



Republic of the Philippines
Supreme Court
 Manila

FIRST DIVISION

ADELIO ABILLAR,
 Petitioner,

G.R. No. 235820

Present:

- versus -

PERALTA, *C.J.*, Chairperson,
 CAGUIOA, *Working Chairperson*,
 REYES, J. JR.,
 LAZARO-JAVIER, and
 LOPEZ, *JJ.*

**PEOPLE'S TELEVISION
 NETWORK, INC. (PTNI) as
 represented by THE OFFICE OF
 THE NETWORK GENERAL
 MANAGER,**
 Respondent.

Promulgated:

JUN 23 2020

X ----- X

DECISION

REYES, J. JR., J.:

This is a Petition for Review on *Certiorari*¹ filed under Rule 45 of the Rules of Court seeking to reverse and set aside the Amended Decision² dated June 23, 2017 and the Resolution³ dated November 29, 2017 of the Court of Appeals (CA) in CA-G.R. SP No. 142722.

The Antecedents

Adelio Abillar (petitioner) was employed as writer in the news department of People's Television Network, Inc. (PTNI) (respondent) and worked as such from September 16, 1994 to May 15, 2011.⁴

¹ *Rollo*, pp. 10-28

² Penned by Associate Justice Henri Jean Paul B. Inting (now a Member of the Court), with Associate Justices Marlene B. Gonzales-Sison and Ramon A. Cruz, concurring; *id.* at 30-35.

³ *Id.* at 46-47.

⁴ *Id.* at 71.

In his desire to avail of the early retirement under the government rationalization plan, petitioner tendered a letter on March 23, 2011, which reads:

Dear GM Caluag:

Greetings!

This is to formalize my intention to avail of early retirement under the government rationalization plan.

Hopefully, I will be entitled to the economic incentives available to retiring employees considering the more than 16-year service that I rendered to the Network.

In the meantime that my early retirement is undergoing assessment particularly with respect to the monetary incentives, may I request to be allowed to take an indefinite leave of absence without pay starting April 01, 2011.

Thank you for accommodating my request.⁵

On June 6, 2011, petitioner received a letter of acceptance from the respondent. It states:

Dear Mr. Abillar:

Your early retirement effective at the close of office hours on 15 May 2011 is hereby accepted with regrets.

Please accept our heartfelt thank [sic] for serving the PTV Network selflessly for more than 16 long years.

Personnel Office and Finance will process your last salary and retirement benefits due you upon completion of all documentary requirements to support your retirement benefit claims.⁶

However, when the respondent's early retirement program was implemented, allegedly sometime in August 2012, petitioner learned that he was not included as among those who would receive retirement pay and benefits under the early retirement package. He requested for reinstatement but the same was rejected.⁷

On February 3, 2014, petitioner filed a Complaint for Illegal Dismissal with Urgent Prayer for Reinstatement⁸ against the respondent, represented by its General Manager Cleo Dongga-as, before the Civil Service Commission (CSC). He alleged that it was former General Manager Renato Caluag (GM Caluag) who advised him to avail of the early

⁵ Id. at 89.

⁶ Id. at 90.

⁷ Id. at 72.

⁸ Id. at 71-73.

Y

retirement “since the new management will be implementing an early retirement package to its employees as part of the network streamlining strategy.”⁹

The CSC Ruling

On February 26, 2015, the CSC dismissed petitioner’s complaint for lack of merit. It held that the respondent was able to discharge the burden that petitioner voluntarily retired from the service before it had an early retirement program as provided in Republic Act (R.A.) No. 10390. It declared that the filing of the complaint for illegal termination of employment was a mere afterthought on the part of petitioner.

Petitioner filed a Motion for Reconsideration which was granted by the CSC in its Resolution¹⁰ dated July 1, 2015. It ruled that GM Caluag’s approval of petitioner’s request to avail of early retirement makes the respondent bound to honor its commitment to grant the early retirement benefits. It clarified that petitioner acted in good faith when it relied on GM Caluag’s assurance that the management will approve and release his early retirement. Respondent, on its part, acted in bad faith when it callously excluded petitioner from its early retirement. The CSC further stated that the amount of ₱60,000.00 which petitioner received as retirement benefits and terminal leave pay was insufficient considering the length of his service in the network.

Aggrieved thereby, the respondent moved for reconsideration of the July 1, 2015 Resolution but the same was denied in its September 28, 2015 Resolution.¹¹

The CA Ruling

In its Decision dated November 9, 2016, the CA denied the respondent’s appeal. It agreed with the CSC’s finding of bad faith on the part of the respondent in excluding petitioner from its early retirement program and reiterated the latter’s entitlement to full retirement benefits.

Undeterred, the respondent filed a Motion for Reconsideration. It contended “that there was no law that granted separation package at the time [petitioner] availed himself of the early retirement; that R.A. No. 10390, particularly the provisions therein pertaining to the separation packages for displaced PTNI employees, has no retroactive effect; and that there is nothing under the law that entitles [petitioner] to any separation benefits because his alleged retirement was made prior to the effectivity of R.A. No. 10390.”¹²

⁹ Id. at 72.

¹⁰ Id. at 74-81.

¹¹ Id. at 82-88.

¹² Id. at 32.

T

On June 23, 2017, the CA amended its November 9, 2016 Decision and affirmed the February 26, 2015 CSC Decision dismissing petitioner's complaint for lack of merit. It enunciated that petitioner failed to meet the minimum qualification provided in Section 19 of R.A. No. 10390 as to the required number of service years.¹³

Hence, this petition raising the following issues: 1) whether petitioner is entitled to the early retirement benefits under R.A. No. 10390; and 2) whether respondent's act of excluding petitioner from the coverage of R.A. No. 10390 was attended by bad faith.

Petitioner argues that the respondent misinterpreted his desire to avail of early retirement as resignation. He posits that when respondent, through GM Caluag, approved his request to avail of early retirement and go on indefinite leave of absence, he was made to believe that he was already qualified to receive the retirement benefits under the government rationalization program. He claims that he was refused to be reinstated and was terminated from his employment.

Respondent, on the other hand, counters that petitioner cannot claim retirement benefits from the respondent for lack of enabling law. It states that there was yet not law providing for the grant of separation package or separation benefits at the time when petitioner tendered his early retirement letter on March 23, 2011. It also avers that it did not act in bad faith when it rejected the claim for retirement benefits since petitioner freely, voluntarily, and willfully severed his employment. It notes that when petitioner handed his retirement letter, he knew fully well that there was no rationalization plan yet for the respondent.¹⁴

Our Ruling

The petition is denied.

Jurisprudence defines retirement as the result of a bilateral act of the parties, a voluntary agreement between the employer and the employee whereby the latter, after reaching a certain age, agrees to sever his or her employment with the former.¹⁵ When a public officer or employee retires from the civil service, he, in effect, withdraws "from office, public station, x x x occupation or public duty."¹⁶

It is undisputed that petitioner voluntarily terminated his employment relationship with the respondent. He applied for early retirement in the hope that he would be able to receive the benefits under the "government

¹³ Id. at 33.

¹⁴ Id. at 92-97.

¹⁵ *Cercado v. UNIPROM, Inc.*, 647 Phil. 603 (2010).

¹⁶ *Civil Service Commission v. Moralde*, G.R. Nos. 211077 & 211318, August 15, 2018.

rationalization plan” which, at that time, was still in the formative stage. R.A. No. 10390, otherwise known as AN ACT REVITALIZING THE PEOPLE’S TELEVISION NETWORK, INCORPORATED, was signed into law only on March 14, 2013 or nearly two years after the petitioner filed his application. Section 19 of R.A. No. 10390 and Section 35 of its Implementing Rules and Regulations (IRR) respectively state:

Section 19. Separation and Retirement Benefits. – In the event an employee is separated from the Network by reason of reorganization, abolition, or creation of offices, or institution of cost-cutting and other similar measures, the employee shall be entitled to a separation benefit equivalent to one (1) month salary for every year of service in the government: *Provided*, That the separated or displaced employee has rendered at least one (1) year of service at the time of the effectivity of this Act.

Section 35. Terms of Reference– Subject to the approval of the Board and the Secretary of PCOO, the following terms of reference shall be implemented:

1. The Network’s Main office shall be re-structured first and the regional and branch offices/stations shall follow right after;
2. There shall be parity in size, scope and responsibility among the various units and equity in assets and liabilities. Performance shall be the yardstick in all selection and placement actions; and
3. There shall be a provision for an early retirement program, primarily for redundant positions.

It is worth observing that petitioner seeks to benefit from the above provisions on early retirement which apply exclusively to the respondent’s employees who were separated or displaced from the service as a result of the network’s reorganization, abolition, or creation of offices, or institution of cost-cutting and other similar measures. Petitioner’s ineligibility for early retirement benefits is even bolstered by his failure to meet the condition that the employee must have rendered at least one year of service in the network when R.A. No. 10390 took effect. To recall, petitioner was deemed retired on May 15, 2011 as reflected in his service record.¹⁷ Clearly, petitioner is not entitled to the retirement benefits provided under R.A. No. 10390.

Petitioner asserts that the respondent acted in bad faith when he was not included in the list of retirees entitled to receive the benefits under R.A. No. 10390. He claims that he was induced to take an early retirement and that GM Caluag assured him that the respondent will approve and endorse his early retirement benefits under the government rationalization plan. He alleged in his complaint:

Mr. Caluag told the [petitioner] to just avail of early retirement since the new management will be implementing an early retirement package to its employees as part of the network streamlining strategy.

¹⁷ *Rollo*, p. 70.

f

He made it clear that if [petitioner] is not inclined to remain in his present position as writer, his only choice is either resignation or early retirement.

Elementary is the rule that one who alleges a fact has the burden of proving it since mere allegation is not evidence.¹⁸ Petitioner miserably failed to substantiate his claim that GM Caluag influenced him to avail of early retirement. He did not present any evidence to support the allegation that the early retirement package was offered to him¹⁹ and that the respondent committed to grant him the benefits under the reorganization plan. It was completely of his own intent and volition to retire. He stated in the petition:

On March 23, 2011, petitioner opted to avail of early retirement after learning from management of a plan to make such offer to their employees the following year. He has been a writer throughout his employment and notwithstanding the fact that petitioner had already passed the bar examinations and became a lawyer in 2007.

For lack of a lawyer position to aspire for within the Network, he was constrained to apply for early retirement as soon as he learned it is being planned. In [sic] June 6, 2011, he received a letter-reply from management that his application for early retirement had been approved.²⁰

Well-aware of the absence of any existing retirement package of the respondent, petitioner proceeded with his application for early retirement and hastily and mistakenly assumed that his request shall be granted.

Petitioner maintains that the respondent, through GM Caluag, acted in bad faith in accepting his application and making it appear that he shall be granted the retirement benefits once the implementation of the rationalization plan commences. The Court does not agree.

Time and again, we have held that bad faith does not simply connote bad judgment or negligence. It purports breach of a known duty through some motive, interest or ill will that partakes of the nature of fraud, including a dishonest purpose or some moral obliquity and conscious doing of a wrong. The existence of bad faith must be shown by clear and convincing evidence for the law always presumes good faith.²¹ In this case, petitioner's pleadings and other submissions are bereft of any showing that

¹⁸ *Office of the Court Administrator v. Runes*, 730 Phil. 391, 395 (2014).

¹⁹ See July 1, 2015 Resolution of the Civil Service Commission quoting petitioner's Motion for Reconsideration, *rollo*, p. 75.

²⁰ *Id.* at 13.

²¹ *China Airlines v. Court of Appeals*, 453 Phil. 959, 978 (2003).

F

GM Caluag was motivated by ill-will when it accepted petitioner's application for early retirement. There was no evidence whatsoever to corroborate the claim that GM Caluag misled petitioner into believing that he shall receive the early retirement benefit under the government rationalization plan. At most, GM Caluag's categorical acceptance of petitioner's application constitutes an error of judgment made in good faith. Accordingly, absent proof to the contrary, GM Caluag should be presumed to have acted with regularity and good faith in the performance of his duties. Worthy to mention is that as a manifestation of good faith, the respondent has paid petitioner the amounts of ₱42,831.00 and ₱123,774.69 representing his last salary and terminal leave pay, respectively, as evidenced by the Certification dated December 22, 2014 issued by the respondent.²²

All told, petitioner was not illegally dismissed but voluntarily retired from the service and is thus not entitled to the retirement benefits under R.A. No. 10390.


WHEREFORE, the petition is **DENIED**. The Amended Decision dated June 23, 2017 and the Resolution dated November 29, 2017 of the Court of Appeals in CA-G.R. SP No. 142722 are **AFFIRMED**.

SO ORDERED.



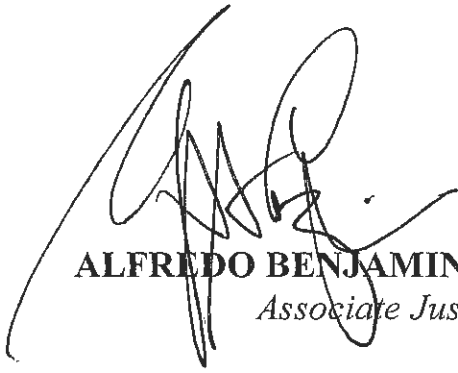
JOSE C. REYES, JR.
Associate Justice

WE CONCUR:



DIOSDADO M. PERALTA
Chief Justice
Chairperson

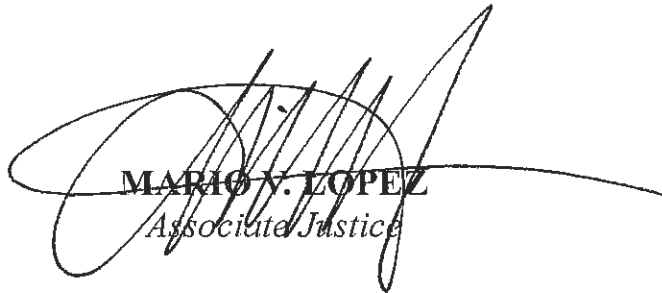
²² See September 28, 2015 Resolution of the Civil Service Commission, *rollo*, p. 87.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice



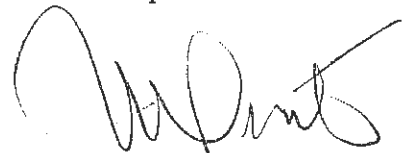
AMY C. LAZARO-JAVIER
Associate Justice



MARIO N. LOPEZ
Associate Justice

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



DIOSDADO M. PERALTA
Chief Justice

Y