

THIRD DIVISION

[G.R. No. 149674, February 16, 2004]

DIVINA S. LOPEZ, PETITIONER, VS. NATIONAL STEEL CORPORATION, RESPONDENT.

DECISION

SANDOVAL-GUTIERREZ, J.:

Before us is a petition for review on certiorari under Rule 45 of the 1997 Rules of Civil Procedure, as amended, assailing the Decision^[1] dated April 30, 2001 and the Resolution^[2] dated August 21, 2001 rendered by the Court of Appeals in CA-G.R. SP No. 61317, entitled "*Divina S. Lopez vs. National Labor Relations Commission (Second Division), Labor Arbiter Jovencio Mayor and National Steel Corporation.*"

The factual antecedents as found by the Court of Appeals are:

Sometime in 1980, National Steel Corporation, herein respondent, embarked on two (2) massive projects, the Five-Year Expansion Program (Phase II-B) and the Integrated Steel Mill Project.

Consequently, respondent employed and trained several employees for the operation of the projects. One of them was Divina S. Lopez, herein petitioner. She was appointed researcher on September 15, 1982. Eventually, she was promoted as a senior researcher at respondent's Market Research Department, receiving a monthly base pay of P22,481.00.

In the early part of 1994, respondent suffered substantial financial losses. With this development, respondent adopted an organizational streamlining program. On June 30, 1994, respondent issued a memorandum announcing the retrenchment of several workers at its Iligan and Pasig Plants and Makati Head Office.

In a letter dated September 20, 1994, respondent terminated petitioner's services effective October 20, 1994, thus:

"We regret to inform you that you are among those affected by the organizational streamlining program (per Memo of June 30, 1994) and will, therefore, have to be separated effective October 20, 1994.

"You will receive a separation package in accordance with the program and existing policies, including benefits you may be entitled to, if any, under the Company's Retirement Plan.

x x x."

Petitioner, having rendered twelve (12) years of service, was paid by respondent P543,379.26 representing her separation benefits at the rate of "two months basic salary per year of service." Additionally, she received her leave credits, 13th month pay, and uniform and rice subsidy differential. And after having been paid her separation benefits, she executed and signed a Release and Quitclaim.

Barely three (3) years thereafter, petitioner filed with the Labor Arbiter a complaint for payment of **retirement benefits** against respondent, docketed as NLRC-NCR Case No. 00-10-07315-97. Subsequently, this case was consolidated with NLRC-NCR Case No. 00-08-05831-97, entitled "*Benito Anievas et al. vs. National Steel Corporation*." The complainants here are also retrenched employees of respondent.

On April 8, 1998, the Labor Arbiter rendered a Decision dismissing the complaints.

On appeal, the National Labor Relations Commission (NLRC), in a Resolution dated October 21, 1999, affirmed the Labor Arbiter's Decision.

On May 8, 2000, petitioner filed a motion for reconsideration but was denied. Hence, she filed with the Court of Appeals a petition for certiorari alleging that the NLRC committed grave abuse of discretion in declaring that she is not entitled to retirement benefits and in holding that she is precluded from claiming such benefits because of her quitclaim.

On April 30, 2001, the Court of Appeals promulgated its Decision affirming the assailed Resolutions of the NLRC. In denying petitioner's claim for retirement benefits, the Appellate Court ruled:

"The silence of the CBA regarding the grant or denial of retirement benefits is effused by the NSC's retirement plan, which provides:

'E. Resignations and Terminations. — **No retirement benefits are payable in instances of resignations or terminations for a cause**; provided, however, that an employee who resigns voluntarily after he has qualified for optional early retirement under Art. IV, B 2, or 3 shall be deemed to have opted to avail of such early retirement and paid the applicable and corresponding retirement pay/benefit provided therein. All terminations other than for cause will be governed by the applicable provision of the Labor Code of the Philippines. (Rollo, 47; Annex 'E', bold type given)

"Although the CBA is silent as regards the grant or denial of retirement benefits to retrenched employees, the retirement plan is succinct in denying such benefits. The provisions of the NSC's retirement plan which petitioner admitted applies to her, ostensibly, does not give petitioner the right to her claimed benefits. With the inclusion of the provision abovementioned in the retirement plan, the NSC explicitly disallows payment of retirement benefits in case of retrenchment. There is, thus, no necessity of expressly providing that retirement pay and retrenchment pay are mutually exclusive. The retirement plan is a binding agreement, not being contrary to law, morals, good customs, public order or public policy and must, therefore, be upheld. While it is our duty to prevent the exploitation of employees, it also behooves us to protect the sanctity of