

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT
SECOND DIVISION**

**ASSOCIATED ANGLO-AMERICAN
TOBACCO CORPORATION and/or NGO
CHING,**

Petitioners,

-versus-

**G.R. No. 63779
October 27, 1983**

**HON. MANUEL M. LAZARO,
Presidential Assistant for Legal Affairs;
MINISTER OF LABOR AND
EMPLOYMENT; NATIONAL LABOR
RELATIONS COMMISSION; LOLITO C.
FULLEROS, Executive Labor Arbiter,
and JAIME SAMBAJON,**

Respondents.

X-----X

DECISION

AQUINO, J.:

The issue in this case is whether the backwages of a reinstated employee should be limited to three (3) years.

Jaime Sambajon worked for Associated Anglo-American Tobacco Corporation as driver-agent at P300 a month for the period from

October, 1968 to September 1973. On October 1, 1973, he was promoted to promotional dealer at P740 a month. Due to an illegal shortage in his accounts in the sum of P2,536.25, the firm on February 11, 1974 filed with the Department of Labor an application to dismiss him. (p. 19, Rollo)

Sambajon on March 11, 1974 filed a complaint against the firm for reinstatement, backwages and overtime pay. The Labor Arbiter of Regional Branch No. V at Legaspi City in a decision dated October 30, 1975 ordered the firm to reinstate Sambajon with backwages from March 1, 1974 at the rate of P740 a month (p. 22, Rollo). The National Labor Relations Commission in its resolution of March 22, 1976 dismissed the firm's appeal from that decision because it was not under oath as required by section 3, Rule IX of the NLRC rules (p. 24, Rollo).

The firm appealed to the Secretary of Labor. Acting Secretary Amado G. Inciong in his order of December 13, 1976 directed the dismissal of Sambajon because of the shortage in his account (p. 27, Rollo).

Sambajon appealed to the Office of the President of the Philippines which in a decision dated December 22, 1982 held Acting Secretary Inciong's order to be a nullity and affirmed the Labor Arbiter's decision (p. 33, Rollo).

The Executive Labor Arbiter issued a writ of execution for P106,064.20 as backwages, thirteenth-month pay and living allowances as of March 31, 1983, as computed by its socio-economic analyst (p. 34, Rollo). To stay execution, the firm posted a supersedeas bond in the sum of P162,000 (p. 65, Rollo).

The firm in its Petition for *Certiorari* does not assail the reinstatement. It simply prayed that the backwages be limited to three (3) years.

We hold, following the settled rule on the matter and the recommendation of the Solicitor General, that in the interest of pragmatic and expeditious justice the backwages should be limited to three years only (Insular Life Assurance Co., Ltd. Employees Association vs. Insular Life Assurance Co., Ltd., L-25291, March 10,

1977, 76 SCRA 50; Yucoco vs. Inciong, L-49061, March 29, 1982, 113 SCRA 245; National Labor Union vs. Court of Industrial Relations, L-31276, September 9, 1982, 116 SCRA 417).

WHEREFORE, the Decision under review is modified. In addition to reinstatement, Sambajon is entitled to backwages equivalent to three years' pay. No costs.

SO ORDERED.

Makasiar, C.J., (Chairman), Guerrero, Abad Santos and Escolin, JJ., concur.
Concepcion and De Castro, JJ., are on leave.