

SEVENTH DIVISION

[CA-G.R. SP No. 134305, February 26, 2015]

RENANTE P. ARANETA, JOSE F. LOZANO, JR., JUMEL Q. OBEDICEN AND ROEN P. LAZARO, PETITIONERS, VS. NATIONAL LABOR RELATIONS COMMISSION (THIRD DIVISION), AND PURITAN INDUSTRIAL SECURITY AGENCY/ANTONIO S. AWAYAN, JR., RESPONDENTS.

DECISION

LAMPAS PERALTA, J.:

Before the Court is a petition for certiorari under Rule 65, 1997 Rules of Civil Procedure, as amended, assailing public respondent National Labor Relations Commission's (NLRC's) (i) Resolution dated September 30, 2013^[1] in NLRC LAC NO. 08-002337-13 (NLRC NCR Cases Nos. 06-09225-12, 06-08872-12, 06-08827-12, 06-08796-12, 05-08153-12, 05-08244-12, 06-08686-12) which affirmed, subject to certain modifications, the labor arbiter's Decision dated October 30, 2012^[2] ordering private respondents to pay petitioners the refundable cash deposit under the service contract between petitioners and private respondents, and petitioners' unpaid salaries and 13th month pay, and (ii) Resolution dated December 27, 2013^[3] which denied petitioners' motion for reconsideration of the Decision dated September 30, 2013.

THE ANTECEDENTS

Private respondent Puritan Industrial Security Agency (Puritan, for brevity) is a security agency engaged in providing security and surveillance services to various clients. Its president is private respondent Antonio S. Awayan, Jr.^[4] Petitioners Renante P. Araneta, Jose F. Lozano, Jr., Jumel Q. Obedicen and Roen P. Lazaro were hired as security guards by private respondent Puritan and detailed at different malls, supermarkets and retail outlets operated by the SM Group of Companies and its affiliates (SM, for brevity).^[5] The controversy arose when private respondent Puritan allegedly failed to timely pay the salaries and benefits of petitioners and its other security guards.

On March 26, 2012, petitioners and the other security guards tendered their individual resignation letters all dated March 31, 2012 to private respondents.^[6] Thereafter, petitioners and the other security guards were absorbed by Right Eight Security Agency, the agency hired by SM after terminating its contract with private respondent Puritan.^[7]

The salient facts were summarized in the Resolution dated September 30, 2013 of public respondent NLRC as follows:

"Complainants were hired on various dates by respondent-appellee Puritan Industrial Security Agency ('Puritan') to guard various malls, supermarkets, retail outlets and other establishments operated by the SM Group of Companies ('SM'). They worked by shifts and received the prevailing minimum wage.

Starting in 2011, Puritan began experiencing difficulties in collecting payments from SM which resulted to the delay in the release of complainants' wages and other benefits. On 08 March 2011, Puritan sent a demand letter to SM involving receivables amounting to P3,573,712.10 (Records, pp. 322-323).

On 10 January 2012, SM's Security Affairs Office sent a letter to Puritan requiring the agency to settle the unpaid salaries of its guards otherwise it will recommend the termination of its service contracts with SM (Records, p.324).

In reply, Puritan asked for an extension of the deadline and appealed for the payment of three (3) billing periods, i.e., 16 to December 2011, 01 to 15 January 2012 and 16 to 31 January 2012 (Records, p.325).

On 07 March 2012, Puritan received notices of termination of contract from three (3) SM affiliates and seven (7) Watson branches effective 30 days from notice (Records, p.326-328, 350).

On 26 March 2012, complainants submitted their individual resignation letters to Puritan (Records, pp. 329-349)."[8]

Petitioners and the other security guards filed with the labor arbiter separate complaints against private respondents. Rey Verano, petitioner Renante P. Araneta, Racquel Chiefe, Genaro Cammayo and Rochelle Abogado filed a complaint for underpayment of salary/wages and nonpayment of 13th month pay and separation pay.^[9] The complaint of petitioners Jose F. Lozano, Jr. and Jumel Q. Obedicen, together with Jimwel Pedro, Julito Ruelo and Joven Torrecampo, was for underpayment of separation pay, nonpayment of salary/wages and illegal deduction including non-remittance of SSS, Pag-IBIG and Philhealth contributions.^[10] Juanito Samillano, Esmeraldo Ludivese and Henry Lanzaderas filed their own complaint for nonpayment of salary/wages, 13th month pay, separation pay, retirement benefits and return of cash including moral and exemplary damages plus SSS and Pag-IBIG loan deductions.^[11] Eduardo Antonio and petitioner Roen P. Lazaro's complaint was for nonpayment of salary/wages and retirement benefits including SSS and Pag-IBIG loan contributions.^[12] Petitioner Roen P. Lazaro later filed an amended complaint which included nonpayment of separation pay and return of cash bond.^[13] Other similar complaints were filed by Bobby Calumpiano, Joselito Villoga, Jerry Nolasco, Julibert Aguila, Jerry Tibre and Celestino Hagonoy, Jr.^[14] The cases were consolidated and assigned to Labor Arbiter Adolfo C. Babiano.^[15]

The respective positions of the parties were summarized in the Resolution dated September 30, 2013 of public respondent NLRC as follows:

"In their Position Papers, complainants alleged that on 07 April 2012, they were all advised to tender their resignation in view of the termination by SM management of its service contracts with Puritan. They were assured and promised that upon their resignation, they will be paid separation pay as well as retirement benefits.

Complainants further claimed that during their employment, there were instances when their salaries were delayed for as short as one month and as long as three months. There were also deductions made in their salaries. They were deducted cash bonds in the amount of P25.00 in 1996 which was thereafter increased to P75.00 in 2010. Puritan also collected from their salaries certain amounts in the form of performance bonds and insurance premiums. Aside from these deductions, Puritan deducted amounts representing their SSS, Philhealth and Pag-ibig contributions. However, upon verification, they discovered that these amounts were not remitted to said government agencies.

Additionally, complainants asserted that they were given or apportioned with amounts which were supposed to be retirement benefits. These can be gleaned from their early payslips. It was only recently that their payslips no longer included an item for retirement benefits. After several inquiries, complainants were assured that they will continue to receive the same although it was no longer indicated in their payslips.

Complainants argued that the apportioning of retirement benefits is already an established company practice and, therefore, they have a vested right to the same. This benefit was given by Puritan to enable complainants to reap the fruits of their labor at an early age. However, upon their resignation, the same was not paid to them.

For their part, respondents alleged that in view of the adoption by SM of a new procedure in handling the billings of its suppliers, the salaries of complainants were delayed. Respondents repeatedly explained the problem to complainants and they went out of their way to alleviate the situation by making partial payments in the form of cash advances or ATM deposits to the accounts of complainants.

Respondents contended that they have substantially paid complainants' claims and have no intention of avoiding the unpaid balances still due them. They however denied any liability for separation pay and retirement benefits. They argued that on 26 March 2012, complainants voluntarily resigned from Puritan. Later, respondents learned that they have joined the new agency engaged by SM. At the time of their resignations, they have not reached the age of retirement. Under these circumstances, there is no basis for them to claim separation pay and retirement benefits."^[16]

Meanwhile, fourteen (14) of the complainants settled their claims with private respondent Puritan.^[17] On the other hand, the complaints filed by Joven Torrecampo and Celestino Hagonoy, Jr. were dismissed without prejudice for failure to verify their position paper.^[18] The remaining complainants included petitioners

and Racquel Chiefe.

After the parties had presented their respective evidence, the labor arbiter rendered a Decision dated October 30, 2012^[19] ordering private respondents to pay refundable cash deposit and unpaid 13th month pay to petitioners and Racquel Chiefe, and to pay unpaid salaries to Racquel Chiefe and Henry Lanzaderas. Thus:

"WHEREFORE, judgment is hereby rendered ordering respondents to pay complainant as follows:

Complainant's Name	Refundable Cash Deposit	Unpaid 13th Month Pay	Balance of Unpaid alaries	Total Amount Due Each Complainant
1. Araneta, Renante	P6,475.00	P2,654.39	–	P9,129.39
2. Chiefe, Racquel	P6,475.00	P2,429.04	P2,424.00	P11,328.04
3. Lazaro, Roen	P4,725.00	P2,761.75	–	P7,486.75
4. Obedicen, Jumel	P3,575.00	P1,810.63	–	P5,385.63
5. Lanzaderas, Henry	P3,825.00	P2,567.53	P4,180.49	P10,573.02
TOTAL				P43,902.83

The complaints of Joven Torrecampo and Celestino Hagonoy, Jr. are dismissed without prejudice.

All other claims are dismissed for lack of merit.

SO ORDERED."

Petitioners filed an appeal^[20] before public respondent NLRC which rendered a Resolution dated September 30, 2013,^[21] affirming the labor arbiter's Decision dated October 30, 2012, subject to the modification that private respondents were further ordered to pay petitioners their unpaid salaries for the period from April 1 to 6, 2012. Thus:

"WHEREFORE, premises considered, the APPEAL is PARTIALLY GRANTED. The 30 October 2012 Decision of Labor Arbiter Adolfo C. Babiano is hereby AFFIRMED with the following MODIFICATIONS:

1. The name Henry Lanzaderas as appearing in the dispositive portion is corrected to reflect the name of complainant-appellant Jose F. Lozano; and,

2. Respondents are additionally ordered to pay complainants-appellants their unpaid salaries for the period 01 to 06 April 2012.

The rest of the Decision **STANDS**.

SO ORDERED.”

Petitioners filed a motion for reconsideration.^[22] On October 29, 2013 Racquel Chiefe and private respondents agreed to amicably settle the case. Racquel Chiefe voluntarily acknowledged receipt of P20,000.00 and executed a “Quitclaim and Release” in favor of private respondents.^[23]

In a Resolution dated December 27, 2013,^[24] public respondent NLRC approved the amicable settlement between Racquel Chiefe and private respondents, and considered Racquel Chiefe's claims closed and terminated. Petitioners' motion for reconsideration was denied by public respondent NLRC.

Thus, petitioners filed the present petition for certiorari which is premised on the following arguments:

“Petitioners Renante Araneta and Roen Lazaro have not been paid their salaries for the period covering January 2012 and March 2012.”^[25]

“The petitioners are entitled to separation pay.”^[26]

THE ISSUES

Whether public respondent NLRC committed grave abuse of discretion in finding that (i) petitioners had been paid their salaries for the months of January 2012 and March 2012, and (ii) petitioners were not entitled to separation pay.

THE COURT'S RULING

In affirming the labor arbiter's Decision dated October 30, 2012 which found that petitioners had been paid their salaries for the months of January 2012 and March 2012, and they were not entitled to separation pay, public respondent NLRC ratiocinated that private respondents were able to prove that said salaries were paid to petitioners and the latter were not entitled to separation pay because they voluntarily resigned from employment. However, public respondent NLRC modified the labor arbiter's Decision dated October 30, 2012 by ordering private respondents to pay petitioners their salaries from April 1 to 6, 2012.^[27] Said public respondent NLRC:

“In this case, respondents-appellees have shown that they have paid the salaries of complainants-appellants for the months of January 2012 and March 2012 (Records, pp. 601, 603-604, 610-615, 617 [Llazarro]; 629, 633, 634-636, 640, 642 [Lozano]; pp. 654, 659, 661-662, 667-669 [Obedicen]; pp. 418, 421-422, 430-432, 434 [Araneta]).