

FIRST DIVISION

[G.R.No. 170195, March 28, 2011]

SOCIAL SECURITY COMMISSION AND SOCIAL SECURITY SYSTEM, PETITIONER, VS. TERESA G. FAVILA, RESPONDENT.

D E C I S I O N

DEL CASTILLO, J.:

A spouse who claims entitlement to death benefits as a primary beneficiary under the Social Security Law must establish two qualifying factors, to wit: (1) that he/she is the legitimate spouse; and (2) that he/she is dependent upon the member for support.^[1]

This Petition for Review on *Certiorari* assails the Decision^[2] dated May 24, 2005 of the Court of Appeals (CA) in CA-G.R. SP No. 82763 which reversed and set aside the Resolution^[3] dated June 4, 2003 and Order^[4] dated January 21, 2004 of the Social Security Commission (SSC) in SSC Case No. 8-15348-02. Likewise assailed is the CA Resolution^[5] dated October 17, 2005 denying the Motion for Reconsideration thereto.

Factual Antecedents

On August 5, 2002, respondent Teresa G. Favila (Teresa) filed a Petition^[6] before petitioner SSC docketed as SSC Case No. 8-15348-02. She averred therein that after she was married to Florante Favila (Florante) on January 17, 1970, the latter designated her as the sole beneficiary in the E-I Form he submitted before petitioner Social Security System (SSS), Quezon City Branch on June 30, 1970. When they begot their children Jofel, Floresa and Florante II, her husband likewise designated each one of them as beneficiaries. Teresa further averred that when Florante died on February 1, 1997, his pension benefits under the SSS were given to their only minor child at that time, Florante II, but only until his emancipation at age 21. Believing that as the surviving legal wife she is likewise entitled to receive Florante's pension benefits, Teresa subsequently filed her claim for said benefits before the SSS. The SSS, however, denied the claim in a letter dated January 31, 2002, hence, the petition.

In its Answer,^[7] SSS averred that on May 6, 1999, the claim for Florante's pension benefits was initially settled in favor of Teresa as guardian of the minor Florante II. Per its records, Teresa was paid the monthly pension for a total period of 57 months or from February 1997 to October 2001 when Florante II reached the age of 21. The claim was, however, re-adjudicated on July 11, 2002 and the balance of the five-year guaranteed pension was again settled in favor of Florante II.^[8] SSS also alleged that Estelita Ramos, sister of Florante, wrote a letter^[9] stating that her brother had long been separated from Teresa. She alleged therein that the couple

lived together for only ten years and then decided to go their separate ways because Teresa had an affair with a married man with whom, as Teresa herself allegedly admitted, she slept with four times a week. SSS also averred that an interview conducted in Teresa's neighborhood in Tondo, Manila on September 18, 1998 revealed that although she did not cohabit with another man after her separation with Florante, there were rumors that she had an affair with a police officer. To support Teresa's non-entitlement to the benefits claimed, SSS cited the provisions of Sections 8(k) and 13 of Republic Act (RA) No. 1161, as amended otherwise known as Social Security (SS) Law.^[10]

Ruling of the Social Security Commission

In a Resolution^[11] dated June 4, 2003, SSC held that the surviving spouse's entitlement to an SSS member's death benefits is dependent on two factors which must concur at the time of the latter's death, to wit: (1) legality of the marital relationship; and (2) dependency for support. As to dependency for support, the SSC opined that same is affected by factors such as separation *de facto* of the spouses, marital infidelity and such other grounds sufficient to disinherit a spouse under the law. Thus, although Teresa is the legal spouse and one of Florante's designated beneficiaries, the SSC ruled that she is disqualified from claiming the death benefits because she was deemed not dependent for support from Florante due to marital infidelity. Under Section 8(k) of the SS Law, the dependent spouse until she remarries is entitled to death benefits as a primary beneficiary, together with the deceased member's legitimate minor children. According to SSC, the word "remarry" under said provision has been interpreted as to include a spouse who cohabits with a person other than his/her deceased spouse or is in an illicit relationship. This is for the reason that no support is due to such a spouse and to allow him/her to enjoy the member's death benefits would be tantamount to circumvention of the law. Even if a spouse did not cohabit with another, SSC went on to state that for purposes of the SS Law, it is sufficient that the separation in-fact of the spouses was precipitated by an adulterous act since the actual absence of support from the member is evident from such separation. Notable in this case is that while Teresa denied having remarried or cohabited with another man, she did not, however, deny her having an adulterous relationship. SSC therefore concluded that Teresa was not dependent upon Florante for support and consequently disqualified her from enjoying her husband's death benefits.

SSC further held that Teresa did not timely contest her non-entitlement to the award of benefits. It was only when Florante II's pension was stopped that she deemed it wise to file her claim. For SSC, Teresa's long silence led SSS to believe that she really suffered from a disqualification as a beneficiary, otherwise she would have immediately protested her non-entitlement. It thus opined that Teresa is now estopped from claiming the benefits. Hence, SSC dismissed the petition for lack of merit.

As Teresa's Motion for Reconsideration^[12] of said Resolution was also denied by SSC in an Order^[13] dated January 21, 2004, she sought recourse before the CA through a Petition for Review^[14] under Rule 43.

Ruling of the Court of Appeals

Before the CA, Teresa insisted that SSS should have granted her claim for death benefits because she is undisputedly the legal surviving spouse of Florante and is therefore entitled to such benefits as primary beneficiary. She claimed that the SSC's finding that she was not dependent upon Florante for support is unfair because the fact still remains that she was legally married to Florante and that her alleged illicit affair with another man was never sufficiently established. In fact, SSS admitted that there was no concrete evidence or proof of her amorous relationship with another man. Moreover, Teresa found SSS's strict interpretation of the SS Law as not only anti-labor but also anti-family. It is anti-labor in the sense that it does not work to the benefit of a deceased employee's primary beneficiaries and anti-family because in denying benefits to surviving spouses, it destroys family solidarity. In sum, Teresa prayed for the reversal and setting aside of the assailed Resolution and Order of the SSC.

The SSC and the SSS through the Office of the Solicitor General (OSG) filed their respective Comments^[15] to the petition.

SSC contended that the word "spouse" under Section 8(k) of the SS Law is qualified by the word "dependent". Thus, to be entitled to death benefits under said law, a surviving spouse must have been dependent upon the member spouse for support during the latter's lifetime including the very moment of contingency. According to it, the fact of dependency is a mandatory requirement of law. If it is otherwise, the law would have simply used the word "spouse" without the descriptive word "dependent". In this case, SSC emphasized that Teresa never denied the fact that she and Florante were already separated and living in different houses when the contingency happened. Given this fact and since the conduct of investigation is standard operating procedure for SSS, it being under legal obligation to determine prior to the award of death benefit whether the supposed beneficiary is actually receiving support from the member or if such support was rightfully withdrawn prior to the contingency, SSS conducted an investigation with respect to the couple's separation. And as said investigation revealed tales of Teresa's adulterous relationship with another man, SSS therefore correctly adjudicated the entire death benefits in favor of Florante II.

To negate Teresa's claim that SSS failed to establish her marital infidelity, SSC enumerated the following evidence: (1) the letter^[6] of Florante's sister, Estelita Ramos, stating that the main reasons why Teresa and Florante separated after only 10 years of marriage were Teresa's adulterous relationship with another man and her propensity for gambling; (2) the Memorandum^[17] dated August 30, 2002 of SSS Senior Analysts Liza Agilles and Jana Simpas which ran through the facts in connection with the claim for death benefits accruing from Florante's death. It indicates therein, among others, that based on interviews conducted in Teresa's neighborhood, she did not cohabit with another man after her separation from her husband although there were rumors that she and a certain police officer had an affair. However, there is not enough proof to establish their relationship as Teresa and her paramour did not live together as husband and wife; and (3) the field investigation report^[18] of SSS Senior Analyst Fernando F. Nicolas which yielded the same findings. The SSC deemed the foregoing evidence as substantial to support the conclusion that Teresa indeed had an illicit relationship with another man.

SSC also defended SSS's interpretation of the SS law and argued that it is neither

anti-labor nor anti-family. It is not anti-labor because the subject matter of the case is covered by the SS Law and hence, Labor Law has no application. It is likewise not anti-family because SSS has nothing to do with Teresa's separation from her husband which resulted to the latter's withdrawal of support for her. At any rate, SSC advanced that even if Teresa is entitled to the benefits claimed, same have already been received in its entirety by Florante II so that no more benefits are due to Florante's other beneficiaries. Hence, SSC prayed for the dismissal of the petition.

For its part, the OSG likewise believed that Teresa is not entitled to the benefits claimed as she lacks the requirement that the wife must be dependent upon the member for support. This is in view of the rule that beneficiaries under the SS Law need not be the legal heirs but those who are dependent upon him for support. Moreover, it noted that Teresa did not file a protest before the SSS to contest the award of the five-year guaranteed pension to their son Florante II. It posited that because of this, Teresa cannot raise the matter for the first time before the courts. The OSG also believed that no further benefits are due to Florante's other beneficiaries considering that the balance of the five-year guaranteed pension has already been settled.

In a Decision^[19] dated May 24, 2005, the CA found Teresa's petition impressed with merit. It gave weight to the fact that she is a primary beneficiary because she is the lawful surviving spouse of Florante and in addition, she was designated by Florante as such beneficiary. There was no legal separation or annulment of marriage that could have disqualified her from claiming the death benefits and that her designation as beneficiary had not been invalidated by any court of law. The CA cited *Social Security System v. Davac*^[20] where it was held that it is only when there is no designation of beneficiary or when the designation is void that the SSS would have to decide who is entitled to claim the benefits. It opined that once a spouse is designated by an SSS member as his/her beneficiary, same forecloses any inquiry as to whether the spouse is indeed a dependent deriving support from the member. Thus, when SSS conducted an investigation to determine whether Teresa is indeed dependent upon Florante, SSS was unilaterally adding a requirement not imposed by law which makes it very difficult for designated primary beneficiaries to claim for benefits. To make things worse, the result of said investigation which became the basis of Teresa's non-entitlement to the benefits claimed was culled from unfounded rumors.

Moreover, the CA saw SSS's conduct of investigations to be violative of the constitutional right to privacy. It lamented that SSS has no power investigate and pry into the member's and his/her family's personal lives and should cease and desist from conducting such investigations. Ultimately, the CA reversed and set aside the assailed Resolution and Order of the SSC and directed SSS to pay Teresa's monetary claims which included the monthly pension due her as the surviving spouse and the lump sum benefit equivalent to thirty-six times the monthly pension.

SSC filed its Motion for Reconsideration of said Decision but same was denied in a Resolution²² dated October 17, 2005. Impleading SSS as co-petitioner, SSC thus filed this petition for review on *certiorari*.

Issue

Is Teresa a primary beneficiary in contemplation of the Social Security Law as to be entitled to death benefits accruing from the death of Florante?

Petitioners' Arguments

SSC reiterates the argument that to be entitled to death benefits, a surviving spouse must have been actually dependent for support upon the member spouse during the latter's lifetime including the very moment of contingency. To it, this is clearly the intention of the legislature; otherwise, Section 8(k) of the SS law would have simply stated "spouse" without the descriptive word "dependent". Here, although Teresa is without question Florante's legal spouse, she is not the "dependent spouse" referred to in the said provision of the law. Given the reason for the couple's separation for about 17 years prior to Florante's death and in the absence of proof that during said period Teresa relied upon Florante for support, there is therefore no reason to infer that Teresa is a dependent spouse entitled to her husband's death benefits.

SSC adds that in the process of determining non-dependency status of a spouse, conviction of a crime involving marital infidelity is not an absolute necessity. It is sufficient for purposes of the award of death benefits that a thorough investigation was conducted by SSS through interviews of impartial witnesses and that same showed that the spouse-beneficiary committed an act of marital infidelity which caused the member to withdraw support from his spouse. In this case, no less than Florante's sister, who does not stand to benefit from the present controversy, revealed that Teresa frequented a casino and was disloyal to her husband so that they separated after only 10 years of marriage. This was affirmed through the interview conducted in Teresa's neighborhood. Hence, it is not true that Teresa's marital infidelity was not sufficiently proven.

Likewise, SSC contends that contrary to the CA's posture, a member's designation of a primary beneficiary does not guarantee the latter's entitlement to death benefits because such entitlement is determined only at the time of happening of the contingency. This is because there may have been events which supervened subsequent to the designation which would otherwise disqualify the person designated as beneficiary such as emancipation of a member's child or separation from his/her spouse. This is actually the same reason why SSS must conduct an investigation of all claims for benefits.

Moreover, SSC justifies SSS's conduct of investigation and argues that said office did not intrude into Florante's and his family's personal lives as the investigation did not aggravate the situation insofar as Teresa's relationship with her deceased husband was concerned. It merely led to the discovery of the true state of affairs between them so that based on it, the death benefits were awarded to the rightful primary beneficiary, Florante II. Clearly, such an investigation is an essential part of adjudication process, not only in this case but also in all claims for benefits filed before SSS. Thus, SSC prays for the setting aside of the assailed CA Decision and Resolution.

Respondent's Arguments

To support her entitlement to the death benefits claimed, Teresa cited *Ceneta v.*