Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

ARIEL ESPINA, ANALY DOLOJAN, DARIA DONOR, ROEL DONOR, ET AL.,
Petitioners,

-versus-

HIGHLANDS CAMP/RAWLINGS FOUNDATION, INC. AND JAYVELYN PASCAL,
Respondents.
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G.R. No. 220935

G.R. No. 219868

EDWIN ADONA, DARYLE MONTEVIRGEN, EDERLINA ESTEBAN, ET AL.,
Petitioners,

-versus-

HIGHLANDS CAMP/RAWLINGS FOUNDATION, INC. AND JAYVELYN PASCAL,
Respondents.

Present:

CAGUIOA,
Working Chairperson,
REYES, J.C., JR.,
LAZARO-JAVIER,
LOPEZ, *and*
GAERLAN,* *JJ.*

Promulgated:

JUL 28 2020

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* Designated additional Member per Raffled dated June 29, 2020.

DECISION

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]

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[1] Penned by Associate Justice Stephen Cruz and concurred in by Associate Justice Fernanda Lampas Peralta and Associate Justice Ramon Paul Hernando (now a member of this Court), G.R. No. 220935, *rollo*, pp. 22-36.
[2] *Id.* at 38-39.
[3] Represented by Atty. Wilfredo Pangan.
[4] Represented by the Public Attorney's Office (PAO).
[5] G.R. No. 219868, Vol. II, *rollo*, p. 922.
[6] *Id.* at 744.
[7] G.R. No. 220935, *rollo*, pp. 5-6.
[8] *Id.* at 270.

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]

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[9] G.R. No. 219868, Vol. II, *rollo*, p. 750.
[10] *Id.* at 749.
[11] *Id.* at 754-757.
[12] *Id.* at 760.
[13] *Id.* at 131.
[14] G.R. No. 220935, *rollo*, p. 269.
[15] G.R. No. 219868, Vol. I, pp. 138-139.
[16] *Id.* at 193.
[17] *Id.* at 137.
[18] *Id.* at 368.
[19] *Id.* at 132.
[20] *Id.* at 130.

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.
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> 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

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[21] Penned by Labor Arbiter Reynaldo Abdon, G.R. No. 220935, *rollo*, pp. 159-182.
[22] *Id.* at 169.
[23] *Id.* at 172.
[24] *Id.* at 171.
[25] *Id.* at 172.
[26] *Id.*
[27] Penned by Commissioner Perlita B. Velasco and concurred in by Presiding Commissioner Gerardo Nograles and Romeo Go, *id.* at 147-158.
[28] *Id.* at 157.

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.
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> **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.
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> **SO ORDERED.** [38]

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[29] *Id.* at 153.
[30] *Id.* at 154.
[31] *Id.* at 153.
[32] G.R. No. 220935, *rollo*, pp.157-158.
[33] G.R. No. 219868, Vol. I, *rollo*, pp. 218-219.
[34] Supra note 1.
[35] *Id.* at 124-126.
[36] *Id.* at 33.
[37] *Id.* at 30.
[38] *Id.* at 35.

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**

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[39] *Id.* at 5.

[40] As cited in *Universal Robina Sugar Milling Corp. v. Nagkahiusang Mamumuo sa URSUMCO-National Federation of Labor*, G.R. No. 224558, November 28, 2018.

[41] 400 Phil. 86 (2000).

> **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:

> **Seasonal employment** operates much in the same way as project employment, albeit it **involves work or service that is seasonal in nature or lasting for the duration of the season**. As with project employment, although the **seasonal employment arrangement involves work that is seasonal or periodic in nature,** the employment itself is not automatically considered seasonal so as to prevent the employee from attaining regular status. To exclude the asserted "seasonal" employee from those classified as regular employees, **the employer must show that: (1) the employee must be performing work or services that are seasonal in nature; and (2) he had been employed for the duration of the season.** Hence, when the "seasonal" workers are continuously and repeatedly hired to perform the same tasks or activities *for several seasons or even after the cessation of the season*, this length of time may likewise serve as badge of regular employment. (Emphasis and underscoring supplied)

To be classified as seasonal employees, two (2) elements therefore, must concur: (1) they must be performing work or services that are seasonal in nature; and (2) they have been employed for the duration of the season.[44]

Here, respondents claim that Highlands' business is seasonal in nature and petitioners were seasonal workers whose employment was limited to a specific season only.

We are not convinced.

Petitioners were not seasonal employees

Respondents failed to show that the elements of seasonal employment are present here.

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[42] Supra note 40.
[43] See 724 Phil. 489 (2014).
[44] *Id.*

One. Records show that Highlands' business is not seasonal. Highlands may have high or low market encounters within a year, or by its own terms, "peak and lean seasons"[45] but its camping site does not close at any given time or season. In fact, Highlands operate and regularly offers its camping facilities to interested clients *throughout the year*. As the labor tribunals aptly found:

> The Labor Arbiter:
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> Actually, we have carefully evaluated the condition of respondents' business. **The fact is, it is a camping business; it was not built for one season in a given year. The camp has been there to serve the customers or clients of the respondents, anytime or any period within the given year.** xxx[46]
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> The NLRC:
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> Likewise, **respondents' summary of reservation/bookings from 2000-2011 shows that respondents had been operating their business not only for a particular season but for a whole year**. These documents, rather than sustaining respondents' argument only serve to support complainants' contention that they are regular employees serving respondents for more than a year prior to their dismissal.[47] (Emphases supplied)

In ***Philippine Fruit & Vegetable Industries, Inc. v. National Labor Relations Commission***,[48] the Court emphasized that an employer's continuous operation throughout the year negates the claim that its business is seasonal in nature, *viz.*:

> It should be noted that complainants' employment has not been fixed for a specific project or undertaking the completion or termination of which has been determined at the time of their appointment or hiring. Neither is their employment seasonal in nature. While it may be true that some phases of petitioner company's processing operations is dependent on the supply of fruits for a particular season, **the other equally important aspects of its business, such as manufacturing and marketing are not seasonal. The fact is that large-scale food processing companies such as petitioner company continue to operate and do business throughout the year** even if the availability of fruits and vegetables is seasonal. (Emphasis supplied)

As stated, Highlands' camping site is operational throughout the year. The influx of campers may peak during the month of October, but as for eleven (11) other months, it still remains open and ready to accommodate campers. It does not suspend or cease its operations at all. In fact, Highlands' own summary of bookings from 2001-2011 shows it operates not just for a

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[45] G.R. No. 219868, Vol. I, *rollo*, p. 429.
[46] *Id.*
[47] *Id.* at 351.
[48] See 369 Phil. 929 (1999).

particular season but all throughout the year.[49] Highlands' business, therefore, is not seasonal but continuous.

Two. Petitioners did not perform work or services that are seasonal in nature; nor for just a specific period.

They served as cooks, cook helpers, utility workers, and service crew in Highlands' camping site regardless if it was the peak or lean season for campers. From 2000 to 2010, they regularly reported for work from January to June. They were on call from July to September. For the entire month of October, they reported for work on a daily basis. In November or December, they were again on call depending on the number of campers.[50]

As it was, petitioners' services as cooks, cook helpers, utility workers, service crew, etc. could hardly be considered "seasonal." The very nature of Highlands' business operations demonstrate that petitioners' employment was not limited to a specific season only.[51]

Three. Records are bereft of any evidence showing that petitioners freely entered into an agreement with Highlands to perform services for a specific period or season only. Highlands failed to present petitioners' employment contracts, employee files, payrolls, and other similar documents to prove they hired petitioners as seasonal employees[52] and they rendered services for a specific season only.[53] Highlands' failure to submit these documents for scrutiny gives rise to the presumption that their presentation is prejudicial to its cause.[54]

In ***Omni Hauling Services, Inc. et al. v. Bon, et al.,***[55] the Court held that the absence of employment contracts raises a serious question whether the employees were properly informed of their employment status at the time of engagement, thus:

> **While the absence of a written contract does not automatically confer regular status, it has been construed by this Court as a red flag in cases involving the question of whether the workers concerned are regular or project employees.** In *Grandspan Development Corporation v. Bernardo and Audion Electric Co., Inc. v. National Labor Relations Commission*, **this Court took note of the fact that the employer was unable to present employment contracts signed by the workers** xxx. In another case, *Raycor v. Aircontrol Systems, Inc. v. National Labor Relations Commission*, this Court refused to give any weight to the employment contracts offered by the employers as evidence, which contained the signature of the president and general manager, but not the signatures of the employees. In cases where this Court ruled that construction workers who were repeatedly rehired that retained their status as project employees, the employers were able to produce

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[49] G.R. No. 219868, Vol. I, *rollo*, p. 351.
[50] G.R. No. 220935, *rollo*, pp. 5-6.
[51] See *Rowell Industrial Corp. v. Court of Appeals*, 546 Phil. 516, 524 (2007).
[52] See *Guinnux Interiors, Inc. v. NLRC*, 339 Phil. 75, 78 (1997).
[53] See *Poseidon Fishing v. NLRC*, 518 Phil. 146-165 (2006).
[54] See *Basan, et al. v. Coca Cola Bottlers Philippines*, 753 Phil. 74, 91 (2015).
[55] See 742 Phil. 335 (2014).

> employment contracts **clearly stipulating** that the workers' employment was coterminous with the project to support their claims that the employees were notified of the scope and duration of the project. (Emphasis supplied)

To repeat, there is ample evidence on record that Highlands' business operates not for a particular season but for the whole year.[56] Too, petitioners rendered services regardless of the camping site's occupancy in any given month within the year. Simply put, there is no "season" here to speak of. For whether "peak" or "lean" season, Highlands required petitioners to report for work. Petitioners, therefore, are not seasonal employees.

The next question: were petitioners regular employees?

Respondents claim they were not. They argue that petitioners' employment was terminated at the end of each year. To be reemployed, petitioners had to apply anew and meet the qualification for the specific position they are applying for.[57] Too, petitioners rendered services for an average of less than three (3) months only per year. Their services as cooks, cook helpers, utility workers, service crew, etc. were not necessary in Highlands' business and were not, in any way, directly related to its main purpose of evangelization.[58]

Respondents are mistaken.

Petitioners were regular employees

Employment status is determined not by the intent or motivations of the parties but by the nature of the employer's business and the duration of the tasks performed by the employees.[59] It does not depend on the will of the employer or the procedure for hiring and the manner of designating the employee. Rather, employment status depends on the activities performed by the employee and in some cases, the length of time of the performance and its continued existence.[60]

The fact that Highlands required petitioners to apply for reemployment every year does not bar them from being regularized. Further, even if it were true that petitioners worked for three (3) months only in a given year, their repeated hiring for the same services for the past ten (10) years confers upon them the status of regular employment.[61]

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[56] G.R. No. 219868, Vol. I, *rollo*, p. 351.
[57] *Id.* at 368.
[58] *Id.* at 132.
[59] Supra note 39.
[60] See *Universal Robina Sugar Milling Corp. v. Acibo*, supra note 43.
[61] See *Claret School of Quezon City v. Sinday*, G.R. No. 226358, October 9, 2019.

In ***Claret School of Quezon City v. Sinday***,[62] petitioner therein averred that respondent's repeated application every time her temporary employment expired meant she was employed for a specific period only. The Court, however, ruled otherwise. It found that respondent's yearly application and subsequent reemployment did not negate her status as a regular employee.

In ***Samonte v. La Salle Greenhills, Inc.***[63] the Court elucidated that the repeated renewal of therein petitioner's employment contract for fifteen (15) years despite interruptions during the close of the school year did not bar petitioner from attaining regular employment.

Meanwhile, in ***Poseidon Fishing v. National Labor Relations Commission***,[64] the Court ordained that the employer's unscrupulous act of hiring and rehiring an employee in various capacities without an exact period of employment is a mere gambit to thwart the lowly workingman's tenurial protection.[65]

Thus, in ***Claret***,[66] the Court held that the repeated hiring of employees under a contract less than the six-month probationary period to circumvent regular employment is contrary to law, *viz.*:[67]

> xxx where from the circumstances it is apparent that the period has been imposed **to preclude the acquisition of tenurial security by the employee, then it should be struck down as being contrary to law, morals, good customs, public order and public policy**. The pernicious practice of having employees, workers and laborers, engaged xxx **short of the normal six-month probationary period of employment, and, thereafter, to be hired on a day-to-day basis, mocks the law**. (Emphasis supplied, citation omitted)

Indeed, Highlands' cyclical scheme of hiring and rehiring petitioners year after year manifests its intent to prevent them from attaining regular employment. Highlands failed to prove that petitioners freely entered into agreements with it to perform services for a specified period or season. In fact, there is nothing on record to show there was any agreement at all between Highlands and each of herein petitioners. Respondents never presented petitioners' supposed contracts of employment.[68] In the absence of proof showing that petitioners knowingly agreed on a fixed or seasonal term of

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[62] *Id.*

[63] See 780 Phil. 778 (2016).

[64] See *Poseidon Fishing v. NLRC*, supra note 53.

[65] LABOR CODE, ART. 294. [279] Security of Tenure. In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to reinstatement without loss of seniority rights and other privileges and to his full backwages, inclusive of allowances, and to his other benefits or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement.

[66] See supra note 61, citing *Magsalin v. National Organization of Working Men*, 451 Phil. 254, 262 (2003).

[67] See *Basan, et al. v. Coca-Cola Bottlers Philippines*, supra note 54 at 86.

[68] *Id.*

employment, we uphold the findings of the labor tribunals that petitioners are regular employees.[69]

As for respondents' argument that petitioners' services were not necessary and related to Highlands' main business purpose of providing a venue for evangelization, ***Millenium Erectors Corporation v. Magallanes***[70] is *apropos*. In that case, Millennium argued that Magallanes who worked as a utility man for sixteen (16) years was not a regular employee. His work was not necessary or directly related to petitioner's business as a construction company. The Court, however, ruled that petitioner's repeated and continuing need for respondent's services proved the necessity, if not indispensability, of his services to petitioner's business thereby making him a regular employee.

Vicmar Development Corp. v. Elarcosa[71] is also in point, thus:

> The test to determine whether an employee is regular is the reasonable connection between the activity he performs and its relation to the employer's business or trade xxx. **Nonetheless**, the **continuous re-engagement of all respondents to perform the same kind of tasks proved the necessity and desirability of their services in the business** of Vicmar. (Emphasis and underscoring supplied)

It is undisputed that respondents repeatedly hired petitioners as cooks, cook helpers, utility workers, and service crew, among others, from 2000 to 2010.[72] Even when petitioners were not rehired in 2011, Highlands still engaged other workers to perform the same tasks that petitioners have been performing for the past ten (10) years. Highlands' continuing need for the same services originally performed by petitioners is testament to their necessity and desirability in its business.[73] Without cooks, cook helpers, utility workers, and service crew, etc., it would be difficult, nay impossible, for Highlands to maintain its camping facilities and cater to its campers' needs. It would not have been able to provide a suitable venue for religious training, spiritual growth, and evangelization. Petitioners' services, therefore, are necessary and directly related to Highlands' camping site business. Verily, they were in fact regular employees.[74]

Petitioners were illegally dismissed

As regular employees, petitioners cannot be terminated from employment without any just and/or authorized cause.[75] Surely, Highlands' unilateral refusal to "rehire" them, *sans* any valid reason amounted to illegal

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[69] *Id.*
[70] See 649 Phil. 199 (2010).
[71] See 775 Phil. 218 (2015).
[72] See *Hacienda Fatima v. National Federation of Sugarcane Workers-Food and General Trade*, 444 Phil. 587, 596 (2003).
[73] See *Paz v. Northern Tobacco Redrying Co. Inc., et al.*, 754 Phil. 251, 264 (2015).
[74] *Id.*
[75] *Id.*

dismissal.[76] Petitioners are thus entitled to the rights and benefits due to illegally dismissed employees under Article 294 of the Labor Code, *viz.*:

> Art. 294. Security of Tenure. In cases of regular employment, the employer shall not terminate the services of an employee except for a just cause or when authorized by this Title. An employee who is unjustly dismissed from work shall be entitled to **reinstatement** without loss of seniority rights and other privileges and to his **full backwages**, inclusive of **allowances**, and to his **other benefits** or their monetary equivalent computed from the time his compensation was withheld from him up to the time of his actual reinstatement. (Emphasis supplied)

We, therefore, uphold the labor tribunals' award of full backwages to petitioners. We likewise affirm the award of 13th month pay due to them for respondents' failure to show that the same had been paid. As for overtime pay and holiday pay, however, we agree with the labor arbiter's finding[77] that petitioners failed to prove they had actually rendered service in excess of the regular eight (8) working hours a day and that they worked on holidays.[78] Further, the labor arbiter properly denied petitioners' claim for damages for failure to prove that respondents acted in bad faith in terminating their employment.

We also affirm the labor tribunals' award of separation pay in lieu of reinstatement. Separation pay is granted when: a) the relationship between the employer and the illegally dismissed employee is already strained; and b) a considerable length of time had already passed rendering it impossible for the employee to return to work.[79] Petitioners filed their complaint in 2011 and prayed for separation pay in lieu of reinstatement. A prayer for separation pay is an indication of the strained relations between the parties.[80] Too, nine (9) years is a substantial period rendering reinstatement impracticable.[81]

Since separation pay is awarded here, petitioners' backwages should be reckoned from the time of illegal dismissal **up to the finality of this Decision**.[82]

Finally, since petitioners were compelled to litigate to protect their interests,[83] the award of attorney's fees equivalent to ten percent (10%) of the total monetary award is proper.[84]

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[76] See *Hacienda Fatima v. National Federation of Sugarcane Workers-Food and General Trade*, supra, note 72.
[77] G.R. No. 220935, *rollo*, p. 171.
[78] See *Minsola v. New City Builders, Inc.*, G.R. No. 207613, January 31, 2018, 853 SCRA 466, 484.
[79] See *Doctor and Lao, Jr. v. Nii Enterprise and/or Ignacio*, 821 Phil. 251, 269 (2017).
[80] *Cabañas v. Abelardo G. Luzano Law Office*, G.R. No. 225803, July 2, 2018.
[81] See *A. Nate Casket Maker, and/or Armando and Anely Nate v. Arango*, 796 Phil. 597, 613 (2016).
[82] See *Bookmedia Press, Inc. v. Sinajon*, G.R. No. 213009, July 17, 2019.
[83] See *Tangga-an v. Philippine Transmarine Carriers, Inc, et al.*, 706 Phil. 339 (2013).
[84] See *Alva v. High Capacity Security Force, Inc.*, 820 Phil. 677-692 (2017).

As for Jayvelyn Pascal, it is settled that a corporation has a personality distinct and separate from the persons composing it.[85] As a general rule, only the employer-corporation, and not its officers, may be held liable for illegal dismissal of employees. The exception applies when corporate officers acted with bad faith.[86]

There is no showing here that as Highlands' Administrator, Pascal acted with malice, ill will, or bad faith when petitioners got terminated. She was merely identified as Highlands' Administrator, nothing more. She, therefore, cannot be made personally liable for petitioners' illegal dismissal.

A final word. Ordinary workers, as petitioners here, face each day the unevenness between labor and capital.[87] The reality is that they are trapped in a "one scratch, one peck" life or in the vernacular "*isang kahig, isang tuka*" just so they can provide *immediate* food for their family, *at the expense* of job security. This kind of reality needs to change. An essential step towards this change is by putting an end to an employer's obvious circumvention of labor laws.[88] The contract of labor is imbued with public interest.[89] This interest remains protected.

ACCORDINGLY, the **PETITIONS are GRANTED**. The assailed Decision dated May 15, 2015 of the Court of Appeals in CA-G.R. SP No. 133460 is **REVERSED and SET ASIDE.** Respondent Highlands Camp/Rawlings Foundation Inc. is **ORDERED** to pay petitioners the following:

(1) Backwages computed at the time petitioners were illegally dismissed until the finality of this Decision;
(2) Separation pay at the rate of one (1) month pay per year of service until the finality of this Decision;
(3) Unpaid 13th month pay; and
(4) Attorney's fees equivalent to ten percent (10%) of the total monetary award.

The total amount shall earn legal interest of six percent (6%) *per annum* from the finality of this Decision until fully paid. The Labor Arbiter is **ORDERED** to prepare a comprehensive computation of the monetary award and cause its implementation, with utmost dispatch.

SO ORDERED.

AMY C. LAZARO-JAVIER
Associate Justice

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[85] See *Bank of Commerce v. Nite*, 764 Phil. 655, 663 (2015).
[86] See *Lambert Pawnbrokers and Jewelry Corp., et al. v. Binamira*, 639 Phil. 1, 14 (2010).
[87] See *Basan, et al. v. Coca-Cola Bottlers Philippines*, supra note 53.
[88] *Id.*
[89] *Id.*

WE CONCUR:

ALFREDO BENJAMIN S. CAGUIOA
Working Chairperson

JOSE C. REYES, JR.
Associate Justice

MARIO V. LOPEZ
Associate Justice

SAMUEL H. GAERLAN
Associate Justice

ATTESTATION

I attest that the conclusions in the above Decision have been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

ALFREDO BENJAMIN S. CAGUIOA
Associate Justice
Working Chairperson, First Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Acting Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

DIOSDADO M. PERALTA
Chief Justice