

EN BANC

[A.M. No. 19-02-03-CA, February 11, 2020]

RE: EXPENSES OF RETIREMENT OF COURT OF APPEALS JUSTICES.

R E S O L U T I O N

HERNANDO, J.:

In its June 25, 2019 Resolution in the present Administrative Matter, the Court approved the increase in the allocated retirement program budget of the Court of Appeals, thus:

WHEREFORE, the Court resolves to **GRANT**, effective on July 1, 2019, the request of the Court of Appeals,

- a) For a retiring Presiding Justice – not to exceed **ONE MILLION FIVE HUNDRED THOUSAND PESOS (P1,500,000.00)**; and
- b) For a retiring Associate Justice – not to exceed **ONE MILLION TWO HUNDRED THOUSAND PESOS (P1,200,000.00)**.

Thereafter, during a meeting held on September 3, 2019, the Court of Tax Appeals (CTA) *En Banc* approved *En Banc* Resolution No. 4-2019, pertinent parts of which read:

WHEREAS, Section 1 of Republic Act No. 1125, as amended, provides that the Court of Tax Appeals shall be of the same level as the Court of Appeals and its Presiding Justice and Associate Justices shall have the same salary, emoluments and other privileges, and enjoy the same retirement and other benefits as those provided for under existing laws for the Presiding Justice and Associate Justices of the Court of Appeals;

WHEREAS, after considering the Court's retirement program budget vis-a-vis the Resolution promulgated on June 25, 2019 in A.M. No. 19-02-03-CA, (Re: Expenses of Retirement of Court of Appeals Justices), the Court *En Banc* found it reasonable to seek the application of the aforequoted policy on retirement program budget to the Court of Tax Appeals, being of the same level as the Court of Appeals;

NOW, THEREFORE, the Court *En Banc* **RESOLVES**, as it is hereby **RESOLVED**, to **REQUEST** the Honorable Supreme Court to apply the policy on retirement program budget laid down in the Resolution promulgated on June 25, 2019 in A.M. No. 19-02-03-CA (Re: Expenses of Retirement of Court of Appeals Justices) to the Court of Tax Appeals

consistent with the aforementioned Section 1 of Republic Act No. 1125, as amended.^[1]

Through a letter dated September 4, 2019, CTA Presiding Justice Roman G. Del Rosario (Del Rosario) transmitted a copy of CTA *En Banc* Resolution No. 4-2019, to this Court and expressed his and the CTA Associate Justices' hope that their request will merit the kind consideration and approval of this Court *En Banc*.

The Court, in its September 24, 2019 Resolution, referred CTA Presiding Justice Del Rosario's aforementioned letter, together with CTA *En Banc* Resolution No. 4-2019, to the Fiscal Management and Budget Office (FMBO) for comment.

In another letter dated January 8, 2020 to this Court, thru Chief Justice Diosdado M. Peralta, CTA Presiding Justice Del Rosario reiterated the CTA's request for the application to the tax court of the policy on retirement program budget laid down in this Court's June 25, 2019 Resolution. He also stressed in the same letter that CTA Associate Justices Cielito N. Mindarogrulla and Esperanza R. Fabon-Victorino will be retiring in June and August of this year, respectively; and to ensure timely procurement, the CTA needs to finalize their retirement programs based on the corresponding budgets therefor.

In the meantime, Atty. Corazon G. Ferrer-Flores (Ferrer-Flores), Deputy Clerk of Court and Chief, FMBO, submitted to the Court her Comment dated December 16, 2019 on CTA Presiding Justice Del Rosario's letter dated September 4, 2019 and CTA *En Banc* Resolution No. 4-2019. Essentially, she reasoned that the CTA and the Sandiganbayan are now of the same level as the Court of Appeals, and for consistency and uniformity, it would be appropriate to apply the approved retirement program budget of the Court of Appeals to the CTA and the Sandiganbayan. Consequently, she made the following recommendations:

IN VIEW OF THE FOREGOING, we respectfully recommend that the budget allocated for the retirement program of the Presiding Justice and Associate Justice of the Court of Appeals be applied to the *Sandiganbayan* and the Court of Tax Appeals, chargeable against their respective savings from their regular appropriations and subject further to availability of funds, as follows:

- 1) For a retiring Presiding Justice, or in case of vacancy, a retiring Acting Presiding Justice – not to exceed **ONE MILLION FIVE HUNDRED THOUSAND PESOS (P1,500,000.00)**; and
- 2) For a retiring Associate Justice – not to exceed **ONE MILLION TWO HUNDRED THOUSAND PESOS (P1,200,000.00)**.^[2]

After a judicious review of CTA *En Banc* Resolution No. 4-2019, together with Atty. Ferrer-Flores' Comment, the Court finds no sufficient basis and merit to grant the increase in the retirement program budget of the CTA as well as of the Sandiganbayan.

It is conceded that the CTA and the Sandiganbayan are of the same rank and level as the Court of Appeals.

Initially, upon the creation of the CTA on June 16, 1954 by virtue of Republic Act (R.A.) No. 1125,^[3] it was a specialized court of limited jurisdiction with the same rank as the Court of Industrial Relations (CIR), which, in turn, was of equal rank as the then Courts of First Instance^[4] (CFIs). As this Court had previously recounted:

The CTA was created by R.A. No. 1125 in 1954. The CTA's standing in the hierarchy of courts in our jurisdiction, before its elevation to a collegiate tribunal by virtue of R.A. No. 9282, was that of a specialized court of limited jurisdiction. It was not at the same level as the [Court of Appeals], since its decisions may be appealed thereto, and it was not also a trial court. Under Section 1 of R.A. No. 1125, the Presiding Judge of the CTA had the same qualifications, rank, category and privileges as the Presiding Judge of the Court of Industrial Relations (CIR) while the Associate Judge of the CTA had the same qualifications, rank, category and privileges of a member of the CIR. In *Kaisahan ng mga Manggagawa sa La Campana v. Hon. Caluag*, the CIR was equal in rank with the Courts of First Instance. x x x^[5]

With the enactment of R.A. No. 9282^[6] on March 30, 2004, the CTA was elevated to a collegiate court with special jurisdiction and of the same level as the Court of Appeals. Section 1 of R.A. No. 1125, as amended by R.A. No. 9282, now provides:

SECTION 1. *Court; Justices; Qualifications; Salary; Tenure.* — There is hereby created a Court of Tax Appeals (CTA) which shall be of the **same level as the Court of Appeals**, possessing all the inherent powers of a Court of Justice, and shall consist of a Presiding Justice and five (5) Associate Justices. The incumbent Presiding Judge and Associate Judges shall continue in office and bear the new titles of Presiding Justice and Associate Justices. The Presiding Justice and the most Senior Associate Justice shall serve as chairmen of the two (2) Divisions. The additional three (3) Justices and succeeding members of the Court shall be appointed by the President upon nomination by the Judicial and Bar Council. The Presiding Justice shall be so designated in his appointment, and the Associate Justices shall have precedence according to the date of their respective appointments, or when the appointments of two (2) or more of them shall bear the same date, according to the order in which their appointments were issued by the President. **They shall have the same qualifications, rank, category, salary, emoluments and other privileges, be subject to the same inhibitions and disqualifications, and enjoy the same retirement and other benefits as those provided for under existing laws for the Presiding Justice and Associate Justices of the Court of Appeals.**

Whenever the salaries of the Presiding Justice and the Associate Justices of the Court of Appeals are increased, such increases in salaries shall be deemed correspondingly extended to and enjoyed by the Presiding Justice and Associate Justices of the CTA.

The Presiding Justice and Associate Justices shall hold office during good behavior, until they reach the age of seventy (70), or become incapacitated to discharge the duties of their office, unless sooner

removed for the same causes and in the same manner provided by law for members of the judiciary of equivalent rank.^[7] (Emphases supplied.)

In the same way, when it was first created by virtue of Presidential Decree (P.D.) No. 1486^[8] on June 11, 1978, the Sandiganbayan was a special court of equal rank as the CFIs. P.D. No. 1606^[9] was issued shortly thereafter on December 10, 1978 which declared the Sandiganbayan as a special court of the same level as the Court of Appeals. For reference, Section 1 of said presidential issuance is reproduced in full hereunder:

SECTION 1. *Sandiganbayan, Composition; Qualifications; Tenure; Removal and Composition.* — **A special court, of the same level as the Court of Appeals** and possessing all the inherent powers of a court of justice, to be known as the Sandiganbayan is hereby created composed of a Presiding Justice and eight Associate Justices who shall be appointed by the President.

The Presiding Justice and the Associate Justices shall not be removed from office except on impeachment upon the grounds and in the manner provided for in Sections 2, 3 and 4 of Article XIII of the 1973 Constitution.

The Presiding Justice shall receive an annual compensation of P60,000.00 and each Associate Justice P55,000.00 which shall not be diminished during their continuance in office. **They shall have the same rank, privileges and other emoluments, be subject to the same inhibitions and disqualifications, and enjoy the same retirement and other benefits as those provided for under existing laws of the Presiding Justice and Associate Justices of the Court of Appeals.**

Whenever the salaries of the Presiding Justice and the Associate Justices of the Court of Appeals are increased, such increases in salaries shall be correspondingly extended to and enjoyed by the Presiding Justice and the Associate Justices of the Sandiganbayan.

They shall hold office until they reach the age of 65 years or become incapacitated to discharge the duties of their office. (Emphases supplied.)

While the composition and organization of the Sandiganbayan had been amended by legislation through the years,^[10] it remains to be of the same level as the Court of Appeals.

Notably, the aforequoted statutory provisions expressly state that the Presiding Justices and Associate Justices of the CTA and the Sandiganbayan shall have the same rank, salary, privileges, and emoluments; be subject to the same inhibitions and disqualifications; and enjoy the same retirement and other benefits provided **under existing laws** as the Presiding Justice and Associate Justices of the Court of Appeals. They additionally prescribe that any increase in the salaries of the Presiding Justice and Associate Justices of the Court of Appeals shall be extended to and enjoyed by the Presiding Justices and Associate Justices of the CTA and the Sandiganbayan.