SUPREME COURT
THIRD DIVISION

CARLOS F. SALOMON, STEPHEN L. BATHAN, NICOLAS E. CAMARA, EMMANUEL B. DELA TORRE, LEONILO C. DONATO, SEGUNDO E. FERRER, JESUS L. GUELA, JR., AMADO P. LIONGSON, DEOGRACIAS C. MANALANZAN, GERUNDIO A. NATANAUAN, RICARDO D. PARZA, RICARDO R. SAMANIEGO, VALENTIN R. URREA, JR., FRANCISCO H. VILLANUEVA,
Petitioners,

-versus-

G.R. No. 156317
April 26, 2005

ASSOCIATION OF INTERNATIONAL SHIPPING LINES, INC.,
Respondent.
x----------x

D E C I S I O N

SANDOVAL-GUTIERREZ, *J.*:

At bar is a Petition for Review on *Certiorari* under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision[1] dated

June 13, 2002 and Resolution[2] dated November 28, 2002 rendered by the Court of Appeals in CA-G.R. SP No. 63176, entitled "Carlos F. Salomon, Stephen L. Bathan, Nicolas E. Camara, Emmanuel B. Dela Torre, Leonilo C. Donato, Segundo E. Ferrer, Jesus L. Guela, Jr., Amado P. Liongson, Deogracias C. Manalanzan, Gerundio A. Natanauan, Ricardo D. Parza, Ricardo R. Samaniego, Jr., Valentin R. Urrea, Jr., and Francisco H. Villanueva vs. National Labor Relations Commission and Association of International Shipping Lines, Inc.."

The facts as borne by the records are:

The Association of International Shipping Lines, Inc., respondent, is a corporation engaged in the principal business of shipping and container and/or cargo services.

As a result of a decline in the volume of cargo measuring activities and shipping transactions, respondent suffered substantial financial losses equivalent to P213,583.00 in 1996; P783,935.00 in 1997; and P1,334,729.00 in 1998.

With this development, respondent adopted an organizational streamlining program that resulted in the closure of its Measuring Department and retrenchment or termination from the service of seventeen (17) workers. Among them were Carlos F. Salomon, Stephen L. Bathan, Nicolas E. Camara, Emmanuel B. Dela Torre, Leonilo C. Donato, Segundo E. Ferrer, Jesus L. Guela, Jr., Amado P. Liongson, Deogracias C. Manalanzan, Gerundio A. Natanauan, Ricardo D. Parza, Ricardo R. Samaniego, Jr., Valentin R. Urrea, Jr., and Francisco H. Villanueva, herein petitioners who occupied booking coordinator and measurer positions.

In separate letters dated March 30, 1998, respondent terminated petitioners' services effective April 30, 1998. Simultaneously, respondent filed with the Department of Labor and Employment (DOLE) a "Notice of Closure" or report of petitioners' retrenchment from the service.

Aggrieved, petitioners filed with the National Conciliation and Mediation Board (NCMB) a complaint for illegal dismissal and

payment of retirement benefits against respondent, docketed as NCMB-NCR-PM-04-131-98.

During the conciliation proceedings, respondent paid petitioners their retirement pay at the rate of 1 month salary per year of service.[3] Additionally, they received their leave credits, and pro-rated 13th month pay. And after having been paid their retirement pay, they executed and signed separate Releases and Quitclaims. Consequently, the above case was considered closed and terminated.

Surprisingly, petitioners filed with the Labor Arbiter a complaint for payment of retirement benefits, damages and attorney's fees against respondent, docketed as NLRC NCR Case No. 00-06-05153-98. They alleged that what each received was a separation pay, not retirement benefits.

On May 25, 2000, the Labor Arbiter rendered a Decision dismissing the complaint.

On appeal, the National Labor Relations Commission (NLRC), in a Resolution dated September 29, 2000, affirmed the Labor Arbiter's Decision.

Petitioners then filed a motion for reconsideration but was denied by the NLRC in a Resolution dated January 8, 2001. Hence, they filed with the Court of Appeals a petition for certiorari alleging that the NLRC committed grave abuse of discretion in declaring that they are not entitled to retirement benefits and in holding that they are precluded from claiming such benefits because of their quitclaims.

On June 13, 2002, the Appellate Court promulgated its Decision affirming the assailed Resolutions of the NLRC. In denying petitioners' claim for retirement benefits, the Appellate Court held:

> "It is clear from the records that petitioners were separated from service due to retrenchment undertaken by private respondent company. Unarguably, retrenchment is recognized as one of the authorized causes for termination of employment under the Labor Code. x x x:

x x x

> The records show that private respondent company complied with the requirements of law with regard to retrenchment as the NCMB considered the question of the propriety of petitioners' retrenchment closed. Thus, the issue in this case is whether the grant of 'retirement benefits' to petitioners as shown in their quitclaims precludes their availment of retirement benefits pursuant to their Collective Bargaining Agreement.
>
> Petitioners contend that there is no provision in the CBA which states that their receipt of separation pay precludes their claim for retirement benefits and vice versa. x x x.

Petitioners argue that the 'retirement benefits' they received in their quitclaims were their separation pay pursuant to Article 283. As stated in the present petition, granting that what petitioners received were their retirement benefits, they are still entitled to separation pay. To support such claim, petitioners cited the cases of Aquino vs. NLRC, 206 SCRA 118 and University of the East vs. Minister of Labor, 152 SCRA 676 wherein the Supreme Court ruled that the receipt of separation pay of the employees who were involuntarily separated from service do not preclude them from receiving their retirement benefits under their CBA.

Private respondent company, on the other hand, argues that petitioners are not entitled to retirement benefits, as the provisions for the separation pay and retirement benefits under their CBA are exclusionary. Moreover, petitioners executed their respective quitclaims voluntarily and thus, should remain binding.

The cases cited by petitioners could not be applied in the case at bar. The reason however, is not the fact that the employees were claiming retirement benefits after they received their separation pay, but rather it is apparent from the pertinent CBAs that the manner of separation from service of the employees is not significant in the availment of the retirement

benefits. The same is not true in the present case. A perusal of the provision of petitioners' CBA on retirement readily shows that the same is optional on the employees who have served private respondent company for at least 15 years. This is different from the provisions of the CBAs of the cited cases wherein the retirement benefits are not optional but automatically applies when an employee is terminated from employment after serving the required number of years. It is a fact that petitioners were involuntarily separated from service and thus, under the law should be given separation pay. Private respondent thus, under the law should give separation pay. Private respondent company in its notice of termination to petitioners stated that the latter would receive their separation pay. The same however, did not materialize as petitioners questioned the propriety of their retrenchment before the NCMB. As a result of said complaint, petitioners instead of receiving their separation pay, only received their retirement benefits plus other benefits which represent the totality of their claims from private respondent company.

The NLRC and the Labor Arbiter ruled that the amount received by petitioners as shown in their quitclaims represent all the retirement benefits due them. The Court will not disturb this finding for upon review of the said quitclaims, it is apparent that the amount is representative of all the claims of petitioners.

Moreover, the minutes of the conference in the NCMB showed that the parties studied their options. Petitioners asked private respondent Company to show proof of losses to justify its decision to abolish the department. Thereafter, the parties agreed upon the following: (1) private respondent company will abolish the Measuring Department, (2) private respondent company will pay petitioners their retirement benefits plus other benefits due them.

A perusal of the records reveal that petitioners freely and voluntarily signed their individual quitclaims. Moreover, during their conciliation meetings, petitioners were assisted by their union. Absent any evidence showing that petitioners were tricked into signing their quitclaim, the Court will not resort to

surmises and conjectures as to what is behind the quitclaim executed by the parties. As correctly held by public respondent NLRC, petitioners are no longer entitled to separation pay nor additional retirement benefits under their CBA.

WHEREFORE, based on the foregoing, the petition is hereby DENIED for lack of merit.

SO ORDERED."

On November 28, 2002, the Court of Appeals issued a Resolution denying petitioners' motion for reconsideration.

Petitioners, in the instant petition for review on certiorari, contend that the Court of Appeals erred in holding that they are not entitled to retirement benefits. Petitioners invoke Sections 1 and 3 of the parties' Collective Bargaining Agreement (CBA) expressly providing that retirement benefits may be granted to them in addition to their separation pay. They likewise call our attention to Aquino vs. NLRC[4] holding that payment of separation benefits does not exclude payment of retirement benefits.

For its part, respondent maintains that the parties' CBA expressly prohibits the payment of retirement benefits to employees terminated for cause. thus, petitioners' reliance on Aquino vs. NLRC[5] is misplaced. Moreover, they executed valid quitclaims.

While it is axiomatic that retirement laws are liberally construed in favor of the persons intended to be benefited, however, such interpretation cannot be made in this case in light of the clear lack of consensual and statutory basis of the grant of retirement benefits to petitioner.[6]

The parties' CBA provides:

"Section 1. In case of termination due to redundancy, retrenchment, dissolution of a department/conference/section and/or the whole ASSOCIATION, sickness or physical disability, a regular employee shall be entitled to a separate pay equivalent to his one (1) month basic pay for every year of

service. A fraction of at least six (6) months shall be considered as one (1) whole year and less than six (6) months shall be prorated accordingly.

x x x

Section 3. Optional Retirement – An employee shall have the option to retire regardless of age provided he/she has rendered at least 15 years of continuous service to the ASSOCIATION. An employee shall be entitled to the following benefits.

a. 15 to less than 20 years of service – 50% of the monthly basic salary for every year of service.

b. 20 years of service – 100% of the monthly basic salary for every year of service."

Obviously, petitioners, as prescribed by the parties' CBA, are entitled only to either the separation pay, if they are terminated for cause, or optional retirement benefits, if they rendered at least 15 years of continuous services.

Here, petitioners were separated from the service for cause. Cpnsequently, pursuant to the CBA, what each actually received is a separation pay. Accordingly and considering their Releases and Quitclaims, they are no longer entitled to retirement benefits.

It bears stressing that as held by the Labor Arbiter, the NLRC and the Court of Appeals, there is no provision in the parties' CBA authorizing the grant to petitioners of retirement benefits in addition to their retrenchment pay; and that there is no indication that they were forced by respondent to sign the Releases and Quitclaims.

We have always accorded respect and finality to the findings of fact of the Court of Appeals, particularly if they coincide with those of the Labor Arbiter and the NLRC when supported by substantial evidence, as in this case. The reason for this is that quasi-judicial agencies, like the Arbitration Board and the

NLRC, have acquired a unique expertise because their jurisdictions are confined to specific matters.[7]

WHEREFORE, the petition is **DENIED**. The assailed Decision dated June 13, 2002 and Resolution dated November 28, 2002 of the Court of Appeals in CA-G.R. SP No. 63176 are hereby **AFFIRMED**. Costs against petitioners.

SO ORDERED.

Panganiban, *J., (Chairman)*, Corona, Carpio-Morales, and Garcia, *JJ.*, concur.

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[1] Penned by Associate Justice Juan Q. Enriquez, Jr., with Associate Justices Eugenio S. Labitoria and Teodoro P. Regino, retired, concurring. Annex "A" of the Petition for Review, Rollo at 58-66.

[2] Annex "B", id. at 67-68.

[3]

Name of Employee	Years of Service	Monthly Salary	Retirement Benefits Received
(1) Ricardo D. Parza	19	P 11,750.00	P 228,655.00
(2) Jesus S. Guela, Jr.	19	11,274.00	219,843.00
(3) Stephen L. Bathan	22	11,324.00	249,128.00
(4) Nicolas E. Camara	26	11,402.00	296,452.00
(5) Emmanuel dela Torre	21	11,314.00	241,328.16
(6) Amado P. Liongson	23	11,619.00	267,701.76
(7) Gerundio A. Natanauan	20	11,324.00	226,480.00
(8) Carlos F. Salomon	23	11,349.00	261,027.00
(9) Valentin R. Urrea, Jr.	20	11,274.00	225,480.00
(10) Francisco H. Villanueva	23	11,324.00	260,452.00
(11) Leonilo C. Donato	23	11,394.00	262,062.00

(12) Segundo E. Ferrer	21	11,299.00	237,279.00
(13) Ricardo R. Samaniego, Jr.	22	11,324.00	249,128.00
(14) Deogracias C. Manalanzan	19	11,274.00	219,617.52

[4] G.R. No. 87653, February 11, 1992, 206 SCRA 118. In Aquino vs. NLRC, citing University of the East vs. Minister pf Labor and Batangas Laguna Tayabas Bus Co. vs. Court of Appeals, we ruled that if there is no prohibition both in the Retirement Plan and the Collective Bargaining Agreement, the employee has the right to recover from the employer his separation pay and retirement benefits, thus:
"The Court feels that if the private respondent really intended to make the separation pay and the retirement benefits mutually exclusive, it should have sought inclusion of the corresponding provision in the Retirement Plan and the Collective Bargaining Agreement so as to remove all possible ambiguity regarding this matter.
x x x. Knowing this, he should have made it a point to categorically provide in the Retirement Plan and the CBA that an employee who had received separation pay would no longer be entitled to retirement benefits. Or to put it more plainly, collection of retirement benefits was prohibited if the employee had already received separation pay."

[5] Supra.

[6] Philippine Scout Veterans Security & Investigation Agency, Inc. vs. NLRC, G.R. No. 99859, September 20, 1996, 262 SCRA 112, 121-122, cited in Lopez vs. National Steel Corporation, G.R. No. 149674, February 16, 2004, 423 SCRA 109.

[7] Cosmos Bottling Corporation vs. NLRC, G.R. No. 146397, July 1, 2003 at 7 and German Marine Agencies, Inc. vs. NLRC, 350 SCRA 629 (2001), cited in Lopez vs. National Steel Corporation, supra.