SUPREME COURT
EN BANC

JENNY M. AGABON and VIRGILIO C. AGABON,
***Petitioners*,**

-versus-

G.R. No. 158693
November 17, 2004

NATIONAL LABOR RELATIONS COMMISSION (NLRC), RIVIERA HOME IMPROVEMENTS, INC. and VICENTE ANGELES,
***Respondents*.**
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D E C I S I O N

YNARES-SANTIAGO, *J.*:

This Petition for Review seeks to reverse the Decision[1] of the Court of Appeals dated January 23, 2003, in CA-G.R. SP No. 63017, modifying the decision of National Labor Relations Commission (NLRC) in NLRC-NCR Case No. 023442-00.

Private respondent Riviera Home Improvements, Inc. is engaged in the business of selling and installing ornamental and construction materials. It employed petitioners Virgilio Agabon and Jenny Agabon as gypsum board and cornice installers on January 2, 1992[2] until

February 23, 1999 when they were dismissed for abandonment of work.

Petitioners then filed a complaint for illegal dismissal and payment of money claims[3] and on December 28, 1999, the Labor Arbiter rendered a decision declaring the dismissals illegal and ordered private respondent to pay the monetary claims. The dispositive portion of the decision states:

> WHEREFORE, premises considered, We find the termination of the complainants illegal. Accordingly, respondent is hereby ordered to pay them their backwages up to November 29, 1999 in the sum of:
>
> 1. Jenny M. Agabon - P56, 231.93
> 2. Virgilio C. Agabon - 56, 231.93
>
> and, in lieu of reinstatement to pay them their separation pay of one (1) month for every year of service from date of hiring up to November 29, 1999.
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> Respondent is further ordered to pay the complainants their holiday pay and service incentive leave pay for the years 1996, 1997 and 1998 as well as their premium pay for holidays and rest days and Virgilio Agabon's 13th month pay differential amounting to TWO THOUSAND ONE HUNDRED FIFTY (P2,150.00) Pesos, or the aggregate amount of ONE HUNDRED TWENTY ONE THOUSAND SIX HUNDRED SEVENTY EIGHT & 93/100 (P121,678.93) Pesos for Jenny Agabon, and ONE HUNDRED TWENTY THREE THOUSAND EIGHT HUNDRED TWENTY EIGHT & 93/100 (P123,828.93) Pesos for Virgilio Agabon, as per attached computation of Julieta C. Nicolas, OIC, Research and Computation Unit, NCR.
>
> SO ORDERED.[4]

On appeal, the NLRC reversed the Labor Arbiter because it found that the petitioners had abandoned their work, and were not entitled to backwages and separation pay. The other money claims awarded by the Labor Arbiter were also denied for lack of evidence.[5]

Upon denial of their motion for reconsideration, petitioners filed a petition for certiorari with the Court of Appeals.

The Court of Appeals in turn ruled that the dismissal of the petitioners was not illegal because they had abandoned their employment but ordered the payment of money claims. The dispositive portion of the decision reads:

> WHEREFORE, the decision of the National Labor Relations Commission is REVERSED only insofar as it dismissed petitioner's money claims. Private respondents are ordered to pay petitioners holiday pay for four (4) regular holidays in 1996, 1997, and 1998, as well as their service incentive leave pay for said years, and to pay the balance of petitioner Virgilio Agabon's 13th month pay for 1998 in the amount of P2,150.00.
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> SO ORDERED.[6]

Hence, this petition for review on the sole issue of whether petitioners were illegally dismissed.[7]

Petitioners assert that they were dismissed because the private respondent refused to give them assignments unless they agreed to work on a "pakyaw" basis when they reported for duty on February 23, 1999. They did not agree on this arrangement because it would mean losing benefits as Social Security System (SSS) members. Petitioners also claim that private respondent did not comply with the twin requirements of notice and hearing.[8]

Private respondent, on the other hand, maintained that petitioners were not dismissed but had abandoned their work.[9] In fact, private respondent sent two letters to the last known addresses of the petitioners advising them to report for work. Private respondent's manager even talked to petitioner Virgilio Agabon by telephone sometime in June 1999 to tell him about the new assignment at Pacific Plaza Towers involving 40,000 square meters of cornice installation work. However, petitioners did not report for work because they had subcontracted to perform installation work for another company. Petitioners also demanded for an increase in their

wage to P280.00 per day. When this was not granted, petitioners stopped reporting for work and filed the illegal dismissal case.[10]

It is well-settled that findings of fact of quasi-judicial agencies like the NLRC are accorded not only respect but even finality if the findings are supported by substantial evidence. This is especially so when such findings were affirmed by the Court of Appeals.[11] However, if the factual findings of the NLRC and the Labor Arbiter are conflicting, as in this case, the reviewing court may delve into the records and examine for itself the questioned findings.[12]

Accordingly, the Court of Appeals, after a careful review of the facts, ruled that petitioners' dismissal was for a just cause. They had abandoned their employment and were already working for another employer.

To dismiss an employee, the law requires not only the existence of a just and valid cause but also enjoins the employer to give the employee the opportunity to be heard and to defend himself.[13] Article 282 of the Labor Code enumerates the just causes for termination by the employer: (a) serious misconduct or willful disobedience by the employee of the lawful orders of his employer or the latter's representative in connection with the employee's work; (b) gross and habitual neglect by the employee of his duties; (c) fraud or willful breach by the employee of the trust reposed in him by his employer or his duly authorized representative; (d) commission of a crime or offense by the employee against the person of his employer or any immediate member of his family or his duly authorized representative; and (e) other causes analogous to the foregoing.

Abandonment is the deliberate and unjustified refusal of an employee to resume his employment.[14] It is a form of neglect of duty, hence, a just cause for termination of employment by the employer.[15] For a valid finding of abandonment, these two factors should be present: (1) the failure to report for work or absence without valid or justifiable reason; and (2) a clear intention to sever employer-employee relationship, with the second as the more determinative factor which is manifested by overt acts from which it may be deduced that the employees has no more intention to work. The

intent to discontinue the employment must be shown by clear proof that it was deliberate and unjustified.[16]

In February 1999, petitioners were frequently absent having subcontracted for an installation work for another company. Subcontracting for another company clearly showed the intention to sever the employer-employee relationship with private respondent. This was not the first time they did this. In January 1996, they did not report for work because they were working for another company. Private respondent at that time warned petitioners that they would be dismissed if this happened again. Petitioners disregarded the warning and exhibited a clear intention to sever their employer-employee relationship. The record of an employee is a relevant consideration in determining the penalty that should be meted out to him.[17]

In Sandoval Shipyard vs. Clave,[18] we held that an employee who deliberately absented from work without leave or permission from his employer, for the purpose of looking for a job elsewhere, is considered to have abandoned his job. We should apply that rule with more reason here where petitioners were absent because they were already working in another company.

The law imposes many obligations on the employer such as providing just compensation to workers, observance of the procedural requirements of notice and hearing in the termination of employment. On the other hand, the law also recognizes the right of the employer to expect from its workers not only good performance, adequate work and diligence, but also good conduct[19] and loyalty. The employer may not be compelled to continue to employ such persons whose continuance in the service will patently be inimical to his interests.[20]

After establishing that the terminations were for a just and valid cause, we now determine if the procedures for dismissal were observed.

The procedure for terminating an employee is found in Book VI, Rule I, Section 2(d) of the Omnibus Rules Implementing the Labor Code:

Standards of due process: requirements of notice. – In all cases of termination of employment, the following standards of due process shall be substantially observed:

I. For termination of employment based on just causes as defined in Article 282 of the Code:

(a) A written notice served on the employee specifying the ground or grounds for termination, and giving to said employee reasonable opportunity within which to explain his side;

(b) A hearing or conference during which the employee concerned, with the assistance of counsel if the employee so desires, is given opportunity to respond to the charge, present his evidence or rebut the evidence presented against him; and

(c) A written notice of termination served on the employee indicating that upon due consideration of all the circumstances, grounds have been established to justify his termination.

In case of termination, the foregoing notices shall be served on the employee's last known address.

Dismissals based on just causes contemplate acts or omissions attributable to the employee while dismissals based on authorized causes involve grounds under the Labor Code which allow the employer to terminate employees. A termination for an authorized cause requires payment of separation pay. When the termination of employment is declared illegal, reinstatement and full backwages are mandated under Article 279. If reinstatement is no longer possible where the dismissal was unjust, separation pay may be granted.

Procedurally, (1) if the dismissal is based on a just cause under Article 282, the employer must give the employee two written notices and a hearing or opportunity to be heard if requested by the employee

before terminating the employment: a notice specifying the grounds for which dismissal is sought a hearing or an opportunity to be heard and after hearing or opportunity to be heard, a notice of the decision to dismiss; and (2) if the dismissal is based on authorized causes under Articles 283 and 284, the employer must give the employee and the Department of Labor and Employment written notices 30 days prior to the effectivity of his separation.

From the foregoing rules four possible situations may be derived: (1) the dismissal is for a just cause under Article 282 of the Labor Code, for an authorized cause under Article 283, or for health reasons under Article 284, and due process was observed; (2) the dismissal is without just or authorized cause but due process was observed; (3) the dismissal is without just or authorized cause and there was no due process; and (4) the dismissal is for just or authorized cause but due process was not observed.

In the first situation, the dismissal is undoubtedly valid and the employer will not suffer any liability.

In the second and third situations where the dismissals are illegal, Article 279 mandates that the employee is entitled to reinstatement without loss of seniority rights and other privileges and full backwages, inclusive of allowances, and other benefits or their monetary equivalent computed from the time the compensation was not paid up to the time of actual reinstatement.

In the fourth situation, the dismissal should be upheld. While the procedural infirmity cannot be cured, it should not invalidate the dismissal. However, the employer should be held liable for non-compliance with the procedural requirements of due process.

The present case squarely falls under the fourth situation. The dismissal should be upheld because it was established that the petitioners abandoned their jobs to work for another company. Private respondent, however, did not follow the notice requirements and instead argued that sending notices to the last known addresses would have been useless because they did not reside there anymore. Unfortunately for the private respondent, this is not a valid excuse because the law mandates the twin notice requirements to the

employee's last known address.[21] Thus, it should be held liable for non-compliance with the procedural requirements of due process.

A review and re-examination of the relevant legal principles is appropriate and timely to clarify the various rulings on employment termination in the light of Serrano vs. National Labor Relations Commission.[22]

Prior to 1989, the rule was that a dismissal or termination is illegal if the employee was not given any notice. In the 1989 case of Wenphil Corp. vs. National Labor Relations Commission,[23] we reversed this long-standing rule and held that the dismissed employee, although not given any notice and hearing, was not entitled to reinstatement and backwages because the dismissal was for grave misconduct and insubordination, a just ground for termination under Article 282. The employee had a violent temper and caused trouble during office hours, defying superiors who tried to pacify him. We concluded that reinstating the employee and awarding backwages "may encourage him to do even worse and will render a mockery of the rules of discipline that employees are required to observe."[24] We further held that:

> Under the circumstances, the dismissal of the private respondent for just cause should be maintained. He has no right to return to his former employment.
>
> However, the petitioner must nevertheless be held to account for failure to extend to private respondent his right to an investigation before causing his dismissal. The rule is explicit as above discussed. The dismissal of an employee must be for just or authorized cause and after due process. Petitioner committed an infraction of the second requirement. Thus, it must be imposed a sanction for its failure to give a formal notice and conduct an investigation as required by law before dismissing petitioner from employment. Considering the circumstances of this case petitioner must indemnify the private respondent the amount of P1,000.00. The measure of this award depends on the facts of each case and the gravity of the omission committed by the employer.[25]

The rule thus evolved: where the employer had a valid reason to dismiss an employee but did not follow the due process requirement, the dismissal may be upheld but the employer will be penalized to pay an indemnity to the employee. This became known as the Wenphil or Belated Due Process Rule.

On January 27, 2000, in Serrano, the rule on the extent of the sanction was changed. We held that the violation by the employer of the notice requirement in termination for just or authorized causes was not a denial of due process that will nullify the termination. However, the dismissal is ineffectual and the employer must pay full backwages from the time of termination until it is judicially declared that the dismissal was for a just or authorized cause.

The rationale for the re-examination of the Wenphil doctrine in Serrano was the significant number of cases involving dismissals without requisite notices. We concluded that the imposition of penalty by way of damages for violation of the notice requirement was not serving as a deterrent. Hence, we now required payment of full backwages from the time of dismissal until the time the Court finds the dismissal was for a just or authorized cause.

Serrano was confronting the practice of employers to "dismiss now and pay later" by imposing full backwages.

We believe, however, that the ruling in Serrano did not consider the full meaning of Article 279 of the Labor Code which states:

> ART. 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.

This means that the termination is illegal only if it is not for any of the justified or authorized causes provided by law. Payment of backwages

and other benefits, including reinstatement, is justified only if the employee was unjustly dismissed.

The fact that the Serrano ruling can cause unfairness and injustice which elicited strong dissent has prompted us to revisit the doctrine.

To be sure, the Due Process Clause in Article III, Section 1 of the Constitution embodies a system of rights based on moral principles so deeply imbedded in the traditions and feelings of our people as to be deemed fundamental to a civilized society as conceived by our entire history. Due process is that which comports with the deepest notions of what is fair and right and just.[26] It is a constitutional restraint on the legislative as well as on the executive and judicial powers of the government provided by the Bill of Rights.

Due process under the Labor Code, like Constitutional due process, has two aspects: substantive, i.e., the valid and authorized causes of employment termination under the Labor Code; and procedural, i.e., the manner of dismissal. Procedural due process requirements for dismissal are found in the Implementing Rules of P.D. 442, as amended, otherwise known as the Labor Code of the Philippines in Book VI, Rule I, Sec. 2, as amended by Department Order Nos. 9 and 10.[27] Breaches of these due process requirements violate the Labor Code. Therefore statutory due process should be differentiated from failure to comply with constitutional due process.

Constitutional due process protects the individual from the government and assures him of his rights in criminal, civil or administrative proceedings; while statutory due process found in the Labor Code and Implementing Rules protects employees from being unjustly terminated without just cause after notice and hearing.

In Sebuguero vs. National Labor Relations Commission,[28] the dismissal was for a just and valid cause but the employee was not accorded due process. The dismissal was upheld by the Court but the employer was sanctioned. The sanction should be in the nature of indemnification or penalty, and depends on the facts of each case and the gravity of the omission committed by the employer.

In Nath vs. National Labor Relations Commission,[29] it was ruled that even if the employee was not given due process, the failure did not operate to eradicate the just causes for dismissal. The dismissal being for just cause, albeit without due process, did not entitle the employee to reinstatement, backwages, damages and attorney's fees.

Mr. Justice Jose C. Vitug, in his separate opinion in MGG Marine Services, Inc. vs. National Labor Relations Commission,[30] which opinion he reiterated in Serrano, stated:

> C. Where there is just cause for dismissal but due process has not been properly observed by an employer, it would not be right to order either the reinstatement of the dismissed employee or the payment of backwages to him. In failing, however, to comply with the procedure prescribed by law in terminating the services of the employee, the employer must be deemed to have opted or, in any case, should be made liable, for the payment of separation pay. It might be pointed out that the notice to be given and the hearing to be conducted generally constitute the two-part due process requirement of law to be accorded to the employee by the employer. Nevertheless, peculiar circumstances might obtain in certain situations where to undertake the above steps would be no more than a useless formality and where, accordingly, it would not be imprudent to apply the res ipsa loquitur rule and award, in lieu of separation pay, nominal damages to the employee. x x x.[31]

After carefully analyzing the consequences of the divergent doctrines in the law on employment termination, we believe that in cases involving dismissals for cause but without observance of the twin requirements of notice and hearing, the better rule is to abandon the Serrano doctrine and to follow Wenphil by holding that the dismissal was for just cause but imposing sanctions on the employer. Such sanctions, however, must be stiffer than that imposed in Wenphil. By doing so, this Court would be able to achieve a fair result by dispensing justice not just to employees, but to employers as well.

The unfairness of declaring illegal or ineffectual dismissals for valid or authorized causes but not complying with statutory due process may have far-reaching consequences.

This would encourage frivolous suits, where even the most notorious violators of company policy are rewarded by invoking due process. This also creates absurd situations where there is a just or authorized cause for dismissal but a procedural infirmity invalidates the termination. Let us take for example a case where the employee is caught stealing or threatens the lives of his co-employees or has become a criminal, who has fled and cannot be found, or where serious business losses demand that operations be ceased in less than a month. Invalidating the dismissal would not serve public interest. It could also discourage investments that can generate employment in the local economy.

The constitutional policy to provide full protection to labor is not meant to be a sword to oppress employers. The commitment of this Court to the cause of labor does not prevent us from sustaining the employer when it is in the right, as in this case.[32] Certainly, an employer should not be compelled to pay employees for work not actually performed and in fact abandoned.

The employer should not be compelled to continue employing a person who is admittedly guilty of misfeasance or malfeasance and whose continued employment is patently inimical to the employer. The law protecting the rights of the laborer authorizes neither oppression nor self-destruction of the employer.[33]

It must be stressed that in the present case, the petitioners committed a grave offense, i.e., abandonment, which, if the requirements of due process were complied with, would undoubtedly result in a valid dismissal.

An employee who is clearly guilty of conduct violative of Article 282 should not be protected by the Social Justice Clause of the Constitution. Social justice, as the term suggests, should be used only to correct an injustice. As the eminent Justice Jose P. Laurel observed, social justice must be founded on the recognition of the necessity of interdependence among diverse units of a society and of

the protection that should be equally and evenly extended to all groups as a combined force in our social and economic life, consistent with the fundamental and paramount objective of the state of promoting the health, comfort, and quiet of all persons, and of bringing about "the greatest good to the greatest number."[34]

This is not to say that the Court was wrong when it ruled the way it did in Wenphil, Serrano and related cases. Social justice is not based on rigid formulas set in stone. It has to allow for changing times and circumstances.

Justice Isagani Cruz strongly asserts the need to apply a balanced approach to labor-management relations and dispense justice with an even hand in every case:

> We have repeatedly stressed that social justice – or any justice for that matter – is for the deserving, whether he be a millionaire in his mansion or a pauper in his hovel. It is true that, in case of reasonable doubt, we are to tilt the balance in favor of the poor to whom the Constitution fittingly extends its sympathy and compassion. But never is it justified to give preference to the poor simply because they are poor, or reject the rich simply because they are rich, for justice must always be served for the poor and the rich alike, according to the mandate of the law.[35]

Justice in every case should only be for the deserving party. It should not be presumed that every case of illegal dismissal would automatically be decided in favor of labor, as management has rights that should be fully respected and enforced by this Court. As interdependent and indispensable partners in nation-building, labor and management need each other to foster productivity and economic growth; hence, the need to weigh and balance the rights and welfare of both the employee and employer.

Where the dismissal is for a just cause, as in the instant case, the lack of statutory due process should not nullify the dismissal, or render it illegal, or ineffectual. However, the employer should indemnify the employee for the violation of his statutory rights, as ruled in Reta vs. National Labor Relations Commission.[36] The indemnity to be

imposed should be stiffer to discourage the abhorrent practice of "dismiss now, pay later," which we sought to deter in the Serrano ruling. The sanction should be in the nature of indemnification or penalty and should depend on the facts of each case, taking into special consideration the gravity of the due process violation of the employer.

Under the Civil Code, nominal damages is adjudicated in order that a right of the plaintiff, which has been violated or invaded by the defendant, may be vindicated or recognized, and not for the purpose of indemnifying the plaintiff for any loss suffered by him.[37]

As enunciated by this Court in Viernes vs. National Labor Relations Commissions,[38] an employer is liable to pay indemnity in the form of nominal damages to an employee who has been dismissed if, in effecting such dismissal, the employer fails to comply with the requirements of due process. The Court, after considering the circumstances therein, fixed the indemnity at P2,590.50, which was equivalent to the employee's one month salary. This indemnity is intended not to penalize the employer but to vindicate or recognize the employee's right to statutory due process which was violated by the employer.[39]

The violation of the petitioners' right to statutory due process by the private respondent warrants the payment of indemnity in the form of nominal damages. The amount of such damages is addressed to the sound discretion of the court, taking into account the relevant circumstances.[40] Considering the prevailing circumstances in the case at bar, we deem it proper to fix it at P30,000.00. We believe this form of damages would serve to deter employers from future violations of the statutory due process rights of employees. At the very least, it provides a vindication or recognition of this fundamental right granted to the latter under the Labor Code and its Implementing Rules.

Private respondent claims that the Court of Appeals erred in holding that it failed to pay petitioners' holiday pay, service incentive leave pay and 13th month pay.

We are not persuaded.

We affirm the ruling of the appellate court on petitioners' money claims. Private respondent is liable for petitioners' holiday pay, service incentive leave pay and 13th month pay without deductions.

As a general rule, one who pleads payment has the burden of proving it. Even where the employee must allege non-payment, the general rule is that the burden rests on the employer to prove payment, rather than on the employee to prove non-payment. The reason for the rule is that the pertinent personnel files, payrolls, records, remittances and other similar documents – which will show that overtime, differentials, service incentive leave and other claims of workers have been paid – are not in the possession of the worker but in the custody and absolute control of the employer.[41]

In the case at bar, if private respondent indeed paid petitioners' holiday pay and service incentive leave pay, it could have easily presented documentary proofs of such monetary benefits to disprove the claims of the petitioners. But it did not, except with respect to the 13th month pay wherein it presented cash vouchers showing payments of the benefit in the years disputed.[42] Allegations by private respondent that it does not operate during holidays and that it allows its employees 10 days leave with pay, other than being self-serving, do not constitute proof of payment. Consequently, it failed to discharge the onus probandi thereby making it liable for such claims to the petitioners.

Anent the deduction of SSS loan and the value of the shoes from petitioner Virgilio Agabon's 13th month pay, we find the same to be unauthorized. The evident intention of Presidential Decree No. 851 is to grant an additional income in the form of the 13th month pay to employees not already receiving the same[43] so as "to further protect the level of real wages from the ravages of world-wide inflation."[44] Clearly, as additional income, the 13th month pay is included in the definition of wage under Article 97(f) of the Labor Code, to wit:

> (f) "Wage" paid to any employee shall mean the remuneration or earnings, however designated, capable of being expressed in terms of money whether fixed or ascertained on a time, task, piece , or commission basis, or other

> method of calculating the same, which is payable by an employer to an employee under a written or unwritten contract of employment for work done or to be done, or for services rendered or to be rendered and includes the fair and reasonable value, as determined by the Secretary of Labor, of board, lodging, or other facilities customarily furnished by the employer to the employee" from which an employer is prohibited under Article 113[45] of the same Code from making any deductions without the employee's knowledge and consent. In the instant case, private respondent failed to show that the deduction of the SSS loan and the value of the shoes from petitioner Virgilio Agabon's 13th month pay was authorized by the latter. The lack of authority to deduct is further bolstered by the fact that petitioner Virgilio Agabon included the same as one of his money claims against private respondent.

The Court of Appeals properly reinstated the monetary claims awarded by the Labor Arbiter ordering the private respondent to pay each of the petitioners holiday pay for four regular holidays from 1996 to 1998, in the amount of P6,520.00, service incentive leave pay for the same period in the amount of P3,255.00 and the balance of Virgilio Agabon's thirteenth month pay for 1998 in the amount of P2,150.00.

WHEREFORE, in view of the foregoing, the petition is **DENIED**. The decision of the Court of Appeals dated January 23, 2003, in CA-G.R. SP No. 63017, finding that petitioners' Jenny and Virgilio Agabon abandoned their work, and ordering private respondent to pay each of the petitioners holiday pay for four regular holidays from 1996 to 1998, in the amount of P6,520.00, service incentive leave pay for the same period in the amount of P3,255.00 and the balance of Virgilio Agabon's thirteenth month pay for 1998 in the amount of P2,150.00 is **AFFIRMED** with the **MODIFICATION** that private respondent Riviera Home Improvements, Inc. is further **ORDERED** to pay each of the petitioners the amount of P30,000.00 as nominal damages for non-compliance with statutory due process.

No costs.

SO ORDERED.

Davide, Jr., *C.J.*, Puno, Panganiban, Quisumbing, Sandoval-Gutierrez, Carpio, Austria-Martinez, Corona, Carpio-Morales, Callejo, Sr., Azcuna, Tinga, Chico-Nazario, and Garcia, *JJ.*, concur.

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[1] Penned by Associate Justice Marina L. Buzon and concurred in by Associate Justices Josefina Guevara-Salonga and Danilo B. Pine.
[2] Rollo, p. 41.
[3] Id., pp. 13-14.
[4] Id., p. 92.
[5] Id., p. 131.
[6] Id., p. 173.
[7] Id., p. 20.
[8] Id., pp. 21-23.
[9] Id., p. 45.
[10] Id., pp. 42-43.
[11] Rosario vs. Victory Ricemill, G.R. No. 147572, 19 February 2003, 397 SCRA 760, 767.
[12] Reyes vs. Maxim's Tea House, G.R. No. 140853, 27 February 2003, 398 SCRA 288, 298.
[13] Santos vs. San Miguel Corporation, G.R. No. 149416, 14 March 2003, 399 SCRA 172, 182.
[14] Columbus Philippine Bus Corporation vs. NLRC, 417 Phil. 81, 100 (2001).
[15] De Paul/King Philip Customs Tailor vs. NLRC, 364 Phil. 91, 102 (1999).
[16] Sta. Catalina College vs. NLRC, G.R. No. 144483, 19 November 2003.
[17] Cosmos Bottling Corporation vs. NLRC, G.R. No. 111155, 23 October 1997, 281 SCRA 146, 153-154.
[18] G.R. No. L-49875, 21 November 1979, 94 SCRA 472, 478.
[19] Judy Philippines, Inc. vs. NLRC, 352 Phil. 593, 606 (1998).
[20] Philippine-Singapore Transport Services, Inc. vs. NLRC, 343 Phil. 284, 291 (1997).
[21] See Stolt-Nielsen Marine Services, Inc. vs. NLRC, G.R. No. 128395, 29 December 1998, 300 SCRA 713, 720.
[22] G.R. No. 117040, 27 January 2000, 323 SCRA 445.
[23] G.R. No. 80587, 8 February 1989, 170 SCRA 69.
[24] Id. at 76.
[25] Id.
[26] Solesbee vs. Balkcom, 339 U.S. 9, 16 (1950) (Frankfurter, J., dissenting). Due process is violated if a practice or rule "offends some principle of justice so rooted in the traditions and conscience of our people as to be ranked as fundamental;" Snyder vs. Massachusetts, 291 U.S. 97, 105 (1934).

[27] Department Order No. 9 took effect on 21 June 1997. Department Order No. 10 took effect on 22 June 1997.
[28] G.R. No. 115394, 27 September 1995, 248 SCRA 535.
[29] G.R. No. 122666, 19 June 1997, 274 SCRA 386.
[30] G.R. No. 114313, 29 July 1996, 259 SCRA 699, 700.
[31] Serrano, supra, Vitug, J., Separate (Concurring and Dissenting) Opinion, 323 SCRA 524, 529-530 (2000).
[32] Capili vs. NLRC, G.R. No. 117378, 26 March 1997, 270 SCRA 488, 495.
[33] Filipro, Inc. vs. NLRC, G.R. No. L-70546, 16 October 1986, 145 SCRA 123.
[34] Calalang vs. Williams, 70 Phil. 726, 735 (1940).
[35] Gelos vs. Court of Appeals, G.R. No. 86186, 8 May 1992, 208 SCRA 608, 616.
[36] G.R. No. 112100, 27 May 1994, 232 SCRA 613, 618.
[37] Art. 2221, Civil Code.
[38] G.R. No. 108405. April 4, 2003 citing Kwikway Engineering Works vs. NLRC, G.R. No. 85014, 22 March 1991, 195 SCRA 526, 532; Aurelio vs. NLRC, G.R. No. 99034, 12 April 1993, 221 SCRA 432, 443; and Sampaguita Garments Corporation vs. NLRC, G.R. No. 102406, 17 June 1994, 233 SCRA 260, 265.
[39] Id. citing Better Buildings, Inc. vs. NLRC, G.R. No. 109714, 15 December 1997, 283 SCRA 242, 251; Iran vs. NLRC, G.R. No. 121927, 22 April 1998, 289 SCRA 433, 442.
[40] Savellano vs. Northwest Airlines, G.R. No. 151783, 8 July 2003.
[41] Villar vs. NLRC, G.R. No. 130935, 11 May 2000.
[42] Rollo, pp. 60-71.
[43] UST Faculty Union vs. NLRC, G.R. No. 90445, 2 October 1990.
[44] "Whereas" clauses, P.D. No. 851.
[45] "Art. 113. Wage deduction. - No employer, in his own behalf or in behalf of any person, shall make any deduction from the wages of his employees except:
(a) In cases where the worker is insured with his consent by the employer, and the deduction is to recompense the employer for the amount paid by him as premium on the insurance;
(b) For union dues, in cases where the right of the worker or his union to check off has been recognized by the employer or authorized in writing by the individual worker concerned; and
(c) In cases where the employer is authorized by law or regulations issued by the Secretary of Labor and Employment.