

## SECOND DIVISION

[ G.R. No. 223795, April 03, 2019 ]

**QUINTIN V. BELTRAN,\* PETITIONER, VS. AMA COMPUTER COLLEGE-BIÑAN/AMA EDUCATION SYSTEM, CHERYL ROJAS, EVANGELINE BONDOC, AND AMABLE R. AGUILUZ V, RESPONDENTS.**

### DECISION

**CAGUIOA, J:**

The instant Petition for Review on Certiorari<sup>[1]</sup> filed by Quintin V. Beltran (petitioner) against AMA Computer College - Biñan/AMA Education System (AMA), Cheryl Rojas, Evangeline Bondoc, and Amable R. Aguiluz V (collectively, respondents), under Rule 45 of the Rules of Court seeks the reversal of the Court of Appeals (C A) Decision<sup>[2]</sup> dated August 20, 2015 and Resolution<sup>[3]</sup> dated March 7, 2016, in CA-G.R. SP No. 135339 which affirmed the Decision<sup>[4]</sup> and Resolution<sup>[5]</sup> of the National Labor Relations Commission (NLRC) in NLRC-LAC No. 02-000712-13.

### Facts

The facts, as summarized in the CA Decision, are as follows:

x x x Quintin V. Beltran ("Petitioner") was the School Administrator/Chief Operations Officer (COO) of Private Respondent AMA Computer College in Biñan, Laguna (["AMA-Biñan"]) which is part of Private Respondent AMA Education System, now AMA University ("AMA"). Private Respondent Amabel R. Aguiluz V is the Chairman of AMA Education System. Private respondent Cheryl Rojas is the School Director/COO of [AMA-Biñan] while Private [Respondent] Evangeline Bondoc is the Payroll Manager.

Petitioner started as Mathematics and CAD Instructor at AMA Education System's Quezon City Campus in June 1990. On June 15, 1998, Petitioner was promoted as School Registrar. He served as such until April 1999. While serving as School Registrar, he was promoted as School Administrator/COO of [AMA-Biñan] in January 1999. x x x

Petitioner alleged that sometime in 2008, he applied for an early retirement pursuant to a long-standing policy of AMA Education System in granting early retirement benefits to its employees. Said application for early retirement was formalized after Mr. Patrick Azanza ("Mr. Azanza") Senior Vice President of AMA Education System told him to prepare the request for early retirement, which in turn, shall be forwarded to the Chairman by Mr. Azanza. While the said application for early retirement was being processed, Mr. Azanza requested Petitioner to continue his employment until after the enrollment at [AMA-Biñan] was

already finished and to further continue all the marketing and promotion programs being done among feeder schools in the [Biñan] area so as not to compromise the number of enrollees in the said school. In the course thereof, Petitioner made inquiries regarding the status of his application for early retirement. He was later informed by Mr. Azanza and the then Area Director in [Biñan], Mr. Henry Cabrera that his application was approved, and the payment of his benefits was already being processed.

Nonetheless, since Petitioner was compelled to leave immediately for the USA, lest being sanctioned with the penalty of cancellation of his visa as a permanent resident, he left for Honolulu, Hawaii on 3 June 2008.

On 3 September 2010, while on vacation, Petitioner filed a Complaint for payment of retirement benefits/separation pay and other monetary claims.

Private Respondents, on the other hand, admitted Petitioner's employment with AMA. They alleged that on 15 June 1998, [Petitioner] was promoted to the position of Registrar and became the School Director in May 1999. Sometime in 2008, Petitioner filed a request for early retirement manifesting his desire to reside abroad with his family. His request was however disapproved. Before the denial could be communicated to him, Petitioner had already left the country. Petitioner failed to submit his resignation letter and to follow the standard company policy on proper turn over of work and accomplishment of clearance. Private respondents further contended that they were willing and ready to release to Petitioner his last salary/incentive/allowance/recurring income and 13<sup>th</sup> month pay in the total amount of PhP 28,046.34. According to Private Respondents, the PhP 21,223.02 deduction from his pay pertained to the unliquidated budget received by Petitioner on 17 April 2008 for the graduation and baccalaureate mass.

Petitioner replied that contrary to Private Respondents' allegations, he underwent exit interview, clearance procedures, and turn over of work accountabilities. Petitioner also claimed that his basic monthly salary was PhP 51,310.00 and not PhP 25,000.00. There was also no evidence that he received the unliquidated budget for the 2008 graduation. While there was no written retirement plan, AMA has a long-standing practice of granting early retirement, separation pay, or cash gift or benefit to those who have not reached the compulsory retirement age or mandatory twenty (20) years of service.

x x x x

On 28 November 2012, the Labor Arbiter rendered a Decision dismissing the Complaint filed by Petitioner. The Labor Arbiter ruled that Petitioner failed to prove that AMA has an existing corporate policy of granting early retirement benefits to employees less than sixty (60) years old and less than twenty (20) years in service. Petitioner also failed to prove his entitlement to other monetary claims except for his unpaid salary which AMA did not refute. The dispositive portion of the Labor Arbiter's Decision states:

**WHEREFORE**, the above-docketed complaint is **DISMISSED** for lack of merit. Respondent AMA Computer College - [Biñan] is, however, directed to release to complainant his unpaid salary and 13<sup>th</sup> month pay in the net amount of P 28,046.34.

x x x x

On 10 April 2013, the [NLRC] rendered the assailed Decision partly granting Petitioner's Appeal with respect to the amount of his unpaid salary and 13<sup>th</sup> month pay. According to [the NLRC] the amount deducted from Petitioner's last pay and 13<sup>th</sup> month pay should not be allowed as he was cleared by the accounting department of all liabilities as shown in the accountability clearance and accountability clearance form. However, Petitioner's claim for retirement pay on the basis of the alleged policy of AMA granting early retirement pay was denied by [the NLRC] as he failed to prove the existence of the same. The decretal portion of the assailed Decision reads:

**WHEREFORE**, premises considered, appellant's appeal is **PARTLY GRANTED**. The decision dated 28 November 2012 is hereby **MODIFIED**. Appellee AMA Computer College and AMA Education System are directed to pay appellant his unpaid salary and 13<sup>th</sup> month pay in the amount of P 49,268.60.

x x x x

Petitioner filed a Motion for Reconsideration of the assailed Decision. However, said Motion was denied x x x.<sup>[6]</sup>

In his Motion for Reconsideration<sup>[7]</sup> (MR) before the NLRC, petitioner attached two affidavits:<sup>[8]</sup> one of Salvacion Miranda Catolico (Catolico), and another of Elsa Tan-Creencia (Creencia), former employees of AMA, who attested that they had availed themselves of and had been granted the early retirement program of the school in 2004 and 2005, respectively. The affidavits further stated that the program, which offered a package of one month pay for every year of service, was granted to employees who had rendered at least 10 years of service. As regards the new evidence submitted by petitioner, the NLRC Resolution held:

The proof that two employees had been allowed to retire early does not exactly establish a "policy", one which can be enforced even in the absence of a CBA or statutory provision. Mere assumptions that their early retirements were granted pursuant to a "policy" do not suffice.

And besides practice, by itself, does not dictate policy.

As it is, the affidavits presented by complainant do not substantially support the claim that a company policy on early retirement indeed exists. If at all, the statements forwarded in the affidavits only show that said former employees were allowed to retire early as an act of random beneficence on the part of the company, nothing more.<sup>[9]</sup>

### **The CA Decision**

Aggrieved, petitioner elevated the case to the CA via petition for certiorari under Rule 65. The CA affirmed the findings of the NLRC and LA with modification as the CA awarded attorney's fees of P 4,926.86.

The CA held that under Article 300<sup>[10]</sup> of the Labor Code, in the absence of any applicable agreement, an employee must retire when he is: (1) at least 60 years old, and (2) served at least five years in the company to entitle him to the retirement benefit of at least one-half month salary for every year of service. In the instant case, it was established that there exists no written retirement plan, collective bargaining agreement, or any other equivalent contract between AMA and its employees which set out the terms and conditions for the retirement of its employees who have not reached the optional or compulsory retirement age. It was also not proven that AMA had a long-standing policy of giving early retirement packages to its employees. Petitioner failed to show that the grant of early retirement package to AMA employees was practiced over a long period of time, consistently, and deliberately. The CA held that the grant of early retirement package to Catolico and Creencia in 2004 and 2005, assuming the same to be true, cannot amount to a company practice as the same were isolated cases only.

Thus, the CA ruled, in the absence of any applicable contract or any evolved company policy, that petitioner should have met the age and tenure requirements set forth under Article 302<sup>[11]</sup> of the Labor Code to be entitled to retirement benefits. At the time of petitioner's application for retirement, he fell short of the age requirement as he was only 47 years old.

Petitioner's prayer for separation pay was also denied by the CA as petitioner's employment was not terminated due to illegal dismissal. The CA also denied petitioner's prayer for moral and exemplary damages. However, the CA awarded attorney's fees as he was compelled to litigate to protect his rights. Petitioner filed an MR of the CA Decision but the same was denied in its Resolution dated March 7, 2016.

### **The Petition**

Unyielding, petitioner filed the instant petition praying that the Court overturn the rulings of the CA and labor tribunals. Petitioner maintains that while AMA does not have a written retirement program, it had been the longstanding company policy to grant early retirement benefits to its employees even if they had not reached retirement age or rendered 20 years of service. In his 18 years of service when he rose from the ranks until he was appointed as School Director of AMA-Biñan, petitioner had personal knowledge of his subordinates, such as faculty members and non-teaching staff, who were granted early retirement benefits.

Petitioner stresses that the delayed submission of the affidavits of Catolico and Creencia were due to the difficulties in contacting and coordinating with them as he was already based abroad at the time of filing of the case. Furthermore, other employees who had previously received the early retirement package had reservations about executing supporting affidavits for fear of backlash from AMA. Petitioner asserts that AMA did not even submit any controverting evidence against the affidavits of Catolico and Creencia.

Thus, petitioner prays for the following: (1) early retirement pay equivalent to one month salary for every year of service; (2) last two payroll salaries plus interest; (3) 13<sup>th</sup> month pay plus interest; (4) sick leave conversion plus interest; (5) Hong Kong incentive trip or its monetary equivalent; (6) moral damages of P100,000.00 (7) exemplary damages of P100,000.00; (8) attorney's fees and cost of litigation of P100,000.00.

In his Reply,<sup>[12]</sup> petitioner adds that respondents did not submit any document or communication to petitioner showing the disapproval of his claim for early retirement.

### **Respondents' Comment**

Respondents insist that AMA has no company policy in granting early retirement to its employees. Even if early retirement was granted to former employees Catolico and Creencia, the grant thereof has not ripened into a company practice. The giving of said benefit was not proven to be consistent and deliberate. Respondents also argue that the affidavits of Catolico and Creencia should not be given credence as they were submitted only on MR to the NLRC. Lastly, respondents allege that petitioner cannot claim any implied grant of his claim as his request for early retirement was disapproved.

### **Issue**

Whether the CA committed reversible error in affirming the NLRC Decision.

### **The Court's Ruling**

The petition is meritorious.

### ***Construction of procedural rules and burden of proof required in labor cases***

The quantum of proof necessary to establish one's claims in labor and administrative cases is substantial evidence, or such amount of relevant evidence which a reasonable mind might accept as adequate to justify a conclusion even if other equally reasonable minds might conceivably opine otherwise.<sup>[13]</sup> The burden of proof rests upon the party who asserts the affirmative of an issue.<sup>[14]</sup>

Furthermore, the NLRC is allowed more latitude in the application of its rules. Technical rules of procedure may be relaxed in the interest of substantial justice and to assist the parties in obtaining just, expeditious and inexpensive resolution and settlement of labor disputes.<sup>[15]</sup> Thus, the submission of the two supporting affidavits of Catolico and Creencia for the first time before the NLRC may be allowed. In *Loon v. Power Master, Inc.*<sup>[16]</sup> the Court held:

In labor cases, strict adherence to the technical rules of procedure is not required. Time and again, we have allowed evidence to be submitted for the first time on appeal with the NLRC in the interest of substantial justice. Thus, we have consistently supported the rule that labor officials