

THIRD DIVISION

[G. R. No. 146202, July 14, 2004]

**RUFINA PATIS FACTORY, AND JESUS LUCAS, SR. PETITIONERS,
VS. JUAN ALUSITAIN, RESPONDENT.**

D E C I S I O N

CARPIO MORALES, J.:

From the June 23, 2000 Decision^[1] of the Court of Appeals in CA-G.R. SP No. 54722 affirming that of the National Labor Relations Commission (NLRC) awarding retirement benefits in the amount of ₱88,595.00 to respondent Juan Alusitain (Alusitain), petitioners Rufina Patis Factory and Jesus Lucas, Sr. (Lucas) come to this Court on a petition for review on *certiorari*.

The antecedent facts are as follows:

In March 1948, Alusitain was hired as a laborer at the Rufina Patis Factory owned and operated by petitioner Lucas. After close to forty three years or on February 19, 1991, Alusitain admittedly tendered his letter of resignation which is quoted *verbatim*:

February 19, 1991

TO: MR. JESUS LUCAS, JR.
ASSISTANT MANAGER
RUFINA PATIS FACTORY

Gentlemen:

I would like to tender my separation letter as a laborer, from your good company effective this 20th of February 1991. May I take this opportunity to extent my heartfelt thanks to you for having given me the chance to commit myself to work in your factory from which I owe varied experiences that has made a part of me and be what I am today. Anticipating your outmost consideration on this matter. I remain.

VERY TRULY YOURS,

(Signed)
JUAN A. ALUSITAIN

RECEIVED THE ABOVE SEPARATION LETTER ON THIS DAY, FEBRUARY 20,
1991.

(Signed)
BY: JESUS R. LUCAS, JR.
Assistant Manager^[2]

On May 22, 1991, Alusitain executed a duly notarized affidavit of separation from employment and submitted the same on even date to the Pensions Department of the Social Security System (SSS). The affidavit reads:

Republic of the Philippines)SSS

Quezon City)

AFFIDAVIT OF SEPARATION FROM EMPLOYMENT

I, JUAN ASERAS ALUSITAIN of legal age, 63, Filipino and residing at Int. 18 Flores St., Mal. Mla, after having [been] sworn to in accordance with law hereby depose and state;

1. That I am [a] bonafide member of the Social Security System with SSS Number 03-0107252-0
2. That I was separated from my last employer RUFINA PATIS FACTORY with address at 290 C. Arellano St., Malabon, Metro Manila on 2-20-91 and thereafter, I was never again re-employed.
3. That I cannot secure a certification of separation from my last employer because I have not reached the company applicable age of retirement.
4. That I am executing this affidavit to attest to the truth of the foregoing facts and to support my retirement paper.

FURTHER AFFIANT SAYETH NAUGHT.

(Signed)
Affiant^[3]

On January 7, 1993, Republic Act No. 7641 (R.A. 7641),^[4] "AN ACT AMENDING ARTICLE 287 OF PRESIDENTIAL DECREE NO. 442, AS AMENDED OTHERWISE KNOWN AS THE LABOR CODE OF THE PHILIPPINES, BY PROVIDING FOR RETIREMENT PAY TO QUALIFIED PRIVATE SECTOR EMPLOYEES IN THE ABSENCE OF ANY RETIRMENT PLAN IN THE ESTABLISHMENT," took effect^[5] providing, among other things, thusly:

Art. 287. *Retirement.* — Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract.

x x x

In the absence of a retirement plan or agreement providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty five

(65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

Unless the parties provide for broader inclusions, the term one half (1/2) month salary shall mean fifteen (15) days plus one twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves.

x x x

Violation of this provision is hereby declared unlawful and subject to the penal provisions under Article 288 of this Code.^[6]

Sometime in 1995, Alusitain, claiming that he retired from the company on January 31, 1995, having reached the age of 65^[7] and due to poor health, verbally demanded from petitioner Lucas for the payment of his retirement benefits. By his computation, he claimed that he was entitled to ₱86,710.00^[8] broken down as follows:

Retirement Benefits	= ½ month salary for every year of service
One-half month salary	= ₱1,885.00
Years of Service	= 47 years
Retirement Benefits	= ₱86,710.00 ^[9]

Petitioner Lucas, however, refused to pay the retirement benefits of Alusitain, prompting the latter to make a written demand on September 20, 1995. Lucas, however, remained adamant in his refusal to give in to Alusitain's demands.

Having failed to arrive at an amicable settlement, Alusitain filed on November 17, 1995 a complaint before the NLRC against petitioners Rufina Patis Factory and Lucas for non-payment of retirement benefits. The complaint was docketed as NLRC Case No. 00-11-07474-95.

Petitioners maintained that Alusitain had resigned from the company on February 19, 1991 per his letter of resignation and the Affidavit of Separation dated May 22, 1991.^[10]

On the other hand, while respondent admitted having tendered his letter of resignation on February 19, 1991 and executed the Affidavit of Separation on May 22, 1991,^[11] he nevertheless maintained that he continued working for petitioners until January 1995, the date of actual retirement, due to illness and old age, and that he merely accomplished the foregoing documents in compliance with the requirements of the SSS in order to avail of his retirement benefits.^[12]

By Decision^[13] of February 6, 1997, Executive Labor Arbiter Valentin C. Guanio upheld Alusitain's position in this wise:

After carefully considering the respective submissions of the parties and the evidence they adduced in support of their opposing claims, this Office rules in favor of the complainant.

To substantiate his allegation that he had continued working for the respondents even after his supposed resignation on February 19, 1991, the complainant submitted in evidence his sworn statement and that of his eldest daughter, Gloria Alusitain. In his affidavit, the complainant swore that: "Bagamat ako ay pensionado ng SSS, ako ay patuloy na naglilingkod/nagtrabaho sa kompanya ng Rufina Patis Factory hanggang noong buwan ng Enero 1995." By way of corroboration, his daughter on the other hand, stated under oath that since elementary school (*sic*), she was the one who brought food to her father at work in the Rufina Patis Factory; and that the last time she brought him food at the said factory was in the month of January 1995.

While the foregoing statements may appear to be self-serving, still they have the ring of truth. From experience, it is quite common that the eldest daughter would be tasked with the duty of taking lunch to her father at work. Besides, the respondents failed to controvert these sworn declarations by submitting their counter-affidavits. If it is true that the complainant had in fact stopped working on February 1991, the respondents could have produced a number of witnesses who could have attested to this. Hence, their failure to submit even a single affidavit does not speak well of their credibility in this regard.

Thus, this Office finds that the complainant had executed the letter of resignation and affidavit of separation from employment in 1991 only for the purpose of securing a pension from the SSS, but that despite this he remained in the employ of the respondents until his actual retirement on January 31, 1995, two years after the effectivity of Republic Act 7641 on January 7, 1993. At the time of his retirement, the complainant was already sixty-five (65) years of age and had served the respondent company for forty-seven (47) years and therefore, he is legally entitled to the retirement benefits granted by R.A. 7641 which is one-half (1/2) month salary for every year of service which as computed will amount to a total of P88,595.00 (P1,885.00 x 47 years).

WHEREFORE, in view of the foregoing, judgment is hereby rendered ordering the respondents "Rufina Patis Factory" and Jesus Lucas, Sr., jointly and severally to pay complainant Juan Alusitain his retirement benefits in the amount of P88,595.00.

SO ORDERED.^[14]

On appeal, the NLRC, by Resolution^[15] of May 17, 1999, affirmed the Labor Arbiter's decision.

Aggrieved by the NLRC resolution, petitioners brought the case on certiorari^[16] to

the Court of Appeals which, by the assailed decision, dismissed it, holding that the NLRC committed no error much less any grave abuse of discretion^[17] as Alusitain was able to sufficiently establish that his letter of resignation and Affidavit of Separation were executed only for the purpose of securing a pension from the SSS and that he remained in the employ of petitioners.^[18]

Their motion for reconsideration having been denied by the Court of Appeals by Resolution^[19] of December 6, 2000, petitioners lodged the present petition.^[20]

Petitioners argue that the appellate court erred when it did not give weight and probative value to Alusitain's letter of resignation and Affidavit of Separation, choosing instead to give credence to his self-serving sworn statement and that of his daughter that he remained in the employ of petitioners until January 31, 1995.

Petitioners assert that the Affidavit of Separation, being a public document, is entitled to full faith and credit upon its face, and proof is required to assail and controvert the same, citing *Cacho v. Court of Appeals*^[21] and *Arrieta v. Llosa*.^[22]

Petitioners further assert that the appellate court erred in applying retroactively R.A. 7641 as said law does not expressly provide for such retroactive application and to do so would defeat the clear intent of Congress. Furthermore, petitioners insist that the case of *Oro Enterprises, Inc. v. NLRC*^[23] is inapplicable and submit that what is controlling is the case of *J.V. Angeles Construction Corp. v. NLRC*^[24] where this Court held that before R.A. 7641 could be given retroactive effect, the claimant should still be an employee of the employer at the time the said law took effect,.

The petition is impressed with merit.

This Court held in *Oro*^[25] that R.A. 7641 should be given retroactive effect, viz:

R.A. 7641 is undoubtedly a social legislation. The law has been enacted as a labor protection measure and as a curative statute that – absent a retirement plan devised by, an agreement with, or a voluntary grant from, an employer – can respond, in part at least, to the financial well-being of workers during their twilight years soon following their life of labor. There should be little doubt about the fact that the law can apply to labor contracts still existing at the time the statute has taken effect, and that its benefits can be reckoned not only from the date of the law's enactment but retroactively to the time said employment contracts have started. . .^[26] (Underscoring supplied)

The doctrine enunciated in *Oro* has been clarified in several cases. In *CJC Trading, Inc. v. NLRC*,^[27] this Court, speaking through Justice Florentino Feliciano, held that R.A. 7641 may be given retroactive effect where (1) the claimant for retirement benefits was still the employee of the employer at the time the statute took effect; and (2) the claimant had complied with the requirements for eligibility under the statute for such retirement benefits.^[28] These twin requirements for the retroactive application of R.A. 7641 have been reiterated in *Philippine Scout Veterans Security and Investigation Agency v. NLRC*,^[29] *Cabcaban v. NLRC*,^[30] *J.V. Angeles Construction Corporation v. NLRC*,^[31] and *Manuel L. Quezon University v. NLRC*.^[32]