Republic of the Philippines
Supreme Court
Manila

2026 BAR EXAMINATIONS

LABOR LAW AND SOCIAL LEGISLATION

September 9, 2026

2:00 p.m. – 6:00 p.m.

1. On January 5, 2026, First Vault Bank (Bank) hired Mabel as a probationary teller. At the time of engagement, Mabel was given the complete set of reasonable standards for regularization, which were thoroughly explained by the Bank. However, by July 2, 2026, it had become readily apparent that Mabel did not meet the standards for regularization. Hence, on the same day, the Bank's human resource manager asked Mabel if she wished to extend her probationary period for another 30 days, so she could demonstrate her potential to become a regular employee. Mabel accepted the proposal, expressed her gratitude to the management, and signed a memorandum extending her probationary period for another month.

However, before the end of the extended period, the Bank terminated Mabel's employment for her consistent failure to meet the standards for regularization. Mabel argued that the termination is illegal since the original 180 days have lapsed, and the extension of probationary employment is not allowed under Philippine labor laws. **Was Mabel illegally dismissed? Explain.**

2. Uno Service Providers, Inc. (Uno) is a registered service provider under Department Order No. 174. Uno has a legitimate contracting arrangement with Pharmacare, wherein Uno provides Pharmacare with 50 workers to man its drugstores across Metro Manila. Unfortunately, Uno was unable to pay the retirement benefits of five of its retiring workers, forcing the latter to file a labor complaint against Uno and Pharmacare. Pharmacare argued that it cannot be held liable for the retirement benefits of the retiring workers, because its arrangement with Uno is legitimate and that the latter is a registered service provider. **May Pharmacare be held liable for the workers' money claims? Explain.**

3. Celso was hired by Onyx Pharma Company (Onyx) as a rider primarily tasked with picking up items from sellers and delivering them to Onyx's warehouse. Pursuant to Celso's Independent Contractor Agreement (Agreement) with Onyx, he would received PHP 1,000.00 per day as a service fee, subject to the accomplishment of a route sheet, which keeps track of the arrival, departure, and unloading time of the items. He was likewise mandated to submit trip tickets and incidental reports. Onyx reserved the right to immediately terminate the Agreement in case of a breach of its material provisions.

Months after the Agreement took effect, Celso's routes were removed, and he was informed that he would no longer be assigned any routes. This prompted Celso to file an illegal dismissal case against Onyx. The Labor Arbiter (LA) dismissed the complaint on the ground that Celso is not a regular employee of Onyx. **Is the LA correct? Explain.**

4. Christopher was engaged by Power Corporation as a probationary legal manager for six months. His probationary employment contract stated:

"You will be a regular employee at the end of the six–month probationary period if you show potential that you will be a good employee of the company. It is understood that you agree to abide by all existing policies, rules, and regulations of the company, as well as those which may be hereinafter promulgated."

The contract did not contain a description or discussion about the standards for regularization. In any event, Christopher was given his job description as legal manager at the start of his engagement.

Unfortunately, Christopher's short-temperedness became a recurring problem in the office. Several employees filed incident reports against him complaining about his unprofessional conduct and quick temper. At the fifth month of his employment, Christopher was terminated for "failure to meet the reasonable standards for regularization." Aggrieved, Christopher claimed that he was not informed about the standards for regularization at the start of his employment. Thus, he argued that he should be considered a regular employee from day one and that he may only be terminated for just and authorized causes. **Are Christopher's contentions correct? Explain.**

5. Prestige Hotel leased premises belonging to Major Corporation. However, Prestige Hotel reneged on the payment of rental fees, prompting Major Corporation to file an ejectment case against Prestige Hotel. To gain funds and to amicably settle the case, Prestige Hotel decided to sell its assets to any interested company. To help Prestige Hotel, Major Corporation persuaded Infinite Corporation to lease the premises. Thereafter, Prestige Hotel ceased operations. Consequently, Major Corporation formally turned over the possession of the leased premises to Infinite Corporation, which immediately occupied the same. The employees of Prestige Hotel assert that they should be absorbed by Infinite Corporation. **Are the employees correct? Explain.**

6. PayNow Solutions, Inc., a FinTech company based in Taguig City providing digital payment and lending platforms to small and medium enterprises, employed Arjohn, a resident of San Jacinto, Pangasinan, as a front-end developer on a work-from-home basis. Arjohn was paid PHP 5,000.00 per completed module, regardless of the number of hours spent. Due to the sensitivity and confidentiality of the software modules, Arjohn was required to access PayNow's computer system and to log-in and log-out from North Star Human Resource platform for authentication, data security, and submission purposes, without monitoring or regulation of his working hours. **Is Arjohn entitled to holiday pay and service incentive leave pay? Explain.**

7. Bravo De Metro, Inc. (BDMI) classifies its rank-and-file employees into four salary levels with established wage differentials. To remain competitive, BDMI approved a revised hiring salary scale effective January 1, 2026, increasing entry-level rates. Incumbent employees earning below the new minimum rates were adjusted only up to the new minimum, while those already above it, received no increase. The Nagkakaisang Unyon sa BDMI (NU-BDMI) claimed that the adjustment resulted in a wage distortion because the salary gaps between certain

levels were reduced by 70%. Thus, NU-BDMI demanded that BDMI restore the original differentials. BDMI denied the claim, asserting that it had no obligation arising from law to make such an adjustment. **Is BDMI correct? Explain.**

8. Pop Fizz Company (Pop Fizz) manufactures, sells, and distributes soft drinks nationwide. It operates a bottling plant in Laguna, where it has 20 male unionized bottling operators assigned to Bottling Line 1, and 12 to 14 operators who work in Bottling Line 2. The operators work in two shifts, from 8 a.m. to 5 p.m., and 5 p.m. until production ends. The second shift may extend beyond eight hours, with overtime pay, when applicable. For the past 10 years, operators could request chairs while working.

However, in September 2026, Pop Fizz removed all chairs following a national directive under its "Mas Malinis, Mas Mabilis" program. The initiative requires operators to continually move around, and clean or maintain the equipment assigned to them. The union objected to the removal of the chairs and argued that this violated Article 100 of the Labor Code. **Is the union correct? Explain.**

9. Mahusay served as operations director of Telecall Philippines, Inc. (TPI), a subsidiary of Telecall, Inc., a U.S.-based company with call center operations across Asia and Latin America. Mahusay's employment contract contains confidentiality and non-compete clauses prohibiting him in perpetuity from disclosing TPI's confidential information and trade secrets to third parties without the company's written consent. The contract further bars him from engaging in any business or employment that competes with Telecall in any country where the company operates. Mahusay resigned and was later hired by a rival call center company with operations in the Philippines and other parts of Asia. TPI threatened legal action, invoking the confidentiality and non-compete clauses. **Are the confidentiality and non-compete clauses valid and enforceable under Philippine laws? Explain.**

10. The Information Technology Department of LLB Company, Inc. consists of one manager, one female supervisor, and five rank-and-file employees, including Pat and Joe. During break times, Pat and other male rank-and-file employees frequently exchange indecent and sexually suggestive jokes among themselves, often within the hearing distance of Joe and the female supervisor. Although none of the remarks were directed at Joe and the female supervisor, and their names were never mentioned, the jokes, which were uttered almost daily, made Joe uncomfortable. Fed up, Joe filed a complaint for sexual harassment under Republic Act No. 7877 (Anti-Sexual Harassment Act of 1995) and gender-based sexual harassment under Republic Act No. 11313 (Safe Spaces Act). **Will Joe's complaint prosper? Explain.**

11. During the Certification Election among rank-and-file employees of Sage Corporation, the following confidential employees were sought to be excluded from voting in the elections:

a.) Ara, the Executive Assistant of the Chief Executive Officer (CEO) of Sage Corporation, who arranges the CEO's schedule, accompanies her in all appointments, and attends the CEO's meetings over matters involving employee relations;
b.) Bella, a staff member of the Information Technology Department, who is in charge of storing confidential personal data of employees and is the designated personal information processor under the Data Privacy Act of 2012; and
c.) Charlie, a confidential driver assigned to the Chief Financial Officer of Sage Corporation.

Should Ara, Bella, and/or Charlie be excluded from voting in the Certification Election? Explain.

12. SIS Employees and Workers Union (SIS-EWU) is the exclusive bargaining representative of the rank-and-file employees of SIS Corporation. The Collective Bargaining Agreement between SIS Corporation and SIS-EWU contains a union security clause that requires all rank-and-file employees of the company to be union members in good standing as a condition for employment.

Yolanda, the treasurer of SIS-EWU, was accused of, and thereafter, found guilty of malversation of union funds by the union's Disciplinary Committee. She was thus expelled from the union. Aggrieved, Yolanda appealed the decision. In the meantime, the president of SIS-EWU went to SIS's Human Resource Department (HRD) and asked that Yolanda be dismissed from employment. However, Jun, the HRD manager of SIS, explained that the company cannot terminate Yolanda on such ground. He further advised the union to settle the matter with the Labor Relations Division of the Department of Labor and Employment, which has jurisdiction over intra-union disputes. **Is Jun correct? Explain.**

13. Karene worked as a cashier at Silver Supermarket. During a routine check implemented by the management at the end of each workday, the supervisor found that the money inside the cash register operated by Karene did not match the sales recorded on the system. When asked to explain the discrepancy, Karene maintained that she scanned each item correctly and placed all the money inside the cash register. She expressed her willingness to cooperate with the management to review the records. After hearing such explanation, the management of Silver Supermarket immediately placed Karene on a 30-day preventive suspension and barred her from reporting for work the next day. **Is the act of the management valid? Explain.**

14. FJD Publishing Company (FJD) is engaged in the publication of books used in basic education. FJD has 20 editors for its various book projects. To save on costs and to keep the company profitable, the management decided to use artificial intelligence (AI) tools in its editing process. Based on the study and plan proposed by its Human Resource Department (HRD), FJD will only retain 10 of its existing editors and train them to use AI tools efficiently for editing, to cut the process by almost half.

On June 1, 2026, the HRD served notices of termination to 10 editors, informing them that their positions have been abolished and that their employment with FJD will cease one month after receipt of the notice. They were likewise informed to coordinate with the HRD for the release of their final pay and separation pay. As a gesture of goodwill, the dismissed editors were informed that they were no longer required to report for work during the notice period to allow them ample opportunity to find alternative employment. They were also assured that they will receive salaries for the month. Ana and Aileen were among the editors who received the notice. **Were Ana and Aileen illegally dismissed? Explain.**

15. Elsa worked as a supervisor in a restaurant. She had a heated argument with her manager, which led to her dismissal from service. Elsa filed an illegal dismissal case against the restaurant on August 15, 2018. At that time, Elsa was 59 years old. The illegal dismissal case eventually reached the Supreme Court. On May 31, 2026, the Court's decision declaring that Elsa was illegally terminated became final. The only issue left to be resolved was the proper computation of Elsa's backwages. The employer contends that since Elsa was already 59 years old when she was terminated, she is only entitled to backwages for one year. On the other hand, Elsa maintains that she is entitled to backwages until the finality of the judgment considering that she would have continued working had she not been illegally dismissed. **Is Elsa's contention correct? Explain.**

16. Christian Construction Company (CCC) hired Dante as a construction worker at High Towers, one of its projects. While working, Dante fell from the 14th floor of High Towers, which resulted in his untimely demise. Angel, Dante's widow, filed with the Social Security System (SSS) a claim for death benefits from the State Insurance Fund under Article 179 of the Labor Code of the Philippines. The SSS granted Angel's claim. **May Angel still file a complaint against CCC in the Regional Trial Court to seek damages under the Civil Code of the Philippines? Explain.**

17. Bon Voyage Shipmanagement Company (BVSC) hired Bruno as an able seaman on board the vessel M/V Caeli. He boarded the vessel on June 16, 2024. While on duty, Bruno felt cramps followed by severe back pain. When the vessel docked in Panama, Bruno sought treatment and was diagnosed with a lumbar disc problem and was recommended for repatriation.

On December 2, 2024, Bruno arrived in Manila and was immediately referred to the company-designated physician. The company-designated physician determined that Bruno required further medical treatment. On August 3, 2025, the company-designated physician issued a final disability rating of "Grade 8 disability — moderate rigidity or 2/3 loss of motion or lifting power of the trunk."

With his condition far from improving, Bruno sought treatment from his personal physician, who concluded that the nature and extent of his injury rendered him permanently and totally unfit to work as a seafarer. Bruno thus sought the payment of total and permanent disability benefits from BVSC. When his demand went unheeded, he filed a complaint for total and permanent disability benefits.

The Labor Arbiter (LA) ruled that Bruno was entitled to total and permanent disability benefits due to the belated issuance of the company-designated physician's final disability rating on August 3, 2025. **Is the LA's ruling correct? Explain.**

18. Nautical Port Services Company (Nautical) did not remit to ABC Union the union dues that the former checked-off from August 2006 to February 2007. Nautical claimed that it wanted to identify the duly authorized person to receive the union dues since ABC Union had a new set of officers.

In view of Nautical's failure to remit the union dues, ABC Union filed a petition against it before the Regional Office of the Department of Labor and Employment (DOLE), asserting Nautical's noncompliance with the check-off provision of the Collective Bargaining Agreement. The DOLE Regional Office took cognizance of the case on the premise that it involved an intra-union dispute, since Nautical sought to determine who was entitled to receive the union dues.

On the other hand, Nautical countered that the Labor Arbiter has jurisdiction over the case, considering that the allegation of Unfair Labor Practice was evident not only on the face of the petition but also in the allegations therein. **Is Nautical correct? Explain.**

19. Lisa was hired by YG Telecommunications Company (YG) as a District Sales Manager. She purchased a Honda Civic sedan under YG's car plan benefit. However, due to reorganization, Lisa's employment was terminated on the ground of redundancy. Consequently, YG ordered Lisa to pay the current market value of the Honda Civic, or surrender the same to the company for proper disposition. Lisa refused to do either, thereby prompting YG to file a suit for replevin before the Regional Trial Court. On the other hand, Lisa argued that the matter falls within the jurisdiction of the Labor Arbiter (LA). **Does the LA have jurisdiction? Explain.**

20. Sofia was terminated by Psalm Corporation (Psalm) from her employment. The Labor Arbiter (LA) rendered a Decision declaring Sofia's dismissal to be illegal and ordering Psalm to reinstate her with full backwages. However, on appeal, the National Labor Relations Commission (NLRC) reversed the LA's ruling and declared Sofia's dismissal as valid. Despite the finding that Sofia was validly terminated, the NLRC still ordered Psalm to pay Sofia's wages during the pendency of the appeal. **Was the NLRC correct in ordering Psalm to pay Sofia's wages during the pendency of the appeal? Explain.**

Nothing follows