year did not constitute illegal dismissal, *viz*.:[37]

WHEREFORE, in view of the foregoing premises, the instant petition is hereby **GRANTED**. The Decision dated July 31, 2013 of the National Labor Relations Commission (First Division), is **ANNULLED and SET ASIDE**. The Complaint is hereby **DISMISSED** for lack of merit.

SO ORDERED.[38]

Petitioners' Motion for Reconsideration was denied under Resolution dated July 29, 2015.[39]

The Present Petition

Petitioners now seek the Court's discretionary appellate jurisdiction to reverse and set aside the assailed dispositions of the Court of Appeals. In support hereof, petitioners essentially repeat the arguments they raised before the three (3) tribunals below.

For their part, respondents Highlands Camp/Rawlings Foundation Inc. and Jayvelyn Pascal similarly reiterate their submissions below against petitioners' plea for affirmative relief.

The Core Issues

1. Were petitioners seasonal or regular employees?

2. Was their dismissal valid?

Ruling

Article 295 of the Labor Code enumerates the different kinds of employment status, *viz*.:

> Art. 295. *Regular and casual employment.* - The provisions of written agreement to the contrary notwithstanding and regardless of the oral agreement of the parties, **an employment shall be deemed to be regular where the employee has been engaged to perform activities which are usually necessary or desirable in the usual business or trade of the employer**, except where the employment has been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of the engagement of the employee or **where the work or service to be performed is seasonal in nature and the employment is for the duration of the season. xxx** (emphasis supplied)

Under the law, regular employees are those engaged to perform activities which are usually necessary or desirable in the usual trade or business of the employer.[40] In ***Abasolo v. National Labor Relations Commission***,[41] the Court decreed the standard to determine regular employment status, thus:

> **The primary standard, therefore, of determining a regular employment is the reasonable connection between the particular activity performed by the employee in relation to the usual business or trade of the employer.** The test is whether the former is usually necessary or desirable in the usual business or trade of the employer. The connection can be determined by considering the nature of the work performed and its relation to the scheme of the particular business or trade in its entirety. **Also, if the employee has been performing the job for at least one year, even if the performance is not continuous or merely intermittent, the law deems the repeated and continuing need for its performance as sufficient evidence of the necessity if not indispensability of that activity to the business.** Hence, the employment is also considered regular, but only with respect to such activity and while such activity exists. (emphasis supplied)

On the other hand, seasonal employees are those whose work or engagement is seasonal in nature and their employment is only for the duration of the season,[42] In ***Universal Robina Sugar Milling Corporation v. Acibo***,[43] the Court expounded on the concept of seasonal employment, thus: