

EN BANC

[G.R. No. 139792, November 22, 2000]

ANTONIO P. SANTOS, PETITIONER, VS. THE HONORABLE COURT OF APPEALS, METROPOLITAN AUTHORITY, NOW KNOWN AS METROPOLITAN MANILA DEVELOPMENT AUTHORITY, AND THE CIVIL SERVICE COMMISSION, RESPONDENTS.

DECISION

DAVIDE JR., C.J.:

In this petition for review on *certiorari* petitioner assails the decision of 19 August 1999 of the Court of Appeals^[1] in CA-G.R. SP No. 48301, which held that petitioner's separation pay under Section 11 of R.A. No. 7924 should be limited to the number of years of his service in the Metropolitan Manila Authority (MMA) only, excluding his years of service as judge of the Metropolitan Trial Court (MeTC) of Quezon City for which he has already been given retirement gratuity and pension.

The undisputed facts are as follows:

On 18 January 1983, petitioner was appointed Judge of the MeTC of Quezon City, and he thereafter assumed office. After the military-backed EDSA revolt, petitioner was reappointed to the same position.

On 1 April 1992, petitioner optionally retired from the Judiciary under R.A. No. 910, ^[2] as amended, and received his retirement gratuity under the law for his entire years in the government service; and five years thereafter he has been regularly receiving a monthly pension.

On 2 December 1993, petitioner re-entered the government service. He was appointed Director III of the Traffic Operation Center of the MMA. His appointment was approved by the Civil Service Commission (CSC).

On 1 March 1995, Congress enacted R.A. No. 7924, which reorganized the MMA and renamed it as Metropolitan Manila Development Authority (MMDA). Section 11 thereof reads:

Section 11. *Transitory Provisions.* - To prevent disruption in the delivery of basic urban services pending the full implementation of the MMDA's organizational structure and staffing pattern, all officials and employees of the interim MMA shall continue to exercise their duties and functions and receive their salaries and allowances until they shall have been given notice of change of duties and functions, and of being transferred to another office or position.

The civil service laws, rules and regulations pertinent to the displacement of personnel affected by this Act shall be strictly enforced. The national government shall provide such amounts as may be necessary to pay the benefits accruing to displaced employees at the rate of one and one-fourth (1¼) month's salary for every year of service: *Provided, That*, if qualified for retirement under existing retirement laws, said employees may opt to receive the benefits thereunder.

On 16 May 1996, the President of the Philippines issued Memorandum Order No. 372 approving the Rules and Regulations Implementing R.A. No. 7924. Pursuant thereto, the MMDA issued Resolution No. 16, series of 1996, which, *inter alia*, authorized the payment of separation benefits to the officials and employees of the former MMA who would be separated as a result of the implementation of R.A. No. 7924.

On 30 August 1996, the MMDA issued a Memorandum to petitioner informing him that in view of his "voluntary option to be separated from the service" his services would automatically cease effective at the close of office hours on 15 September 1996, and that he would be entitled to "separation benefits equivalent to one and one-fourth (1¼) monthly salary for every year of service as provided under Section 11 of the MMDA Law."

In view of some doubt or confusion as to the extent of his separation benefits, petitioner submitted a Position Paper wherein he asserted that since the retirement gratuity he received under R.A. No. 910, as amended, is not an additional or double compensation, all the years of his government service, including those years in the Judiciary, should be credited in the computation of his separation benefits under R.A. No. 7924. The Assistant Manager for Finance of the MMDA referred the Position Paper to the Regional Office of the CSC-NCR.

On 7 October 1996, Director IV Nelson Acebedo of the CSC-NCR handed down an opinion that the payment of petitioner's separation pay must be in accordance with Civil Service Resolution No. 92-063, pertinent portions of which read:

[T]he payment of separation/[retirement] benefits cannot be subject to the prohibition against the [*sic*] double compensation in cases when officers and employees who were previously granted said benefits are rehired or reemployed in another government Agency or Office. Thus, there is no need for separated employees to refund the separation/retirement benefits they received when subsequently reemployed in another government agency or office.

... This being so, while an employee who was paid separation/retirement benefits is not required to refund the same once reemployed in the government service, as aforestated, for reasons of equity however, it would be proper and logical that said separation/retirement benefits should nevertheless be deducted from the retirement/[separation] pay to be received by the employee concerned. Moreover, in this instance, the

employee concerned has the option either to refund his separation/retirement benefits and claim his gross retirement/separation pay without any deduction corresponding to his separation pay received, or not [to] refund his separation/retirement pay but suffer a deduction of his retirement/separation gratuity for the total amount representing his previous separation/retirement pay received.

His motion for reconsideration having been denied, petitioner elevated the opinion of Director Acebedo to the CSC.

On 21 October 1997, the CSC promulgated Resolution No. 97-4266 affirming the opinion of Director Acebedo and dismissing petitioner's appeal. Citing *Chaves v. Mathay*,^[3] it held that petitioner cannot be paid retirement benefits twice - one under R.A. No. 910, as amended, and another under R.A. No. 7924 - for the same services he rendered as MeTC Judge. He can only exercise one of two options in the computation of his separation pay under R.A. 7924. These options are (1) to refund the gratuity he received under R.A. No. 910, as amended, after he retired from the MeTC and get the full separation pay for his entire years in the government, that is 9 years and 2 months with the MeTC plus two (2) years and eight (8) months for his services as Director III in the defunct MMA, at the rate of one and one-fourth salary for every year of service pursuant to MMDA Memorandum dated 30 August 1996; or (2) to retain the gratuity pay he received for his services as MeTC Judge but an equivalent amount shall be deducted from the separation benefits due from the former MMA for his entire government service.

On 9 June 1998, the CSC promulgated Resolution No. 98-1422 denying petitioner's motion for reconsideration. Accordingly, petitioner filed with the Court of Appeals a petition to set aside these Resolutions.

On 19 August 1999, the Court of Appeals promulgated its decision, now challenged in this case. It held that the CSC was "correct in dismissing petitioner's appeal from the opinion of Director Acebedo." It ratiocinated as follows:

There is no specific rule of law which applies to petitioner's case. Nevertheless, the Court finds it equitable to deny his claim for payment of separation pay at the rate of one and one-fourth (1¼) month's salary for every year of his service in government, that is, inclusive of the number of years he served as Judge of the Metropolitan Trial Court of Manila [*sic*].

Petitioner already received and is continually receiving gratuity for his years of service as a Metropolitan Trial Court Judge. Equity dictates that he should no longer be allowed to receive further gratuity for said years of service in the guise of separation pay.

Suffice it to state that upon his retirement from his office as a Judge, petitioner has already closed a chapter of his government service. The State has already shown its gratitude for his services when he was paid retirement benefits under Republic Act No. 901 [*sic*]. For that is what retirement benefits are for. Rewards [are] given to an employee who has