SUPREME COURT
SECOND DIVISION

MANUEL L. QUEZON UNIVERSITY and AMADO C. DIZON,
***Petitioners*,**

-versus-

G.R. No. 102612
June 19, 1997

NATIONAL LABOR RELATIONS COMMISSION and LYDIA A. NAVARRO,
***Respondents*.**
x----------x

D E C I S I O N

TORRES, JR., *J.*:

Teaching is a high aspiration, but the reward for the teacher, it has been said — "is a lost tradition." The case before us is about a faculty member who sought to retire expecting to savor the fruits of her calling after years of toil.

In this Petition for *Certiorari* under Rule 65, of the Revised Rules of Court, petitioners Manuel L. Quezon University (MLQU, for brevity) and its President Amado C. Dizon seek the reversal of the November 7, 1991 Decision[1] of the National Labor Relations Commission (NLRC, for brevity) in NLRC NCR CASE NO. 00-11-06417-90,

directing the petitioners to pay the private respondent Lydia A. Navarro, retirement pay in addition to moral and exemplary damages.

Lydia A. Navarro was a faculty member of the petitioner MLQU for thirteen years, that is, from November 7, 1977 until the first semester of schoolyear 1990-1991, having taught in the University's College of Arts and Sciences, College of Law. and the School of Graduate Studies.

On September 20, 1990 she wrote to the university, informing them of her intention to retire from teaching, due, allegedly, to a "heart condition of bloody cardiac." Also in the said letter,[2] she requested that she be allowed to avail of retirement benefits, either under the school's retirement plan or as provided under existing law.

On October 30, 1990, the university, through its president Amado C. Dizon disapproved the private respondent's application for retirement,[3] for the reason that at the age of sixty years, and with only 13 years of service, she was not qualified to retire under the school's retirement plan, which fixes the retirement age of its employees at 65 years with at least 10 years of continuous service, or at 60 years of age provided she had already served the school for 20 years.

On December 5, 1990, private respondent contested the disapproval of her application by filing with the National Labor Relations Commission — NCR Arbitration Branch against the petitioners a complaint[4] for non-payment of retirement benefits, with prayer for an award of moral and exemplary damages.

After the parties submitted their respective position papers and supporting evidence, Labor Arbiter Cresencio Iniego rendered a Decision,[5] stating that private respondent is entitled to P18,322.00 of retirement benefits, besides moral and exemplary damages amounting to P400,000.

The dispositive portion of the said Decision reads:

> "WHEREFORE, judgment is hereby rendered finding complainant entitled to retirement benefit and/or termination pay in the amount of P18,322.00; finding complainant entitled to moral damages in the amount of P300,000.00; finding complainant entitled to exemplary damages in the amount of P100,000.00; and finding complainant entitled to attorney's fees of 10% from the total monetary award.
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> SO ORDERED."

According to the Labor Arbiter; under the prescription in Article 287 of the Labor Code, as it is worded at that time that "in case of retirement, the employee shall be entitled to receive such retirement benefits as he may have earned under existing laws and any collective bargaining or other agreement;" and under the provision of Policy No. 25 of the Department of Labor and Employment, allegedly fixing the retirement age of employees of educational institutions at 60 years; and due to the private respondent's failing health, the private respondent should be awarded retirement pay amounting to at least one month salary, or one-half month salary for every year of service. The fact that the retirement plan of the petitioner university sets the minimum retirement age at 60 years provided the employee has rendered 20 years of service with the university is of no moment, as "the retirement plan cannot be substituted for or reduce the retirement benefits available under the law."[6]

On appeal by the petitioners, the NLRC affirmed the Labor Arbiter's pronouncements with the modification that moral and exemplary damages due to the private respondent were reduced to P50,000 and P30,000 respectively, as "moral damages are not intended to enrich the complainant at the expense of the defendant, but are awarded only to enable the injured parties to obtain means, diversions or amusements that will serve to alleviate their moral sufferings."

Dissatisfied with this ruling, petitioners elevated to us by way of *certiorari* praying for the reversal of the abovementioned decision.

Specifically, the petitioners submit:

> "RESPONDENT NLRC COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN FINDING RESPONDENT NAVARRO TO BE ENTITLED TO BENEFITS UNDER THE MLQU RETIREMENT PLAN NOTWITHSTANDING HER LACK OF QUALIFICATIONS THEREFOR.
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> "RESPONDENT NLRC COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN FINDING THAT RESPONDENT NAVARRO IS OF ILL-HEALTH AND MAY, THEREFORE, AVAIL OF RETIREMENT BENEFITS, NOTWITHSTANDING HER FAILURE TO PROVE THE SAME.
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> "RESPONDENT NLRC COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OF JURISDICTION IN UPHOLDING THE PROPRIETY OF IMPLEADING THE PRESIDENT AS PARTY-RESPONDENT NOTWITHSTANDING THE ABSENCE OF ANY ALLEGATION WHICH WOULD ESTABLISH PERSONAL AND INDEPENDENT LIABILITY."[7]

At the outset, the fact that no motion for reconsideration was filed by the petitioner with the NLRC is unmistakably reflected in the records of this case. No explanation of such lapse has been offered by the petitioner, except for its narration of instances when the Court has allowed petitions for *certiorari* to proceed, despite the absence of the requisite Motion for Reconsideration in the Commission, Simply staled, the present petition is dismissible as a Motion for Reconsideration of the NLRC's decision is a condition sine qua non before a petition for *certiorari* under Rule 65 of the Rules of Court may proceed.

Significantly, in Labudahon vs. National Labor Relations Commission, we stated —

> "The New Rules of Procedure of the National Labor Relations Commission mandate that a motion for reconsideration of any order, resolution or decision of the Commission must be filed within ten (10) calendar days from receipt of such order, resolution or decision. If no motion for reconsideration is filed,

> the NLRC's order, resolution or decision shall become final and executory after ten (10) calendar days from receipt thereof petitioner's failure to file a motion for reconsideration, for whatever reason, is a fatal procedural defect that warrants the dismissal of his present petition. (G.R. No. 112206, Dec. 11, 1995, 251 SCRA 129)

The first argument raised by the petitioners poses a decisive issue in this controversy. Is the private respondent, at sixty years of age, entitled to retirement and other benefits?

At the time private respondent applied for retirement, the applicable law was Section 287 of the Labor Code, which reads:

> "Article 287. Retirement. — Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract.
>
> In case of retirement, the employee shall be entitled to receive such retirement benefits as he may have earned under existing laws and any collective bargaining or other agreement."[8]

In implementation of the foregoing, the Department of Labor issued the following rules, thus, Rule 1, Book VI of the Implementing Rules of the Labor Code provides:

> "Section 13. Retirement. — In the absence of any collective bargaining agreement or other applicable agreement concerning terms and conditions of employment which provides for retirement at an older age, an employee may be retired upon reaching the age of sixty (60) years.
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> Section 14. Retirement benefits. — (a) An employee who is retired pursuant to a bona-fide retirement plan or in accordance with the applicable individual or collective agreement or established employer policy shall be entitled to all the retirement benefits provided therein or to termination pay equivalent at least to one-half month salary for every year of service, whichever is higher, a fraction of at least six (6) months being considered as one whole year.

(b) Where both the employer and the employee contribute to the retirement plan, agreement or policy, the employer's total contribution thereto shall not be less than the total termination pay to which the employee would have been entitled had there been no such retirement fund. In case the employer's contribution is less than the termination pay the employee is entitled to receive, the employer shall pay the deficiency upon the retirement of the employee.

(c) This Section shall apply where the employee retires at the age of sixty (60) years or older."

It is argued by the petitioners that under the said provisions, the existence, and quiet acceptance by the private respondent, of the retirement plan then enforced by the university among its employees discount the operation of the provisions of the Labor Code and its implementing rules, specifically, in their providing for a legal retirement age at 60 years.

The provisions of Article III of the petitioner university's retirement plan are allegedly controlling in determining the private respondent's entitlement to retirement benefits, thus:

"PERSONS ENTITLED TO RETIREMENT PRIVILEGES

a) All faculty members and employees who attain the age of 65 years while employed with the Manuel L. Quezon Educational Institution, Inc., provided that they have rendered at least ten (10) years of continuous service.

b) Those who have not attained the age of 60 years, but who have rendered at least twenty (20) years of continuous service to the Manuel L. Quezon Educational Institution, Inc. at the date of retirement.

This plan does not apply to members of the Board of Regents, the President, the Executive Officer and the Treasurer, whose retirement shall be determined by the Board of Regents without

prejudice to their retirement under this plan as members of the faculty."[9]

According to the petitioner, the provisions of the law providing for legal retirement age at 60 years is applicable only in the absence of any agreement or company policy relative to retirement age. The clear language of the foregoing provisions of law hardly leaves any doubt that the Labor Code finds no application to the case at bar. To bolster this submission, Policy Instruction No. 25 issued by the Department of Labor is cited:

POLICY INSTRUCTION NO. 25

TO: All Concerned
SUBJECT: RETIREMENT IN PRIVATE EDUCATIONAL INSTITUTIONS

For purposes of applying the retirement provisions of the Labor Code in private educational institutions, and in consideration of the unique characteristics and peculiar problems and work situations of such institutions, the following rules are hereby issued for the information and guidance of all concerned:

I If there is a retirement plan under a collective bargaining agreement or employer policy in private educational institutions, any teacher and/or employer who retires or is retired from the service pursuant to the same shall be entitled to all the retirement benefits provided therein.

II In the absence of any such company policy or collective bargaining agreement providing for a retirement plan for teachers and other employees in private educational institutions, any teacher and/or employee may retire or be retired from the service upon reaching the age of sixty (60) years and shall be paid the equivalent of at least one month salary or one-half month salary for every year of service, whichever is higher, a fraction of at least six (6) months being considered as one whole year.

This issuance shall take effect immediately.

DONE in the City of Manila, this 1st day of June 1977.

(Sgd.)
AMADO G. INCIONG
Acting Secretary

On the other hand, aside from the fact that petitioners failed to file a motion for reconsideration of the NLRC Decision as aforesaid, private respondent relies on the validity of the respondent Commission's ruling, as "the retiring employee is given the option to either avail of the benefits of the retirement plan or seek the grant of termination pay equivalent to one-half month salary for every year of service, whichever is higher,"[10] following the provisions of Policy Instruction No. 25.

The Court observes that there may be a perceived ambiguity in the law at the time the private respondent applied for retirement. While the Labor Code itself is silent on the matter of the legal retirement age of an employee, the implementing rules provide that "in the absence of any collective bargaining agreement or other applicable agreement concerning terms and conditions of employment which provides for retirement at an older age, an employee may be retired upon reaching the age of sixty (60) years." (Emphasis supplied)

Policy Instruction No. 25 provides however, that "in the absence of any such company policy or collective bargaining agreement providing for a retirement plan for teachers and other employees in private educational institutions, any teacher and/or employee may retire or be retired from the service upon reaching the age of sixty (60) years and shall be paid the equivalent of at least one month salary or one-half month salary for every year of service, whichever is higher, a fraction of at least six (6) months being considered as one whole year." (Emphasis supplied)

The Implementing Rules and Policy Instruction No. 25 are explicit in providing for legal retirement age at 60 years. Policy Instruction No. 25, which especially treats of retirement of employees in private educational institutions, provides that "any teacher or employee may retire or be retired from service upon reaching the age of sixty years."

By the use of the phrase "may retire or be retired," the Secretary of Labor has thereby given the option to effect the retirement of the employee (to the employee himself) or to the employer. This legal option on the part of the employee cannot be disregarded by the petitioner by unilaterally providing for a retirement plan with so rigid yardstick for an employee to qualify more than what the law requires. As we have stated earlier, the applicable laws at the time of the private respondent's application for retirement provide for retirement age at 60 years, without qualification on the length of service with the employer.

Considering the law applicable at the time of the retirement of herein private respondent, the MLQU's retirement plan cannot be made to apply to the case at bench. A reading of MLQU's retirement plan hereunder supports this observation, thus:

> "a) All faculty members and employees who attain the age of 65 years while employed with the Manuel L. Quezon Educational Institution, Inc., provided that they have rendered at least ten (10) years of continuous service.
>
> "b) Those who have not attained the age of 60 years, but who have rendered at least twenty (20) years of continuous service to the Manuel L. Quezon Educational Institution. Inc. at the date of retirement."

In Llora Motors Inc. vs. National Labor Relations Commission,[11] we stated that — having the provisions of Article 287 of the Labor Code in mind, that retirement benefits may accrue to an employee either (a) under existing laws or (b) under a collective bargaining agreement or other employment contract. We observed that Article 287 does not itself purport to impose any obligation upon employers to set up a retirement scheme for their employees over and above that already established under existing laws." In line with the spirit of the Labor Code and implementing rules applicable, no retirement plan conceived by an employer may be enforced to deprive an employee of the right to retire upon reaching the age fixed by existing law as the legal retirement age, and consequently, of the right to receive retirement benefits that she would have otherwise been entitled to. This squares with the principle that social legislation should be

interpreted in favor of workers in the light of the constitutional mandate that the State shall afford protection to labor. (91 SCRA 268)

Admittedly, private respondent, having reached the age of 60 years and with continuous service of 13 years with MLQU, she would have been entitled to retirement benefits of one-half month pay for every year of service, under the provisions of the Implementing Rules of the Labor Code and Policy Instruction No. 25, as both laws provide for retirement age at 60 years, without qualification as to the years served with the employer, MLQU.

Obviously, applying the university's retirement plan would deprive the private respondent of these benefits, as such plan requires the employee who has reached the age of sixty years to have served the university for twenty years, before she could be entitled to retirement We find the challenged decision of the NLRC to be in accordance with law when it upheld the award of retirement benefits to the private respondent under Policy Instruction No. 25. It is more in accord with the established policy of interpreting and enforcing labor laws, in case of ambiguity, in favor of the employee,[12] that the private respondent be allowed to retire at 60 years of age, and be awarded retirement benefits for her services with the petitioners, which have spanned a period of 13 years.

We have taken note of the private respondent's failing health when she applied for retirement with petitioner. Albeit not necessary for the resolution of the issues before Us, the same conveys the physical condition of the private respondent at the time of retirement. As found by the NLRC in its decision, it stated:

> "Feeling the onslaught of a heart ailment, complainant beseechingly prayed in her letter to management that she be allowed to retire under its existing retirement plan or, in the absence thereof, under the aforequoted Section 14 A and B of the Rules implementing the Labor Code provision on retirement. But respondent MLQU, seeking refuge under the first portion of PI No. 25 which seemingly authorizes the rejection of an application to retire at 60 years if an educational institution has an existing retirement plan of its own, disapproved the complainant's application to retire.

> The denial of the complainant's application to retire is quite unfortunate for in doing so, respondent university has displayed with pristine clarity a wanton disregard of the complainant's right to retire, the noble objective behind the grant of retirement benefits "to help the employee enjoy the remaining years of his life, lessen the burden of worrying for his financial support and as a form of reward for his loyalty and service to the employer" (Laginlin vs. WCC, 159 SCRA 91) would be rendered meaningless.
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> Under the policy of social justice, the law bends backward to accommodate the interests of the working class on the humane justification that those with less privileges in life should have more privileges in law. (Philippine Airlines, Inc. vs. Santos, 218 SCRA 415 (1993)). Thus, the road to social and economic opportunity must be widened to insure equality.

Petitioner Amado C. Dizon controverts his inclusion as party respondent in the action below. This Court has already ruled that absent definite proof as to the identity of an officer or officers of the corporation directly liable for failure to pay monetary benefits to its employees, the responsible officer is the president of the corporation, jointly and severally with other officers of the same corporation, and his liability for such benefits is enforceable, even though he was not made a party in the complaint which gave rise to the final and executory judgment to be enforced.[13]

In resume, we reiterate the rule that findings of fact and conclusions of the labor arbiter, as well as those of the NLRC, or, for that matter, any other adjudicative body which can be considered as a trier of facts on specific matters within its field of expertise, should be considered as binding and conclusive upon the appellate courts. This is in addition to the fact that they were in a better position to assess and evaluate the credibility of the contending parties and validity of their respective evidence.[14]

ACCORDINGLY, the Decision appealed from, dated November 7, 1991, is hereby **AFFIRMED**. No costs.

SO ORDERED.

Regalado, Romero, Puno and Mendoza, *JJ.*, concur.

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[1] Annex "A", Petition, p. 23. Rollo.
[2] Annex "B", Petition, p 40, Rollo.
[3] Annex "C", Petition, p. 41, Rollo.
[4] P. 2, NLRC Record.
[5] P. 184, Ibid.; Annex "F",. Petition.
[6] Annex F, Petition, p. 60-62, Rollo.
[7] Petition, p. 7, Rollo.
[8] Republic Act 7641, which came into effect on January 7, 1993, has since amended this provision of the Labor Code to read:

"Article 287. Retirement. — An employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract.

In case of retirement, the employee shall be entitled to receive such retirement benefits as he may have earned under existing laws and any collective bargaining agreement and other agreements: Provided, however, That an employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided herein.

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 years in the said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (½) 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 (½) month salary shall mean fifteen 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.

Retail, service and agricultural establishments or operations employing not more than ten (10) employees or workers are exempted from the coverage of this provision.

Violation of this provision is hereby declared unlawful and subject to the penal provisions under Article 288 of this Code."

[9] Exhibit "2-B", p. 158, NLRC Record.
[10] Private respondent's Comment, p. 90. Rollo.
[11] G.R. No. 82895, November 7, 1989, 179 SCRA 175.
[12] Article 4, Labor Code.
[13] A C Ransom Labor Union-CCLU vs. National Labor Relations Commission, G.R. No. 69494, June 10, 1986, 142 SCRA 269.

[14] Cabalan Pastulan Negrito Labor Association [Capanela] petitioners and Jose Alviz, Sr., petitioners, vs. National Labor Relations Commission and Fernando Sanchez, respondents G.R No. 106108, February 23, 1995.
