

# Republic of the Philippines Supreme Court Manila

#### SECOND DIVISION

LEO G. TRIMOR.

G.R. No. 265553

Petitioner,

- versus -

LEONEN, J.,\*

LAZARO-JAVIER, Acting Chairperson,

LOPEZ, M.,

BLOKIE BUILDERS and TRADING CORPORATION and FILAMER AMADO P. BULAO.

LOPEZ, J., and KHO, JR., JJ.

Respondents.

Promulgated:

OCT 0 4 2023

#### DECISION

KHO, JR., J.:

Assailed in this Petition for Review on *Certiorari*<sup>1</sup> under Rule 45 of the Rules of Court are the Decision<sup>2</sup> dated September 20, 2022 and the Resolution<sup>3</sup> dated January 31, 2023 of the Court of Appeals (CA) in CA-G.R. SP No. 171772, which reversed and set aside the Decision<sup>4</sup> dated December 29, 2020 and the Resolution<sup>5</sup> dated November 22, 2021 of the National Labor Relations Commission (NLRC) in NLRC LAC No. 11-004053-19. The NLRC, in turn, overturned the Decision<sup>6</sup> dated August 29, 2019 of the Labor Arbiter (LA) in NLRC NCR Case No. 01-00051-19 dismissing the complaint for illegal dismissal, among others, filed by petitioner Leo G. Trimor (petitioner).

Rollo, pp. 12-41.

3 Id. at 57--58.

5 *Id.* at 99–104.

<sup>\*</sup> On Leave, left a vote pursuant to Section 4, Rule 12 of the Supreme Court Internal Rules.

Id. at 46-55. Penned by Associate Justice Ruben Reynaldo G. Roxas with Associate Justices Edwin D. Sorongon and Eduardo S. Ramos, Jr., concurring.

<sup>&</sup>lt;sup>4</sup> Id. at 106–125. Penned by Commissioner Ma. Minerva S. Paez-Collantes with Presiding Commissioner Gerardo C. Nograles and Commissioner Gina F. Cenit-Escoto, concurring.

<sup>6</sup> Id. at 233–239. Penned by Labor Arbiter Romelita N. Rioflorido.

#### The Facts

This case stemmed from a complaint for illegal dismissal, non-payment of salaries, overtime pay, holiday pay, holiday and rest day premium, service incentive leave pay, 13<sup>th</sup> month pay, night shift differential, separation pay, backwages, and payment of moral and exemplary damages plus attorney's fees filed before the NLRC by petitioner against respondents Blokie Builders and Trading Corporation (BBTC) and its President, Filamer Amado P. Bulao (Bulao; collectively, respondents).<sup>7</sup>

Petitioner alleged that he was hired by BBTC, a general construction company, on June 7, 2018 as an in-house project-in-charge, a regular position, responsible for overseeing various projects. He was introduced as such to clients and he worked at BBTC's head office. Subsequently, on July 25, 2018, petitioner was assigned to the SM Fairview Department Store re-layout project.<sup>8</sup>

At a later time, petitioner claimed to have been assigned to the Jollibee Malolos renovation project in September 2018. In the early morning of December 3, 2018, after completing work and returning home, petitioner received a call from Bulao, instructing him to return to the work site. Petitioner requested to rest due to lack of sleep, but Bulao allegedly responded with "Wag ka nang bumalik." On December 10, 2018, when petitioner went to BBTC's office to collect his salary, Bulao withheld it, purportedly saying "Wala ka nang babalikan na trabaho. Baka nga ikaw pa ang may utang samin." Bulao added that petitioner would be informed about his salary status on December 20, 2018, after accounting for his responsibilities. Claiming to be a regular employee and illegally dismissed, petitioner initiated the complaint below.9

For their part, respondents countered that petitioner was employed as a project-in-charge/foreman under a project-based contract. According to the "PROJECT BASE[D] CONTRACT," petitioner was assigned to the SM Fairview Department Store re-layout project from June 7, 2018 until its completion, with an estimated duration of six months. In August 2018, respondents allegedly found that petitioner's work was unsatisfactory and inadequate, to the extent that the client requested for his replacement. Supposedly, to ensure the project's continuity and to fulfill the original contractual six-month employment period, petitioner was reassigned to oversee the Jollibee Malolos renovation project starting on September 1, 2018. According to respondents, petitioner's incompetence persisted during this project. 11

<sup>&</sup>lt;sup>7</sup> *Id.* at 128–129.

<sup>8</sup> Id. at 129-130.

<sup>9</sup> Id. at 130-131.

<sup>10</sup> Id. at 184.

<sup>11</sup> Id. at 151-153.

On December 3, 2018, petitioner informed Bulao that he would not report to work the following day. Although Bulao permitted this, he reminded petitioner of the importance of the turnover of the Jollibee Malolos project on December 5, 2018. However, petitioner failed to show up on the specified date, ignoring all of Bulao's attempts to contact him. Allegedly, petitioner only appeared at the office on December 10, 2018, demanding his last pay. Respondents claimed that the payment was withheld due to unresolved obligations and the return of company-owned tools and equipment. Subsequently, they were surprised to discover that petitioner had filed the present labor case before the NLRC.<sup>12</sup>

# The LA Ruling

In a Decision<sup>13</sup> dated August 29, 2019, the LA dismissed the complaint for illegal dismissal but ordered BBTC to pay petitioner his unpaid 13<sup>th</sup> month pay amounting to PHP 6,312.00.<sup>14</sup>

In arriving at its ruling, the LA determined, based on the employment contract signed by petitioner on "8-22-18," that petitioner's employment was project-based. Thus, it concluded that petitioner was aware from the beginning that his engagement was limited to a specific project, namely the SM Fairview Department Store re-layout, with a targeted completion period of six months. The LA considered petitioner's transfer to the Jollibee Malolos project as valid, since it was made at the client's request and to honor the original contract period. Moreover, the LA recognized that BBTC, being involved in the construction business, typically hires project employees of various trade classifications for specific projects or phases. Once the project or phase is completed, their employment is terminated automatically. Therefore, there was no illegal dismissal when petitioner's employment was terminated due to project completion. The LA also found no grounds for granting petitioner's monetary claims and damages. However, as respondents admitted the unpaid 13th month pay, the LA ordered them to compensate petitioner with PHP 6,312.00, representing the same. 15

Aggrieved, petitioner appealed to the NLRC wherein he essentially reiterated his previous contentions concerning his status as a regular employee. In addition, he posited that if respondents genuinely regarded him as a project-based employee, they failed to comply with Department of Labor and Employment (DOLE) Department Order No. 19, series of 1993, (DO 19-93), 16 as they failed to file the necessary termination report. 17

<sup>12</sup> Id. at 153-154.

<sup>13</sup> Id. at 233-239.

<sup>14</sup> Id. at 239.

<sup>15</sup> Id. at 237-239.

Entitled "Guidelines Governing the Employment of Workers in the Construction Industry," approved on April 1, 1993.

<sup>17</sup> Rollo, pp. 244-248.

## The NLRC Ruling

In a Decision<sup>18</sup> dated December 29, 2020, the NLRC overturned the LA's findings and concluded that: (1) petitioner was a regular employee of BBTC from the start; (2) petitioner was illegally dismissed and, as a result, entitled to full backwages and separation pay in lieu of reinstatement; and (3) BBTC was liable to pay petitioner (a) unpaid wages for the periods June 7, 2018 to July 6, 2018, and from November 26, 2018 to December 2, 2018, (b) holiday pay for June 12, 2018 and June 15, 2018, (c) proportionate 13<sup>th</sup> month pay for the year 2018, and (d) attorney's fees equivalent to 10% of the total judgment award to be paid to the Public Attorney's Office.<sup>19</sup>

In so ruling, the NLRC held that it was doubtful whether petitioner was informed of his employment status as a project-based employee when he began working. It observed that respondents did not dispute petitioner's claim that he was hired as an "in-house project-in-charge," a regular position, and introduced as such to clients during meetings. Moreover, the NLRC highlighted petitioner's notation "8-22-18" on the employment contract, indicating that he signed it on August 8, 2018, which was two months after the SM Fairview Department Store re-layout project had commenced. As a regular employee, petitioner could only be dismissed for just and authorized causes under the Labor Code. Since no such reasons were adduced, his dismissal was deemed illegal. Furthermore, the NLRC sustained the award of 13th month pay and also granted petitioner's prayer for backwages, separation pay, unpaid wages, holiday pay, and attorney's fees.<sup>20</sup>

Dissatisfied, respondents sought reconsideration. However, in its Resolution<sup>21</sup> dated November 22, 2021, the NLRC merely modified its Decision by removing the allowance component from the computation of petitioner's backwages and adjusting the attorney's fees, while affirming the rest of its original ruling.<sup>22</sup> Consequently, respondents filed a Petition for *Certiorari*<sup>23</sup> under Rule 65 with the CA, arguing the NLRC had committed grave abuse of discretion by partially granting petitioner's appeal.

#### The CA Ruling

In a Decision<sup>24</sup> dated September 20, 2022, the CA granted respondents' petition and reinstated the LA Decision.<sup>25</sup>

<sup>18</sup> Id. at 106-125.

<sup>19</sup> Id. at 124-125.

<sup>20</sup> Id. at 118-124.

<sup>21</sup> Id. at 99-104.

<sup>22</sup> Id.

<sup>23</sup> Id. at 59-96.

<sup>&</sup>lt;sup>24</sup> Id. at 46-55.

<sup>25</sup> Id. at 54.

The CA concurred with respondents' contention that petitioner was not a regular employee but rather a project-based employee, as clearly stated in the contract he had signed. The contract explicitly specified that petitioner was hired for the SM Fairview Department Store re-layout project and that his employment would begin on the indicated start date and end upon project completion. The CA stated that there was no doubt petitioner had been adequately informed of his status as a project-based employee at the time of engagement. Regarding illegal dismissal, the CA found that petitioner had failed to discharge his burden of proving the fact of dismissal in accordance with established jurisprudence. Without proof of dismissal, the validity or legality of such dismissal cannot even be an issue. Thus, petitioner's claim arising from the complaint for illegal dismissal should be denied. The CA also upheld the LA's findings on petitioner's claims for unpaid salaries, overtime pay, holiday pay, rest day premium, service incentive leave pay, and night shift differential, as there was no evidence that payment thereof was withheld from him. Notwithstanding, the award of 13th month pay to petitioner was upheld, given respondents' admission of petitioner's entitlement thereto.<sup>26</sup>

Displeased, petitioner moved for reconsideration, which was subsequently denied in a Resolution<sup>27</sup> dated January 31, 2023.

Hence, this petition.

#### The Issue Before the Court

The issue for the Court's resolution is whether the CA erred in concluding that the NLRC committed grave abuse of discretion amounting to lack or excess of jurisdiction when it reversed the LA's dismissal of the complaint for illegal dismissal and other monetary claims.

Stripped of the non-essentials, petitioner insists that he is a regular employee for the following reasons: (1) his duties are usually necessary and desirable to BBTC's usual business or trade of general construction; (2) he was not informed of his status as a project-based employee during his engagement; (3) he was not assigned to a specific project since respondents had reserved the right to re-assign him to other projects depending on his performance evaluation; and (4) respondents neglected to submit the necessary termination report to the DOLE and to provide him a completion bonus in violation of DO 19-93. Given that respondents presented no just or authorized cause under the Labor Code for his dismissal, he asserts he was illegally dismissed and thus entitled to the reliefs under the law. Furthermore, the CA erred in dismissing his monetary claims since respondents failed to discharge their burden of proving payment of his labor standard benefits.<sup>28</sup>

<sup>&</sup>lt;sup>26</sup> Id. at 50–54.

<sup>&</sup>lt;sup>27</sup> Id. at 57–58.

<sup>&</sup>lt;sup>28</sup> Id. at 21–37.

In their Comment/Opposition (to the Petition for Review on *Certiorari* dated 31 March 2023),<sup>29</sup> respondents contend, *inter alia*, that: (a) this Court should dismiss the petition as it involves a review of the factual findings of the lower court and tribunals; (b) petitioner's belated signing of the project-based contract was not coerced and served as an affirmation of his status as a project-based employee; (c) petitioner's transfer to another project was prompted by his incompetence and to simply fulfill the contractual employment period of six months; (d) the submission of a DOLE termination report under DO 19-93 is merely an indicator of project-based employment; (e) petitioner's employment automatically ceased upon completion of the project; (f) petitioner failed to substantiate his claim of being dismissed; and (g) the claim for labor standard benefits should be denied as the payroll records petitioner presented indicate that he was duly compensated.<sup>30</sup>

## The Court's Ruling

The petition is meritorious.

Generally, factual questions lie beyond the scope of the Court's review in a Rule 45 petition for review on *certiorari*. Thus, as a general rule, it is not inclined to re-examine and re-evaluate the evidence of the parties, whether testimonial or documentary. This Court may, however, in the exercise of its equity jurisdiction, review the facts and re-examine the records of the case, where there is a conflict between the factual findings of the LA and the CA, on one hand, and those of the NLRC, on the other.<sup>31</sup>

Further, in *Paiton v. ARMSCOR Global Defense, Inc.*,<sup>32</sup> the Court had the opportunity to reiterate the unique intricacy of labor cases being elevated to it, as follows:

It must be stressed that to justify the grant of the extraordinary remedy of *certiorari*, petitioners must satisfactorily show that the court or quasi-judicial authority gravely abused the discretion conferred upon it. Grave abuse of discretion connotes judgment exercised in a capricious and whimsical manner that is tantamount to lack of jurisdiction. To be considered "grave," discretion must be exercised in a despotic manner by reason of passion or personal hostility, and must be so patent and gross as to amount to an evasion of positive duty or to a virtual refusal to perform the duty enjoined by or to act at all in contemplation of law.

Thus, case law instructs that "[i]n labor cases, grave abuse of discretion may be ascribed to the NLRC when its findings and conclusions are not supported by substantial evidence, which refers to that amount of relevant evidence that a reasonable mind might accept as adequate to justify a conclusion. Thus, if the NLRC's ruling has basis in the evidence and the

G.R. No. 255656, April 25, 2022. [Per J. Kho, Jr., Third Division]

<sup>&</sup>lt;sup>29</sup> *Id.* at 348–392.

<sup>30</sup> Id. at 371-390.

See JR Hauling Services v. Solamo, 886 Phil. 842 (2020) [Per J. Hernando, Second Division].

applicable law and jurisprudence, then no grave abuse of discretion exists and the CA should so declare and, accordingly, dismiss the petition."<sup>33</sup>

Guided by these considerations, the Court rules that the CA erred in ascribing grave abuse of discretion on the part of the NLRC when the latter granted petitioner's complaint for illegal dismissal and the payment of certain labor standard benefits.

I.

Article 295 (formerly Article 280) of the Labor Code<sup>34</sup> distinguishes a project-based employee from a regular employee:

ARTICLE 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 employment is for the duration of the season.

An employment shall be deemed to be casual if it is not covered by the preceding paragraph: *Provided*, That any employee who has rendered at least one year of service, whether such service is continuous or broken, shall be considered as regular employee with respect to the activity in which he is employed and his employment shall continue while such activity exists. (Emphasis and underscoring supplied)

In Gadia v. Sykes Asia, Inc. (Sykes Asia),<sup>35</sup> the Court, through Justice Estela M. Perlas-Bernabe, explained how to determine whether an employee may be properly deemed project-based or regular, thus:

A project employee is assigned to a project which begins and ends at determined or determinable times. Unlike regular employees who may only be dismissed for just and/or authorized causes under the Labor Code, the services of employees who are hired as "project[-based] employees" may be lawfully terminated at the completion of the project.

According to jurisprudence, the principal test for determining whether particular employees are properly characterized as "project[based] employees" as distinguished from "regular employees," is whether or not the employees were assigned to carry out a "specific project or undertaking," the duration (and scope) of which were specified at the time they were engaged for that project. The project

752 Phil. 413 (2015) [Per J. Perlas-Bernabe, First Division].

<sup>13</sup> Id.

Renumbered pursuant to DOLE Department Advisory No. 01, series of 2015.

could either be (1) a particular job or undertaking that is within the regular or usual business of the employer company, but which is distinct and separate, and identifiable as such, from the other undertakings of the company; or (2) a particular job or undertaking that is not within the regular business of the corporation. In order to safeguard the rights of workers against the arbitrary use of the word "project" to prevent employees from attaining a regular status, employers claiming that their workers are project[-based] employees should not only prove that the duration and scope of the employment was specified at the time they were engaged, but also, that there was indeed a project.<sup>36</sup> (Emphasis and underscoring supplied)

Thus, for an employee to be considered project-based, the employer must show compliance with two requisites, namely that: (a) the employee was assigned to carry out a specific project or undertaking; and (b) the duration and scope of which were specified at the time the employee was engaged for such project.<sup>37</sup> Being assigned to a project or a phase thereof which begins and ends at determined or determinable times, the services of project employees may be lawfully terminated at the completion of such project or phase. Consequently, in order to safeguard the rights of workers against the arbitrary use of the word "project" to prevent them from attaining regular status, employers claiming that their workers are project employees should prove that: (a) the duration and scope of the employment was specified at the time they were engaged; and (b) there was indeed a project.<sup>38</sup>

In Carpio v. Modair Manila Co. Ltd., Inc. (Modair),<sup>39</sup> the Court, through Justice Jhosep Y. Lopez, provided further guidelines regarding the nature of employment for workers in the construction industry:

First, a worker is presumed a regular employee, unless the employer establishes that (1) the employee was hired under a contract specifying that the employment will last only for a specific undertaking, the termination of which is determined at the time of engagement; (2) there was indeed a project undertaken; and (3) the parties bargained on equal terms, with no vices of consent.

Second, if considered a regular employee at the outset, security of tenure already attaches, and the <u>subsequent execution of project employment contracts cannot undermine such security</u>, but will simply be considered a continuation in the regular engagement of such employee.

Third, even if initially engaged as a project employee, such nature of employment may ripen into regular status if (1) there is a continuous rehiring of project employees even after cessation of a project; and (2) the tasks performed by the alleged "project employee" are vital, necessary and indispensable to the usual business or trade of the employer. Conversely, project-based employment will not ripen into regularity if the construction

<sup>36</sup> Id. at 421-422.

<sup>37</sup> Id. at 422.

Dacles v. Millenium Erectors Corp., 763 Phil. 550, 558-559 (2015) [Per J. Perlas-Bernabe, First Division]

<sup>&</sup>lt;sup>39</sup> See G.R. No. 239622, June 21, 2021 [Per J. J. Lopez, Third Division].

worker was truly engaged as a project-based employee, and between each successive project, the employer made no manifestations of any intent to treat the worker as a continuing resource for the main business.

Fourth, regularized construction workers are subject to the "no work, no pay" principle, such that the employer is not obligated to pay them a salary when "on leave." In case of an oversupply of regularized construction workers, then the employer can exercise management prerogative to decide whom to engage for the limited projects and whom to consider as still "on leave."

Finally, submission of termination reports to the DOLE Field Office "may be considered" only as an indicator of project employment; conversely, non-submission does not automatically grant regular status. By themselves, such circumstances do not determine the nature of employment. 40 (Emphasis and underscoring supplied)

Applying the foregoing principles, the Court declares that petitioner became a regular employee of BBTC upon his engagement on June 7, 2018, as there is no substantial evidence on record that he was adequately informed of his employment status as a project-based employee at that time. Respondents, in an attempt to establish petitioner's project-based employment, solely relied on the "PROJECT BASE[D] CONTRACT"41 without any other additional evidence. While it is true that petitioner affixed his signature on the contract, both the LA and the NLRC observed that he included a notation beside his signature, specifically "8-22-18," indicating that he signed it on August 8, 2018, which was more than two months after the project had commenced. This crucial fact remained uncontroverted by the respondents and was entirely disregarded by both the LA and the CA. Only the NLRC correctly acknowledged its significance. Additionally, there is no record of a DOLE termination report being filed when petitioner's employment supposedly concluded with the project's completion on December 5, 2018. While this circumstance alone does not automatically confer regular status, the failure to submit a DOLE termination report suggests that the employee is not a project employee, 42 and furthermore, strengthens petitioner's regular status.43

To reiterate, *Sykes Asia* instructs that employers who assert that a worker is a project-based employee must substantiate that the duration and scope of employment were explicitly determined at the time of engagement. In this instance, **petitioner's signing of the employment contract more than two months after the project had commenced logically implies that he was not apprised of his status as a project-based employee when he was engaged.** Furthermore, there exists no evidence in the record to substantiate that he received adequate notification of such status at the time of hiring.

<sup>40 10</sup> 

<sup>41</sup> Rollo, p. 184.

See Santor v. Arlo Aluminum Co., Inc., G.R. No. 234691, December 7, 2022 [Per S.A.J. Leonen, Second Division].

See *Inocentes, Jr. v. R. Syjuco Construction, Inc.*, 880 Phil. 316 (2020) [Per J. Lazaro-Javier, First Division].

Consequently, pursuant to the guidelines set forth in *Modair*, petitioner was considered by BBTC as a regular employee from the outset, with security of tenure already attached to his employment. Moreover, and still in accordance with *Modair*, his subsequent execution of a project employment contract cannot undermine his security of tenure. To allow and sanction the signing of project-based employment contracts at a later stage would open the door to employer abuse and subvert an employee's constitutionally guaranteed right to security of tenure. This, the Court cannot allow.

Based on the above premises, the Court rules that petitioner, as an inhouse project-in-charge, was a regular employee of BBTC from the moment of his hiring on June 7, 2018. As such, he can only be dismissed for just or authorized causes under the Labor Code. Upon reviewing the record, it is evident that respondents failed to present any such grounds for termination, as they primarily justified the end of petitioner's employment based on project completion. Consequently, petitioner is indeed entitled to the remedies granted by the NLRC.

II.

In Zonio v. 1st Quantum Leap Security Agency, Inc. (1st Quantum),<sup>44</sup> the Court, through Justice Mario V. Lopez, clarified that "[i]n determining the employee's entitlement to monetary claims, the burden of proof is shifted from the employer or the employee, depending on the monetary claim sought,"<sup>45</sup> viz.:

.... In claims for payment of salary differential, service incentive leave, holiday pay, and 13<sup>th</sup> month pay, the burden rests on the **employer** to prove payment. This standard follows the basic rule that in all illegal dismissal cases the burden rests on the employer to prove payment rather than on the employee to prove non-payment. This likewise stems from the fact that all pertinent personnel files, payrolls, records, remittances, and other similar documents — which show that the differentials, service incentive leave, and other claims of workers have been paid — are not in the possession of the worker but are in the custody and control of the employer. On the other hand, for overtime pay, premium pays for holidays and rest days, the burden is shifted on the **employee**, as these monetary claims are not incurred in the normal course of business. It is thus incumbent upon the employee to first prove that he actually rendered service in excess of the regular eight working hours a day, and that he in fact worked on holidays and rest days. <sup>46</sup> (Emphasis in the original)

The Court must sustain the NLRC's findings in this regard. First, petitioner is entitled to his unpaid salaries for the periods of June 7, 2018 to

See G.R. No. 224944 (Resolution), May 5, 2021 [Per J. M. Lopez, Second Division].

<sup>45</sup> Id.

<sup>46</sup> Id.

July 6, 2018, as well as from November 26, 2018 to December 2, 2018, since respondents failed to provide substantial evidence of payment for these periods. *Second*, petitioner should be granted holiday pay for June 12, 2018 (Independence Day) and June 15, 2018 (Eid'l Fitr) due to the lack of evidence showing payment on these specific days. *Third*, respondents' express admission that petitioner did not receive his 13<sup>th</sup> month pay for 2018 necessitates awarding it to him. *Fourth*, in accordance with *1st Quantum*, petitioner cannot be awarded overtime pay, night shift differentials, and rest day premiums as he failed to establish authorization for working overtime, night shifts, or rest days. And *fifth*, the award of attorney's fees is sanctioned in the case at bar, where there was an unlawful and unjustified withholding of wages, and as a result thereof, the employee was compelled to litigate to protect and defend his interests.<sup>47</sup>

Nevertheless, in conformity with prevailing jurisprudence, there is a need to impose legal interest on the total monetary award at the rate of 6% per annum from the finality of this Decision until full payment.<sup>48</sup> The Court notes in this regard its well-established dictum that the prevailing legal interest prescribed by the Bangko Sentral ng Pilipinas applies not only to loans or forbearance of money, goods, or credit, but also to judgments.<sup>49</sup>

In conclusion, the Court finds that the NLRC's reversal of the LA's ruling was not tainted with grave abuse of discretion as it was based on substantial evidence; and hence, the CA erred in reinstating the LA Decision.

**ACCORDINGLY**, the Petition for Review on *Certiorari* is **GRANTED**. The Decision dated September 20, 2022 and the Resolution dated January 31, 2023 of the Court of Appeals in CA-G.R. SP No. 171772 are hereby **REVERSED** and **SET ASIDE**. The Decision dated December 29, 2020 and the Resolution dated November 22, 2021 of the National Labor Relations Commission in NLRC LAC No. 11-004053-19 are **REINSTATED** with **MODIFICATIONS**, as follows:

- (1) Petitioner Leo G. Trimor is **DECLARED** to be a regular employee of respondent Blokie Builders and Trading Corporation who was illegally dismissed; hence, the latter is liable to pay him (a) full backwages and (b) separation pay in lieu of reinstatement, both to be computed from the date of dismissal until the finality of this Decision;
- (2) Respondent Blokie Builders and Trading Corporation is further **ORDERED** to pay petitioner Leo G. Trimor the following: (a) unpaid wages spanning the periods June 7, 2018 to July 6, 2018, and from November 26,

19 Id.

<sup>&</sup>lt;sup>47</sup> Alva v. High Capacity Security Force, Inc., 820 Phil. 677, 692 (2017) [Per J. Reyes, Jr., Second Division].

Lara's Gifts & Decors v. Midtown Industrial Sales, Inc., 860 Phil. 744, 861 (2019) [Per J. Carpio, En Bane].

2018 to December 2, 2018; (b) holiday pay for June 12, 2018 and June 15, 2018; (c) proportionate 13<sup>th</sup> month pay for the year 2018; and (d) attorney's fees equivalent to 10% of the total judgment award to be paid to the Public Attorney's Office; and

(3) All monetary awards shall accrue legal interest at the rate of 6% per annum from the finality of this Decision until full payment.

SO ORDERED.

ANTONIO T. KHO, JR.
Associate Justice

WE CONCUR:

On leave but left his role / MARVIC M.V.F. LEONEN

Senior Associate Justice

AMY C. LAZARO-JAVIER

Associate Justice Acting Chairperson

JHOSEP LOPEZ

Associate Justice

#### 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.

AMY C. LAZARO-JAVIER

Associate Justice

Acting Chairperson, Second Division

## CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, and the Acting 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