

FIRST DIVISION

[G.R. No. 190410, April 10, 2019]

QUIRICO D. ANIÑON, PETITIONER, VS. GOVERNMENT SERVICE INSURANCE SYSTEM, RESPONDENT.

DECISION

BERSAMIN, C.J.:

Retirement laws are liberally construed in favor of the retiree-beneficiary.

The Case

We consider and resolve the appeal of Quirico D. Aniñon seeking to reverse and set aside the decision promulgated on August 7, 2009^[1] and the resolution promulgated on November 18, 2009^[2] (assailed issuances), whereby the Court of Appeals (CA) affirmed the decision rendered on December 12, 2007^[3] and the resolution promulgated on March 5, 2009^[4] by the Board of Trustees of the Government Service Insurance System (GSIS) denying his request to allow him to refund retirement benefits previously received and to include the years of service rendered in his previous government employment.

Antecedents

Aniñon rendered intermittent government service from 1969 until 1982, first, as an employee of the Bureau of Census and Statistics, then, of the Department of Justice, and then later, of the Supreme Court. In 1988, he returned to the civil service as an employee of the Supreme Court. He eventually resigned in 1989 to work abroad.^[5]

During the time Aniñon was separated from the civil service, the prevailing law governing retirement benefits was Presidential Decree No. 1146 (*Revised Government Insurance Act of 1977*),^[6] which amended and expanded Commonwealth Act (C.A.) No. 186.^[7] Under said law, the retiree must have rendered at least 15 years of service to be entitled to retirement benefits.^[8]

By the time he left in 1989 to work abroad, Aniñon had only been in government service for 12 years, and his service had been intermittent and not continuous. As the result of his voluntary separation from the service prior to obtaining the necessary eligibility, he received from the GSIS an amount of P16,345.12 representing the refund of his premiums,^[9] to which he was entitled under Section 11(d) of C.A. No. 186, as amended by Republic Act (R.A.) No. 660 (*Return of Premiums*).^[10]

On August 19, 1996,^[11] Aniñon was reinstated in the civil service as an employee of

the Professional Regulatory Commission. He later transferred to the CA on June 3, 1998,^[12] and then again to the Supreme Court on January 19, 2001,^[13] where he served until February 28, 2008.^[14]

Meanwhile, on May 30, 1997, R.A. No. 8291 (*GSIS Act of 1997*), amending P.D. No. 1146, took effect. Under R.A. No. 8291, the retiree must have served a minimum of 15 years in the government to be eligible for retirement benefits;^[15] if the retiree was previously separated or retired from the Government but was reinstated or re-employed in the civil service, his length of service shall include the periods of service at different times under one or more employers^[16] but shall exclude such number of years of service for which he already applied and was awarded benefits under earlier applicable retirement laws (*Previous Services*).^[17]

The GSIS, through its Board of Trustees,^[18] reiterated this rule on computing total service in its *Implementing Rules and Regulations of R.A. No. 8291* (Implementing Rules),^[19] thereby making the previously retired or separated civil servant in effect a new entrant upon re-employment.^[20]

In connection with the Implementing Rules, the GSIS issued an opinion barring full credit of service years to reinstated employees in case they retired prior to the effectivity of R.A. No. 8291 and collected the benefits therefrom, *viz.*:

An employee or member who, before Republic Act No. 8291 took effect, had retired and received gratuity benefit and refund of retirement premiums under the provisions of Republic Act No. 1616; and who re-entered government service a day after his retirement **cannot be allowed to retire under RA 8291**-with full credit of the service already paid pursuant to his previous retirement.^[21] (bold emphasis supplied)

Subsequently, the GSIS requested the Department of Justice (DOJ) to confirm the opinion.^[22] Acting on the request, DOJ Secretary Raul M. Gonzalez rendered DOJ Opinion No. 106 dated December 17, 2004,^[23] holding thusly:

x x x R.A. 8291 is a social legislation which provides for, among others, the retirement and separation benefits of government employees. It is well-settled that retirement laws are liberally construed in favor of the retirees.

x x x x

Moreover, it appears that the issue discussed in the request for confirmatory opinion is not one of first impression. A reading of the Primer on the GSIS Act of 1997 issued by the GSIS seems to provide the answer therefor.^[24] x x x

It appears that the GSIS had issued in 1997 the Primer adverted to in DOJ Opinion No. 106 in order to address frequently-asked questions concerning R.A. No. 8291. A portion of the Primer reads:

Can services for which retirement contributions have been refunded be included in the computation of service in case of reinstatement?

Yes, however, the corresponding contributions plus interests shall be deducted from benefits to be received. x x x

Are the previous services of an employee credited if upon reinstatement to the service, he/she refunded all the retirement benefits he/she received?

Yes, because technically the employee in this case has not received any retirement or separation benefits. Formerly, refund of retirement benefits received was a requirement upon reinstatement. Under R.A. 8291, there is no such requirement.^[25]

However, DOJ Opinion No. 106 contained the following qualification, to wit:

With the foregoing provision in the Primer, **we believe that your opinion needs qualification.** In fine, the inclusion or exclusion of previous services of an employee in the computation of services for purposes of retirement under R.A. No. 8291 is dependent on whether said employee refunded his retirement benefits previously received anytime upon reinstatement to the service. Thus, if there was a **refund** of all retirement benefits he received, **all his previous services will be credited in the computation since technically said employee has not received any retirement or separation benefits.** If there was no refund, it goes without saying that his previous services will no longer be included in the computation of service for purposes of retirement under R.A. No. 8291.^[26] (bold emphasis supplied)

To align with DOJ Opinion No. 106, the GSIS issued Policy and Procedural Guidelines No. (PPG) No. 183-06 on January 3, 2006,^[27] which was published on January 28, 2006,^[28] whereby the GSIS clarified that a reinstated employee should be allowed full credit of previous services provided he/she meanwhile complied with the refund requirement, that is, to refund all retirement benefits received from his/her previous retirement or separation from service within 30 days from the publication of PPG No. 183-06.

In his letter dated November 20, 2006 addressed to Mr. Robert M. Agustin, Vice President, Social Insurance Operations Office I, of the GSIS,^[29] Aniñon expressed his intention to retire on March 24, 2007, his 63rd birthday. For the purpose, he requested the full credit of his 12-year government service rendered prior to his reinstatement in 1996. However, having just learned about the refund requirement, he requested to be exempt from the coverage of PPG No. 183-06, specifically asking that he be allowed to belatedly refund the premiums returned in 1989, or, alternatively, to have the amount of the premiums deducted from his future retirement proceeds by way of offsetting.

However, Agustin denied Aniñon's request by letter dated January 24, 2007.^[30]

Aniñon then elevated his concern to the GSIS Board of Trustees. In his petition dated January 31, 2007,^[31] he reiterated his request and argued that PPG No. 183-06 violated his right to due process;^[32] that publication of PPG No. 183-06 in a newspaper of general circulation was insufficient; that he was entitled to personal prior notice of PPG No. 183-06 and to a public hearing properly informing him that

failure to pay the refund by the deadline would amount to a waiver;^[33] that as a result, he learned of PPG No. 183-06 only on November 7, 2006, or over eight months past the deadline set for the refund of retirement benefits previously received by reinstated government employees;^[34] and that PPG No. 183-06 also infringed his right to equal protection^[35] because prior to its effectivity, reinstated employees were allowed to comply with the refund requirement through a "post-payment" scheme recognized by the GSIS in its Primer on RA 8291,^[36] whereby the corresponding contributions would instead be deducted or offset from benefits to be received.

Decision of the GSIS Board of Trustees

In its decision rendered on December 12, 2007,^[37] the GSIS Board of Trustees dismissed Aniñon's petition, ruling that PPG No. 183-06 did not violate his right to due process because based on *Dadole v. Commission on Audit*,^[38] "[t]he legal requirement of publication is met with publication in the Official [Gazette] or in a newspaper of general circulation in the Philippines;" that the GSIS was not legally required to notify its members via personal service;^[39] and that the guidelines also did not violate Aniñon's right to equal protection because "all members similarly situated will have to follow the same 30-day deadline" set under PPG No. 183-06.^[40]

After the GSIS Board of Trustees denied Aniñon's motion for reconsideration,^[41] he appealed to the CA.

Decision of the CA

In his appeal, Aniñon ascribed the following errors to the GSIS Board of Trustees, namely:

I. THE GSIS BOARD, WITH ALL DUE RESPECT, GROSSLY ERRED WHEN IT DENIED HEREIN PETITIONER'S PLEA/PETITION TO BE EXEMPTED FROM THE COVERAGE OF PPG NO. 183-06 UNDER BOARD RESOLUTION NO. 1, S. 1996 (SIC) DESPITE PETITIONER'S ARGUMENT SUPPORTED BY UNDISPUTED FACTS AND JURISPRUDENTIAL LAW THAT HIS PENSION RIGHT OR ELIGIBILITY TO RETIRE HAD BEEN VESTED ALREADY PRIOR TO THE COMING OF SAID PPG.

II. THE GSIS BOARD, WITH ALL DUE RESPECT, GROSSLY ERRED WHEN IT RULED THAT PUBLICATION OF PPG NO. 183-06 UNDER BOARD RESOLUTION NO. 1, S. 1996 (SIC) IN TWO NEWSPAPERS OF GENERAL CIRCULATION, NAMELY: THE PHILIPPINE STAR AND THE MANILA BULLETIN, RESPECTIVELY ON JANUARY 31 AND 28, 2006, IS MORE THAN SUFFICIENT COMPLIANCE WITH THE REQUIREMENT OF DUE PROCESS.

III. THE GSIS BOARD, WITH ALL DUE RESPECT, GROSSLY ERRED WHEN IT RULED THAT TO REQUIRE PERSONAL SERVICE OF NOTICE OF THE POLICY (PPG No. 183-06 UNDER BOARD RESOLUTION NO. 1, S. 1996) TO HEREIN PETITIONER WOULD BE ASKING TOO MUCH FROM

RESPONDENT GSIS AS THIS WOULD BE IMPOSING AN OBLIGATION WHICH IS MORE THAN WHAT THE LAW REQUIRES.

IV. THE GSIS BOARD, WITH ALL DUE RESPECT, GROSSLY ERRED WHEN IT RULED THAT THERE IS NO VIOLATION OF THE EQUAL PROTECTION CLAUSE SIMPLY BECAUSE ALL MEMBERS SIMILARLY SITUATED WILL HAVE TO FOLLOW THE SAME 30-DAY DEADLINE UNDER PPG. NO. 183-06 WHICH, AS IT CLAIMS, IS APPLIED PROSPECTIVELY.

V. THE GSIS BOARD, WITH ALL DUE RESPECT, GROSSLY ERRED WHEN IT RULED THAT THE PRINCIPLE OF LIBERAL CONSTRUCTION OF SOCIAL LEGISLATION ADMITS OF EXCEPTIONS; AND THAT RESPONDENT GSIS WAS ALLEGEDLY AFFORDING WITHIN THE 30-DAY PRESCRIPTIVE PERIOD UNDER PPG NO. 183-06 A "LIBERAL OPPORTUNITY TO MAKE THE REFUND," JUSTIFYING IT WITH "GSIS NEEDS TO MAKE THESE FUNDS EARN IF BIGGER BENEFITS WILL HAVE TO BE DISPENSED TO THE MEMBERS WHO INTEND TO RETIRE AGAIN."^[42]

Through the assailed decision promulgated on August 7, 2009, however, the CA denied the appeal and decreed as follows:

WHEREFORE, premises considered, the Petition is **DENIED**. The Decision dated 12 December 2007 and Resolution dated 05 March 2009 of the Government Service Insurance System in *GSIS CASE No. 006-07* are hereby **AFFIRMED**. Costs against petitioner.

SO ORDERED.^[43]

The CA opined that PPG No. 183-06 did not impair any vested rights or interests of Aniñon; that upon the effectivity of PPG No. 183-06, he was still in active service, and his retirement benefits at that time were only future benefits over which he did not have any vested right; that, on the other hand, his right would only vest upon retirement and after obtaining the necessary eligibility; that PPG No. 183-06's refund requirement was favorable to employees reinstated in the Government; that the GSIS remained liberal by allowing affected members to refund previously received benefits, albeit subject to a deadline;^[44] that applying the ruling in *Tañada v. Tuvera*,^[45] publication was indispensable for all statutes, including administrative rules, to attain binding force and effect; that the GSIS more than complied with the legal requirement of publication through its publication of PPG No. 183-06 in three newspapers of general circulation; that personal notice of PPG No. 183-06 to Aniñon was not necessary;^[46] that PPG No. 183-06 did not violate Aniñon's right to equal protection of the laws because PPG No. 183-06 applied to all members who were similarly situated; and that all of reinstated employees who sought to avail of benefits under R.A. No. 8291 upon retirement must comply with the refund requirement.^[47]

Aniñon moved for reconsideration,^[48] but the CA denied his motion.^[49]

Hence, this appeal.

Issues