

FIRST DIVISION

[G.R. No. 124382, August 16, 1999]

PASTOR DIONISIO V. AUSTRIA, PETITIONER, VS. HON. NATIONAL LABOR RELATIONS COMMISSION (FOURTH DIVISION), CEBU CITY, CENTRAL PHILIPPINE UNION MISSION CORPORATION OF THE SEVENTH-DAY ADVENTIST, ELDER HECTOR V. GAYARES, PASTORS REUBEN MORALDE, OSCAR L. ALOLOR, WILLIAM U. DONATO, JOEL WALES, ELY SACAY, GIDEON BUHAT, ISACHAR GARSULA, ELISEO DOBLE, PROFIRIO BALACY, DAVID RODRIGO, LORETO MAYPA, MR. RUFO GASAPO, MR. EUFRONIO IBESATE, MRS. TESSIE BALACY, MR. ZOSIMO KARA-AN, AND MR. ELEUTERIO LOBITANA, RESPONDENTS.

D E C I S I O N

KAPUNAN, J.:

Subject to the instant petition for *certiorari* under Rule 65 of the Rules of Court is the Resolution^[1] of public respondent National Labor Relations Commission (the "NLRC"), rendered on 23 January 1996, in NLRC Case No. V-0120-93, entitled "Pastor Dionisio V. Austria vs. Central Philippine Union Mission Corporation of Seventh Day Adventists, *et. al.*," which dismissed the case for illegal dismissal filed by the petitioner against private respondents for lack of jurisdiction.

Private Respondent Central Philippine Union Mission Corporation of the Seventh-Day Adventists (hereinafter referred to as the "SDA") is a religious corporation duly organized and existing under Philippine law and is represented in this case by the other private respondents, officers of the SDA. Petitioner, on the other hand, was a Pastor of the SDA until 31 October 1991, when his services were terminated.

The records show that petitioner Pastor Dionisio V. Austria worked with the SDA for twenty eight (28) years from 1963 to 1991.^[2] He began his work with the SDA on 15 July 1963 as a literature evangelist, selling literature of the SDA over the island of Negros. From then on, petitioner worked his way up the ladder and got promoted several times. In January, 1968, petitioner became the Assistant Publishing Director in the West Visayan Mission of the SDA. In July, 1972, he was elevated to the position of Pastor in the West Visayan Mission covering the island of Panay, and the provinces of Romblon and Guimaras. Petitioner held the same position up to 1988. Finally, in 1989, petitioner was promoted as District Pastor of the Negros Mission of the SDA and was assigned at Sagay, Balintawak and Toboso, Negros Occidental, with twelve (12) churches under his jurisdiction. In January, 1991, petitioner was transferred to Bacolod City. He held the position of district pastor until his services were terminated on 31 October 1991.

On various occasions from August up to October, 1991, petitioner received several communications^[3] from Mr. Eufonio Ibesate, the treasurer of the Negros Mission

asking him to admit accountability and responsibility for the church tithes and offerings collected by his wife, Mrs. Thelma Austria, in his district which amounted to P15,078.10, and to remit the same to the Negros Mission.

In his written explanation dated 11 October 1991,^[4] petitioner reasoned out that he should not be made accountable for the unremitted collections since it was private respondents Pastor Gideon Buhat and Mr. Eufonio Ibesate who authorized his wife to collect the tithes and offerings since he was very sick to do the collecting at that time.

Thereafter, on 16 October 1991, at around 7:30 a.m., petitioner went to the office of Pastor Buhat, the president of the Negros Mission. During said call, petitioner tried to persuade Pastor Buhat to convene the Executive Committee for the purpose of settling the dispute between him and the private respondent, Pastor David Rodrigo. The dispute between Pastor Rodrigo and petitioner arose from an incident in which petitioner assisted his friend, Danny Diamada, to collect from Pastor Rodrigo the unpaid balance for the repair of the latter's motor vehicle which he failed to pay to Diamada.^[5] Due to the assistance of petitioner in collecting Pastor Rodrigo's debt, the latter harbored ill-feelings against petitioner. When news reached petitioner that Pastor Rodrigo was about to file a complaint against him with the Negros Mission, he immediately proceeded to the office of Pastor Buhat on the date abovementioned and asked the latter to convene the Executive Committee. Pastor Buhat denied the request of petitioner since some committee members were out of town and there was no quorum. Thereafter, the two exchanged heated arguments. Petitioner then left the office of Pastor Buhat. While on his way out, petitioner overheard Pastor Buhat saying, "Pastor daw inisog na ina iya (Pastor you are talking tough)."^[6] Irked by such remark, petitioner returned to the office of Pastor Buhat, and tried to overturn the latter's table, though unsuccessfully, since it was heavy. Thereafter, petitioner banged the attache case of Pastor Buhat on the table, scattered the books in his office, and threw the phone.^[7] Fortunately, private respondents Pastors Yonilo Leopoldo and Claudio Montaña were around and they pacified both Pastor Buhat and petitioner.

On 17 October 1991, petitioner received a letter^[8] inviting him and his wife to attend the Executive Committee meeting at the Negros Mission Conference Room on 21 October 1991, at nine in the morning. To be discussed in the meeting were the non-remittance of church collection and the events that transpired on 16 October 1991. A fact-finding committee was created to investigate petitioner. For two (2) days, from October 21 and 22, the fact-finding committee conducted an investigation of petitioner. Sensing that the result of the investigation might be one-sided, petitioner immediately wrote Pastor Rueben Moralde, president of the SDA and chairman of the fact-finding committee, requesting that certain members of the fact-finding committee be excluded in the investigation and resolution of the case.^[9] Out of the six (6) members requested to inhibit themselves from the investigation and decision-making, only two (2) were actually excluded, namely: Pastor Buhat and Pastor Rodrigo. Subsequently, on 29 October 1991, petitioner received a letter of dismissal^[10] citing misappropriation of denominational funds, willful breach of trust, serious misconduct, gross and habitual neglect of duties, and commission of an offense against the person of employer's duly authorized representative, as grounds for the termination of his services.

Reacting against the adverse decision of the SDA, petitioner filed a complaint^[11] on 14 November 1991, before the Labor Arbiter for illegal dismissal against the SDA and its officers and prayed for reinstatement with backwages and benefits, moral and exemplary damages and other labor law benefits.

On 15 February 1993, Labor Arbiter Cesar D. Sideño rendered a decision in favor of petitioner, the dispositive portion of which reads thus:

WHEREFORE, PREMISES CONSIDERED, respondents CENTRAL PHILIPPINE UNION MISSION CORPORATION OF THE SEVENTH-DAY ADVENTISTS (CPUMCSDA) and its officers, respondents herein, are hereby ordered to immediately reinstate complainant Pastor Dionisio Austria to his former position as Pastor of Brgy. Taculing, Progreso and Banago, Bacolod City, without loss of seniority and other rights and backwages in the amount of ONE HUNDRED FIFTEEN THOUSAND EIGHT HUNDRED THIRTY PESOS (P115,830.00) without deductions and qualifications.

Respondent CPUMCSDA is further ordered to pay complainant the following:

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| A. 13th month pay | - P21,060.00 |
| B. Allowance | - P 4,770.83 |
| C. Service Incentive | - P 3,461.85 |
| Leave Pay | |
| D. Moral Damages | - P50,000.00 |
| E. Exemplary | |
| Damages | - P25,000.00 |
| F. Attorney's Fee | - P22,012.27 |

SO ORDERED.^[12]

The SDA, through its officers, appealed the decision of the Labor Arbiter to the National Labor Relations Commission, Fourth Division, Cebu City. In a decision, dated 26 August 1994, the NLRC vacated the findings of the Labor Arbiter. The decretal portion of the NLRC decision states:

WHEREFORE, the Decision appealed from is hereby VACATED and a new one ENTERED dismissing this case for want of merit.

SO ORDERED.^[13]

Petitioner filed a motion for reconsideration of the above-named decision. On 18 July 1995, the NLRC issued a Resolution reversing its original decision. The dispositive portion of the resolution reads:

WHEREFORE, premises considered, Our decision dated August 26, 1994 is VACATED and the decision of the Labor Arbiter dated February 15, 1993 is REINSTATED.

SO ORDERED.^[14]

In view of the reversal of the original decision of the NLRC, the SDA filed a motion for reconsideration of the above resolution. Notable in the motion for reconsideration filed by private respondents is their invocation, for the first time on appeal, that the Labor Arbiter has no jurisdiction over the complaint filed by petitioner due to the constitutional provision on the separation of church and state since the case allegedly involved an ecclesiastical affair to which the State cannot interfere.

The NLRC, without ruling on the merits of the case, reversed itself once again, sustained the argument posed by private respondents and, accordingly, dismissed the complaint of petitioner. The dispositive portion of the NLRC resolution dated 23 January 1996, subject of the present petition, is as follows:

WHEREFORE, in view of all the foregoing, the instant motion for reconsideration is hereby granted. Accordingly, this case is hereby DISMISSED for lack of jurisdiction.

SO ORDERED.^[15]

Hence, the recourse to this Court by petitioner.

After the filing of the petition, the Court ordered the Office of the Solicitor General (the "OSG") to file its comment on behalf of public respondent NLRC. Interestingly, the OSG filed a manifestation and motion in lieu of comment^[16] setting forth its stand that it cannot sustain the resolution of the NLRC. In its manifestation, the OSG submits that the termination of petitioner of his employment may be questioned before the NLRC as the same is secular in nature, not ecclesiastical. After the submission of memoranda of all the parties, the case was submitted for decision.

The issues to be resolved in this petition are:

- 1) Whether or not the Labor Arbiter/NLRC has jurisdiction to try and decide the complaint filed by petitioner against the SDA;
- 2) Whether or not the termination of the services of petitioner is an ecclesiastical affair, and, as such, involves the separation of church and state; and
- 3) Whether or not such termination is valid.

The first two issues shall be resolved jointly, since they are related.

Private respondents contend that by virtue of the doctrine of separation of church and state, the Labor Arbiter and the NLRC have no jurisdiction to entertain the complaint filed by petitioner. Since the matter at bar allegedly involves the discipline of a religious minister, it is to be considered a purely ecclesiastical affair to which the State has no right to interfere.

The contention of private respondents deserves scant consideration. The principle of separation of church and state finds no application in this case.

The rationale of the principle of the separation of church and state is summed up in the familiar saying, "Strong fences make good neighbors."^[17] The idea advocated by this principle is to delineate the boundaries between the two institutions and thus avoid encroachments by one against the other because of a misunderstanding of the

limits of their respective exclusive jurisdictions.^[18] The demarcation line calls on the entities to "render therefore unto Caesar the things that are Caesar's and unto God the things that are God's."^[19] While the State is prohibited from interfering in purely ecclesiastical affairs, the Church is likewise barred from meddling in purely secular matters.^[20]

The case at bar does not concern an ecclesiastical or purely religious affair as to bar the State from taking cognizance of the same. An ecclesiastical affair is "one that concerns doctrine, creed, or form or worship of the church, or the adoption and enforcement within a religious association of needful laws and regulations for the government of the membership, and the power of excluding from such associations those deemed unworthy of membership."^[21] Based on this definition, an ecclesiastical affair involves the relationship between the church and its members and relate to matters of faith, religious doctrines, worship and governance of the congregation. To be concrete, examples of this so-called ecclesiastical affairs to which the State cannot meddle are proceedings for excommunication, ordinations of religious ministers, administration of sacraments and other activities with which attached religious significance. The case at bar does not even remotely concern any of the abovesited examples. While the matter at hand relates to the church and its religious minister it does not *ipso facto* give the case a religious significance. Simply stated, what is involved here is the relationship of the church as an employer and the minister as an employee. It is purely secular and has no relation whatsoever with the practice of faith, worship or doctrines of the church. In this case, petitioner was not excommunicated or expelled from the membership of the SDA but was terminated from employment. Indeed, the matter of terminating an employee, which is purely secular in nature, is different from the ecclesiastical act of expelling a member from the religious congregation.

As pointed out by the OSG in its memorandum, the grounds invoked for petitioner's dismissal, namely: misappropriation of denominational funds, willful breach of trust, serious misconduct, gross and habitual neglect of duties and commission of an offense against the person of his employer's duly authorize representative, are all based on Article 282 of the Labor Code which enumerates the just causes for termination of employment.^[22] By this alone, it is palpable that the reason for petitioner's dismissal from the service is not religious in nature. Coupled with this is the act of the SDA in furnishing NLRC with a copy of petitioner's letter of termination. As aptly stated by the OSG, this again is an eloquent admission by private respondents that NLRC has jurisdiction over the case. Aside from these, SDA admitted in a certification^[23] issued by its officer, Mr. Ibesate, that petitioner has been its employee for twenty-eight (28) years. SDA even registered petitioner with the Social Security System (SSS) as its employee. As a matter of fact, the worker's records of petitioner have been submitted by private respondents as part of their exhibits. From all of these it is clear that when the SDA terminated the services of petitioner, it was merely exercising its management prerogative to fire an employee which it believes to be unfit for the job. As such, the State, through the Labor Arbiter and the NLRC, has the right to take cognizance of the case and to determine whether the SDA, as employer, rightfully exercised its management prerogative to dismiss an employee. This is in consonance with the mandate of the Constitution to afford full protection to labor.

Under the Labor Code, the provision which governs the dismissal of employees, is