

Republic of the Philippines
Supreme Court
Manila

BY: _____
TIME: _____

SECOND DIVISION

**CITIGROUP BUSINESS
PROCESS SOLUTIONS PTE.
LTD.,**

Petitioner,

- versus -

RAYMUNDO B. CORPUZ,
Respondent.

G.R. Nos. 208738-39

Present:
LEONEN, S.A.J., Chairperson,
LAZARO-JAVIER,
LOPEZ, M.,*
LOPEZ, J., and
KHO, JR., JJ.

Promulgated:

JUN 05 2024

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DECISION

KHO, JR., J.:

Before the Court is a Petition for Review on *Certiorari*¹ under Rule 45 of the Rules of Court assailing the Decision² dated March 26, 2013 and the Resolution³ dated August 14, 2013 of the Court of Appeals (CA) in CA-G.R. SP Nos. 110098 and 110885, which set aside the Resolutions dated April 20, 2009⁴ and July 20, 2009⁵ of the National Labor Relations Commission (NLRC) in NLRC NCR Case No. 00-08-09072-07. Accordingly, the CA ruling declared that respondent Raymundo B. Corpuz (Corpuz) was illegally dismissed and, accordingly, ordered Citigroup Business Process Solutions Pte. Ltd. (Citigroup) to reinstate Corpuz and pay full backwages computed

* On official leave.

¹ *Rollo*, pp. 11-46.

² *Id.* at 53-68. Penned by Associate Justice Francisco P. Acosta and concurred in by Associate Justices Fernando Lampas Peralta and Angelita A. Gacutan, Tenth Division, Court of Appeals, Manila.

³ *Id.* at 70-71.

⁴ *Id.* at 113-121. Penned by Commissioner Pablo C. Espiritu, Jr. and concurred in by Commissioner Gregorio O. Bilog, III, Third Division, NLRC, Quezon City.

⁵ *Id.* at 123-124. Penned by Commissioner Pablo C. Espiritu, Jr. and concurred in by Commissioner Gregorio O. Bilog, III. Presiding Commissioner Alex A. Lopez took no part. Third Division, NLRC, Quezon City.

from the time his compensation was illegally withheld from him and proportionate 13th month pay.

The Facts

This case stemmed from a Complaint⁶ for illegal dismissal, illegal suspension, unfair labor practice, non-payment of salaries and 13th month pay, and for moral and exemplary damages and attorney's fees filed by Corpuz against Citigroup and/or its Vice President Angela Lagman.

When Citigroup hired Corpuz as a Customer Solutions Officer (CSO) on October 20, 2006, Corpuz signed a contract of employment, a Privacy Promise Agreement, and a Patent and Confidential Information Agreement.⁷ The latter two agreements essentially safeguard the security and confidentiality of any information shared by customers, as well as the business of Crescent Services Pte., Ltd., Citigroup, its products and services, methods, systems, business plans or marketing methods and strategies, costs, or other confidential, secret and proprietary information of Crescent Services Pte., Ltd., Citigroup customers, clients and vendors.⁸ The Privacy Promise Agreement further provides, among others: (1) only authorized Citigroup employees who are trained in the proper handling of customer information to have access to that information, employees who violate the Privacy Promise will be subject to the normal disciplinary process; and (2) not to reveal customer information to any external organization unless the customer was previously informed in disclosures or agreements have been authorized by the customer or are required by law.⁹

On July 3, 2007, Corpuz received a phone call from a person who represented himself as an officer of Metlife. This caller sought assistance on where to send an unclaimed check, payable to a certain Citigroup's account holder but was returned to Citifinancial, the sender/drawer of the check, and in turn forwarded to Metlife. Metlife was the insurance provider for a number of mortgage account customers of Citigroup. During the conversation, Corpuz gave the name, address and account number of the account holder, as well as the home and mobile numbers of the said account holder. Corpuz went further by saying, "[t]his mortgage account has been discharged already. So, it's been refinanced by another financial institution, if that's the case, or the customer might have sold the property to someone else[.]"¹⁰

The next day, or on July 4, 2007, Corpuz's immediate supervisor Bam Laqui called out Corpuz due to the said call which involved disclosure of

⁶ Not attached to the *rollo*. See *id.* at 334.

⁷ *Id.* at 54.

⁸ *Id.* at 164-165.

⁹ *Id.* at 164.

¹⁰ *Id.*

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confidential information to a third party which is an offense against proprietary, confidential information and information security policy of Citigroup. On even date, Corpuz received a Show Cause Memorandum and Preventive Suspension which required him to submit his written explanation within 48 hours from receipt why no disciplinary action should be imposed because of such infraction and that his preventive suspension was immediately effective.¹¹ Corpuz sent his explanation on the same day wherein he averred that he treated the call as an intra-office correspondence exempted from the usual verification process considering that Metlife is a company which handles Citibank's loan protection insurance.¹²

On July 26, 2007, Citigroup Security and Investigation Services conducted an investigation. On August 1, 2007, Citigroup gave Corpuz a Notice of Administrative Hearing set the next day.¹³

On August 6, 2007, the Human Resources (HR) Committee of Citigroup informed Corpuz of its decision to terminate him. Corpuz requested for a reconsideration of his termination through a letter addressed to Angela Lagman, Citigroup's Vice President for Human Resources, but the following day, Corpuz received a letter from the Head of HR, Gretchale Santos, who informed him that pending the final decision of his case, his preventive suspension was extended but with pay starting on August 6, 2007.¹⁴

On August 17, 2007, Corpuz received a Notice of Termination dated August 8, 2007 effective August 9, 2007.¹⁵

In light of the foregoing, on August 22, 2007, Corpuz filed a Complaint for illegal dismissal, illegal suspension, unfair labor practice, nonpayment of salaries and 13th month pay, and for moral and exemplary damages and attorney's fees.

In defense, Citigroup averred that Corpuz was validly dismissed due to his unauthorized disclosure of confidential customer's account information which constituted not only serious misconduct, but also willful disobedience and fraud or willful breach of trust reposed in Corpuz.¹⁶ Citigroup insisted that despite Corpuz's failure to verify the caller's identity, Corpuz continued to entertain the call even if the caller could not provide for the reference number, the middle name, or the birthday of the account holder.¹⁷ According to Citigroup, the prohibition on disclosure of confidential customer information applies to anyone, even Citigroup or company personnel, so long as there was

¹¹ *Id.* at 55.

¹² *Id.* at 56.

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.* at 57.

¹⁶ *Id.* at 28-37.

¹⁷ *Id.* at 29.

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no proper authorization by Citigroup, employee, customer or as required by law and approved by internal counsel.¹⁸ Citigroup further claimed that some of what was disclosed by Corpuz are financial and nonpublic information pertaining to the client's account.¹⁹

The LA Ruling

In a Decision²⁰ dated January 31, 2008, the labor arbiter (LA) dismissed the complaint for illegal suspension and illegal dismissal, as well as other claims including the charge of unfair labor practice for lack of merit. Nonetheless, Citigroup was ordered to pay Corpuz his pro rata 13th month pay, subject to clearance requirements.²¹

The LA noted that since Corpuz was charged with a violation related to information security, his continued access to Citigroup's database could lead to possible security breach; hence, the preventive suspension was not illegal.²² Furthermore, it was held that Corpuz was legally dismissed on just cause and in fact, ample opportunity to be heard was given to Corpuz prior to his termination.²³ In this regard, the LA found that Corpuz's unauthorized disclosure of confidential information to a caller whom Corpuz admitted to be not known to him constituted not only serious misconduct but also willful disobedience of Citigroup's confidentiality policy.²⁴ Given that Corpuz was terminated for cause and with due process, the LA held that the claims for reinstatement with full backwages and other monetary claims and damages cannot be sustained.²⁵ Finally, the LA dismissed the charge of unfair labor practice for lack of substantiation that the employer's decision to terminate his employment was intended to restrain, interfere with, or prevent Corpuz from the exercise of his right to self-organization.²⁶

Aggrieved, Corpuz appealed to the NLRC.²⁷

The NLRC Ruling

In a Resolution²⁸ dated April 20, 2009, the NLRC affirmed the LA ruling with modification, in that it declared that Corpuz underwent a procedurally infirm valid dismissal; hence, it ordered Citigroup to pay Corpuz the amount of PHP 30,000.00 as nominal damages plus his proportionate 13th

¹⁸ *Id.* at 30.

¹⁹ *Id.* at 31.

²⁰ *Id.* at 334-349. Penned by Labor Arbiter Veneranda C. Guerrero.

²¹ *Id.* at 349.

²² *Id.* at 341.

²³ *Id.*

²⁴ *Id.* at 344-345.

²⁵ *Id.* at 347.

²⁶ *Id.* at 348.

²⁷ *Id.* at 350-383.

²⁸ *Id.* at 113-121.

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month pay for 2007.²⁹

The NLRC held that while Corpuz was validly dismissed for just cause, Citigroup did not sufficiently comply with the requirement of due process before terminating Corpuz. In this regard, the NLRC pointed out that the show cause memorandum served upon Corpuz did not provide for the specific circumstances of the alleged infraction, the fact that the basis of the charge was a recorded call, the time when the incident occurred, the content of the recorded call, and that the charge against him would cause his dismissal.³⁰ Therefore, Corpuz was not sufficiently apprised of the charge against him and was therefore deprived of due process.³¹

Citigroup and Corpuz filed their separate Motions for Reconsideration,³² but both were denied in a Resolution³³ dated July 20, 2009. Dissatisfied, Citigroup and Corpuz filed their Rule 65 petition for *certiorari* before the CA which were consolidated in Resolutions dated June 1, 2010³⁴ and December 9, 2010.³⁵

The CA Ruling

In a Decision³⁶ dated March 26, 2013, the CA set aside the NLRC ruling, declaring Citigroup to have illegally dismissed Corpuz. Accordingly, the CA ordered Citigroup to reinstate Corpuz, and to pay him his full backwages computed from the time his compensation was illegally withheld from him, plus his proportionate 13th month pay.³⁷

The CA held that while the propriety of Corpuz's preventive suspension pending the investigation and resolution of his case was upheld,³⁸ there was no serious misconduct that would justify the termination of Corpuz's employment.³⁹ It ratiocinated that when Corpuz gave the client's phone numbers and confirmed that the account had already been discharged, it was due to his belief that the caller was an officer of Metlife, which was undisputedly an affiliate of Citigroup. Hence, the CA opined it was a *bona fide* belief that the caller was not an unauthorized third person and that it was done to help out their affiliate.⁴⁰ Further, the CA pointed out that the information, specifically the home and mobile phone numbers, cannot be

²⁹ *Id.* at 120.

³⁰ *Id.* at 119.

³¹ *Id.* at 120.

³² *Id.* at 451-460 & 461-511.

³³ *Id.* at 123-124.

³⁴ *Id.* at 1083-1084.

³⁵ *Id.* at 1086-1088.

³⁶ *Id.* at 53-68.

³⁷ *Id.* at 67.

³⁸ *Id.* at 62.

³⁹ *Id.* at 64.

⁴⁰ *Id.*

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considered as confidential data as they can be found in public records. Evidently, the CA found no malice or wrongful intent nor willful or deliberate objective to cause benefit to himself or to any person, or damage to the company or its clients.⁴¹ Finally, the CA ruled that even assuming *arguendo* that Corpuz violated company rules, dismissal was too harsh of a penalty to be imposed on him.⁴²

Undaunted, Citigroup moved for partial reconsideration which was denied in a Resolution⁴³ dated August 14, 2013; hence, this Petition.

The Issue Before the Court

The issue before the Court is whether the CA committed reversible error when it annulled and set aside the NLRC ruling and, accordingly, declared Citigroup to have illegally dismissed Corpuz.

The Court's Ruling

The Petition is unmeritorious.

I.

Prefatorily, it must be reiterated that this Court's power of review over labor cases in a Rule 45 petition is limited to the correctness of the CA's findings on the existence, or absence, of grave abuse of discretion committed by the NLRC. In ruling for legal correctness, the Court has to view the CA decision in the same context that the petition for *certiorari* it ruled upon was presented to it: whether the CA correctly determined the presence or absence of grave abuse of discretion in the NLRC decision before it, not on the basis of whether the NLRC decision on the merits of the case was correct.⁴⁴ To justify the grant of the petition for *certiorari*, it must be shown therefore that the NLRC gravely abused the discretion conferred upon it.⁴⁵

“Grave abuse of discretion is defined as ‘an act too patent and gross as to amount to an evasion of a duty, or to a virtual refusal to perform the duty enjoined or act in contemplation of law’ or that the tribunal, board or officer with judicial or quasi-judicial powers ‘exercised its power in an arbitrary and

⁴¹ *Id.*

⁴² *Id.* at 65.

⁴³ *Id.* at 70–71.

⁴⁴ See *Montoya v. Transmed Manila Corporation*, 613 Phil. 696, 707 (2009) [Per J. Brion, Second Division]. See also *FLB Construction Corporation v. Trinidad*, G.R. No. 194931, October 6, 2021 [Per J. Zalameda, Third Division] and *Celis v. Bank of Makati (A Savings Bank), Inc.*, G.R. No. 250776, June 15, 2022 [Per J. Inting, Third Division].

⁴⁵ See *FLB Construction Corporation v. Trinidad*, G.R. No. 194931, October 6, 2021 [Per J. Zalameda, Third Division].

despotic manner by reason of passion or personal hostility.”⁴⁶ By grave abuse of discretion, it must be shown that the discretion was exercised arbitrarily or despotically.⁴⁷ In labor cases, there is grave abuse of discretion on the part of the NLRC when its findings and conclusions are not supported by substantial evidence, i.e., that amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion.⁴⁸

Moreover, it must be borne in mind that a Rule 45 petition limits the scope of the review to questions of law raised against the assailed CA decision.⁴⁹ For this reason, judicial review of labor cases does not go beyond the evaluation of the sufficiency of the evidence upon which its labor officials’ findings rest.⁵⁰ Nonetheless, the different factual findings of the LA, NLRC, and the CA, particularly as to whether the infraction committed by Corpuz is a serious misconduct that justifies his dismissal, is undeniable. Thus, the Court deems it necessary to review the case to arrive at the correct conclusions.

Based on the foregoing considerations and after a circumspect review of the records of the case, the Court rules that the CA correctly found grave abuse of discretion on the part of the NLRC whose ruling was not supported by the evidence on record as well as prevailing laws and jurisprudence on Labor law.

II.

In termination cases, the burden of proof rests upon the employer to show that the dismissal is for a just and valid cause. Failure to do so would necessarily mean that the dismissal was illegal. For this purpose, the employer must present substantial evidence to prove the legality of the employee’s dismissal.⁵¹ However, for a dismissal from employment to be valid, both the substantial and procedural due process requirements must be satisfactorily complied with.⁵² Thus, the cause of the dismissal must not only have basis under the law, but also the two-notice requirement of due process must be observed. Failure to observe substantial due process renders

⁴⁶ *Philippine National Bank v. Gregorio*, 818 Phil. 321, 337 (2017) [Per J. Jardeleza, First Division].

⁴⁷ *Id.* at 335.

⁴⁸ See *Celis v. Bank of Makati (A Savings Bank), Inc.*, G.R. No. 250776, June 15, 2022 [Per J. Inting, Third Division]; *FLB Construction Corporation v. Trinidad*, G.R. No. 194931, October 6, 2021 [Per J. Zalameda, Third Division]; and *Zonio v. 1st Quantum Leap Security Agency, Inc.*, G.R. No. 224944, May 5, 2021 [Per J. M. Lopez, Second Division].

⁴⁹ See *Montoya v. Transmed Manila Corporation*, 613 Phil. 696, 707 (2009) [Per J. Brion, Second Division]. See also *FLB Construction Corporation v. Trinidad*, G.R. No. 194931, October 6, 2021 [Per J. Zalameda, Third Division]; *Celis v. Bank of Makati (A Savings Bank), Inc.*, G.R. No. 250776, June 15, 2022 [Per J. Inting, Third Division]; *Claret School of Quezon City v. Sinday*, 864 Phil. 1053, 1069 (2019) [Per J. Leonen, Third Division].

⁵⁰ See *Pading v. Lepanto Consolidated Mining Corporation*, G.R. No. 235358, August 4, 2021 [Per J. Carandang, Third Division]; *Zonio v. 1st Quantum Leap Security Agency, Inc.*, G.R. No. 224944, May 5, 2021 [Per J. M. Lopez, Second Division].

⁵¹ *Meco Manning & Crewing Services, Inc. v. Cuyos*, 855 Phil. 855, 867 (2019) [Per J. Reyes, Jr., Second Division].

⁵² *Bance v. University of St. Anthony*, G.R. No. 202724, February 3, 2021 [Per J. Hernando, Third Division].

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the dismissal illegal and entitles the employee to reinstatement without loss of seniority rights and other privileges, full backwages inclusive of allowances, and other benefits or their monetary equivalent.⁵³

Article 297 (formerly Article 282) of the Labor Code enumerates the just causes for termination of employment, paragraph (a) of which reads: “[s]erious misconduct or willful disobedience by the employee of the lawful orders of his[/her] employer or representative in connection with his[/her] work.” Case law states that “[m]isconduct is defined as an improper or wrong conduct. It is a transgression of some established and definite rule of action, a forbidden act, a dereliction of duty, willful in character, and implies wrongful intent and not mere error in judgment. To constitute a valid cause for the dismissal within the text and meaning of Article [297 (formerly Article 282)] of the Labor Code, the employee’s misconduct must be serious, i.e., of such grave and aggravated character and not merely trivial or unimportant.”⁵⁴ “Additionally, the misconduct must be related to the performance of the employee’s duties showing him to be unfit to continue working for the employer. Further, and equally important and required, the act or conduct must have been performed with wrongful intent.”⁵⁵

In *Bookmedia Press, Inc. v. Sinajon*,⁵⁶ the Court underscored that in evaluating the existence of, *inter alia*, serious misconduct, the act complained of must be **characterized with willfulness or wrongful intent on the part of the employee**, viz.:

As can be observed from the foregoing pronouncements, the just causes of serious misconduct, willful disobedience of an employer’s lawful order, and fraud all imply the presence of “willfulness” or “wrongful intent” on the part of the employee. Hence, **serious misconduct and willful disobedience of an employer’s lawful order may only be appreciated when the employee’s transgression of a rule, duty or directive has been the product of “wrongful intent” or of a “wrongful and perverse attitude,” but not when the same transgression results from simple negligence or “mere error in judgment.”** In the same vein, fraud and dishonesty can only be used to justify the dismissal of an employee when the latter commits a dishonest act that reflects a disposition to deceive, defraud and betray his employer.

The requirement of willfulness or wrongful intent in the appreciation of the aforementioned just causes, in turn, underscores the intent of the law to reserve only to the gravest infractions the ultimate penalty of dismissal. **It is essential that the infraction committed by an employee is serious, not merely trivial, and be reflective of a certain degree of depravity or ineptitude on the employee’s part, in order for**

⁵³ *Id.*, citing LABOR CODE, art. 294 [279].

⁵⁴ *Sterling Paper Products Enterprises, Inc. v. KMM-Katipunan*, 815 Phil. 425, 435 (2017) [Per J. Mendoza, Second Division].

⁵⁵ *Id.* at 436.

⁵⁶ 857 Phil. 35 (2019) [Per J. Peralta, Third Division].

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the same to be a valid basis for the termination of his employment.⁵⁷
(Emphasis supplied)

Here, the LA, NLRC, and CA unanimously found that Corpuz disclosed information about a customer's account such as home and mobile numbers, address, account number, and the fact that the customer's mortgage account has been discharged and is being refinanced by another financial institution; and for such reason, Citigroup terminated his employment for a violation of company policy, particularly, the Privacy Promise Agreement and Confidential Information Agreement signed by Corpuz at the time of hiring.

However, the Court is of the view that the labor tribunals glaringly failed to consider the fact that such disclosure was made by Corpuz who ***honestly believed*** that he was rendering service for the client in order for the latter to receive the unclaimed check payable to him. More significantly, it appears that Corpuz truly believed that the person whom he disclosed information to was an officer of Metlife, the insurance provider for a number of mortgage account customers of Citigroup thereby making the call as intra-office correspondence exempted from the usual verification.⁵⁸ Taking these into consideration, the Court hardly sees that Corpuz's act as above-described can be characterized with "willfulness or wrongful intent" that is necessary for the same to rise to the level of serious misconduct that would constitute a just cause for termination. Hence, the CA correctly opined that Corpuz cannot be dismissed on this ground.

In a further attempt to justify Corpuz's termination, Citigroup argues that the just cause of loss of trust and confidence is present in this case.

The Court is not persuaded.

The requisites to validly terminate an employee on the ground of loss of trust and confidence are the following: (i) the employer must show that the employee holds a position of trust and confidence and (ii) the employer must establish the existence of an act justifying the loss of trust and confidence. Thus, said act must be real, founded on clearly established facts, and the employee's breach of trust ***must be willful, intentional, knowingly and purposely done without justifiable excuse.***⁵⁹ In *Rivera v. Genesis Transport Service, Inc.*,⁶⁰ the Court elucidated:

The position an employee holds is not the sole criterion. **More important than this formalistic requirement is that loss of trust and**

⁵⁷ *Id.* at 46.

⁵⁸ *See rollo*, pp. 56 & 164.

⁵⁹ *Cornworld Breeding Systems Corporation v. Court of Appeals*, G.R. No. 204075, August 17, 2022 [Per J. Hernando, First Division], citing *Distribution & Control Products, Inc. v. Santos*, 813 Phil. 423, 433–434 (2017) [Per J. Peralta, Second Division].

⁶⁰ 765 Phil. 544 (2015) [Per J. Leonen, Second Division].

confidence must be justified. As with misconduct as basis for terminating employment, breach of trust demands that a degree of severity attend[s] the employee's breach of trust. In *China City Restaurant Corporation v. National Labor Relations Commission*, this court emphasized the need for caution:

For loss of trust and confidence to be a valid ground for the dismissal of employees, it must be substantial and not arbitrary, whimsical, capricious or concocted.

Irregularities or malpractices should not be allowed to escape the scrutiny of this Court. Solicitude for the protection of the rights of the working class [is] of prime importance. Although this is not [a] license to disregard the rights of management, still the Court must be wary of the ploys of management to get rid of employees it considers as undesirable.⁶¹ (Emphasis supplied)

Therefore, the breach of trust and confidence must not only be substantial, but it must also be willful and intentional. As discussed above, the willingness to disregard the trust and confidence without justifiable cause is wanting in this case. To reiterate, while Corpuz's acts constituted a violation of Citigroup's policy, it was never his intention to cause harm or damage to Citigroup that would have justified Citigroup's loss of trust and confidence in him. As aptly observed by the CA, there was no allegation that the disclosure of information resulted to damage to Citigroup or the client whose information was disclosed. The Court further notes that Corpuz has been firmly insistent that the disclosure of the information was due to his honest belief that he is rendering assistance to Citigroup's affiliate company and client. This is bolstered by Corpuz's e-mail reply to Citigroup's Show Cause Memorandum which reads:

*This is in reference to the coaching form I received today. As I have explained, I thought that the person on the line is exempt from the usual verification process and is authorized to account specific information (like the solitors (sic) in some way) since he identified himself as an officer of Metlife, a company which handles Citibank's loan protection insurance, I treated the call as if it were an intra-office correspondence, disregarding the strict rule of accommodating only the authorized persons on the account. Since he already knows the account holder's mailing address and is talking about a check that is payable to the account holder, I felt that it was necessary for me to give assistance. The account holder could have filed a claim and needs the money badly. It was a simple oversight, I promise to strictly adhere to the procedures that will make Citibank comply with whatever bank secrecy rules in future calls.*⁶² (Emphasis supplied)

⁶¹ *Id.* at 556-557. (Citations omitted)

⁶² *Rollo*, p. 56.

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Given the foregoing, the Court upholds the CA's conclusion that Corpuz was illegally dismissed from employment.

III.

An illegally dismissed employee, such as Corpuz in this case, is entitled to two reliefs, namely, backwages and reinstatement. They are separate and distinct reliefs given to an illegally dismissed employee in order to alleviate the economic damage brought about by the employee's dismissal. On the one hand, the payment of backwages is a form of relief that restores the income that was lost by reason of the unlawful dismissal; on the other hand, reinstatement is a restoration to a state from which one has been removed or separated. Needless to say, the award of one does not bar the other.⁶³

Nevertheless, there are instances where instead of reinstatement, the Court awards separation pay. In *Claudia's Kitchen, Inc. v. Tanguin*,⁶⁴ the Court listed the instances where separation pay in lieu of reinstatement may be awarded, to wit:

In sum, separation pay is only awarded to a dismissed employee in the following instances: 1) in case of closure of establishment under Article 298 [formerly Article 283] of the Labor Code; 2) in case of termination due to disease or sickness under Article 299 [formerly Article 284] of the Labor Code; 3) as a measure of social justice in those instances where the employee is validly dismissed for causes other than serious misconduct or those reflecting on his moral character; 4) where the dismissed employee's position is no longer available; 5) when the continued relationship between the employer and the employee is no longer viable due to the strained relations between them; or 6) when the dismissed employee opted not to be reinstated, or the payment of separation benefits would be for the best interest of the parties involved[.]⁶⁵

In this case, separation pay is proper because as admitted by Citigroup, reinstatement is no longer feasible in view of the strained relations between the Citigroup and Corpuz.⁶⁶

Considering the foregoing, the Court rules that in light of Corpuz's illegal dismissal, Citigroup must pay Corpuz (a) backwages computed from the time of the illegal dismissal until finality of this ruling and (b) separation pay of one month salary for every year of service computed from the time of Corpuz's hiring until finality of this ruling. Moreover, Citigroup must also be ordered to pay Corpuz attorney's fees equivalent to 10% of the

⁶³ *Genuino Agro-Industrial Development Corporation v. Romano*, 863 Phil. 360, 379 (2019) [Per J. J. Reyes, Jr., Second Division], citing *Advan Motor, Inc. v. Veneracion*, 822 Phil. 596, 608 (2017) [Per J. Leonardo-De Castro, First Division].

⁶⁴ 811 Phil. 784 (2017) [Per J. Mendoza, Second Division].

⁶⁵ *Id.* at 799.

⁶⁶ *Rollo*, p. 42.

aforementioned awards as the latter was forced to litigate in order to protect his rights, pursuant to Article 111 of the Labor Code in relation to Article 2208 of the Civil Code.⁶⁷ Finally, pursuant to *Lara's Gifts and Decors, Inc. v. Midtown Industrial Sales*,⁶⁸ all monetary awards shall earn legal interest at the rate of 6% per annum from finality of this Decision until full payment.

ACCORDINGLY, the petition is **DENIED**. The Decision dated March 26, 2013 and the Resolution dated August 14, 2013 of the Court of Appeals in CA-G.R. SP Nos. 110098 and 110885 are hereby **AFFIRMED with MODIFICATION**. Petitioner Citigroup Business Process Solutions Pte. Ltd. is ordered to pay respondent Raymundo B. Corpuz the following: (a) backwages computed from the time of the illegal dismissal until finality of this ruling; (b) separation pay of one month salary for every year of service computed from the time of respondent Raymundo B. Corpuz's hiring until finality of this ruling; and (c) attorney's fees equivalent to 10% percent of the total monetary awards due to respondent Raymundo B. Corpuz. Finally, all amounts shall earn legal interest at the rate of 6% per annum from finality of this Decision until full payment.

SO ORDERED.



ANTONIO T. KHO, JR.

Associate Justice

WE CONCUR:



MARVIC M.V.F. LEONEN

Senior Associate Justice
Chairperson



AMY C. LAZARO-JAVIER

Associate Justice

On official leave
MARIO V. LOPEZ

Associate Justice



JHOSEP V. LOPEZ

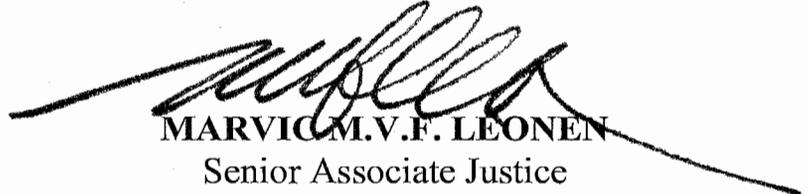
Associate Justice

⁶⁷ See *Square Meter Trading Construction v. Court of Appeals*, G.R. No. 225914, January 26, 2021 [Per J. Carandang, First Division].

⁶⁸ G.R. No. 225433, September 20, 2022 [Per J. Leonen, *En Banc*].

ATTESTATION

I attest 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.



MARVIC M.V.F. LEONEN
Senior Associate Justice
Chairperson, Second Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division 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.



ALEXANDER G. GESMUNDO
Chief Justice

