



Republic of the Philippines
Supreme Court
Manila

EN BANC

RE: APPLICATION FOR
SURVIVORSHIP PENSION
BENEFITS UNDER REPUBLIC
ACT NO. 9946 OF MRS. PACITA
A. GRUBA, SURVIVING SPOUSE
OF THE LATE MANUEL K.
GRUBA, FORMER CTA
ASSOCIATE JUDGE.

A.M. No. 14155-Ret.

Present:

SERENO, C.J.,
CARPIO,
VELASCO, JR.,
LEONARDO-DE CASTRO,
BRION,
PERALTA,
BERSAMIN,
DEL CASTILLO,
ABAD,
VILLARAMA, JR.,
PEREZ,
MENDOZA,
REYES,
PERLAS-BERNABE, and
LEONEN, JJ.

Promulgated:

November 19, 2013

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RESOLUTION

LEONEN, J.:

We stand in awe of death's inevitability and tragic immutability, but we can temper the effects of the law on those it leaves behind.

This case involves a judge of the Court of Tax Appeals¹ who died while in service. He died at the age of 55 years, two (2) months, and six (6) days. He died prior to the enactment of Republic Act No. 9946, which substantially amended the benefits provided in Republic Act No. 910.

We are asked to decide whether the death gratuity benefits and the survivorship pension benefits under Republic Act No. 9946 apply to this case.

We rule to grant death gratuity benefits.

Manuel K. Gruba (Judge Gruba) was born on April 19, 1941. He began his government service on December 3, 1979 as Senior Revenue Executive Assistant I at the Bureau of Internal Revenue. He rose from the ranks at the Bureau of Internal Revenue until he was appointed as an Associate Judge of the Court of Tax Appeals on September 17, 1992.

On June 25, 1996, Judge Gruba passed away. The cause of his death was natural and was reported as brain stem/midbrain stroke, basilar artery thrombosis, embolic event.² He was 55 years old when he died. He was in government service for a total of 16 years, six (6) months, and 21 days. In those years, he rendered service for three (3) years, nine (9) months, and eight (8) days in the Judiciary.

The surviving spouse of Judge Gruba, Mrs. Pacita A. Gruba (Mrs. Gruba), applied for retirement/gratuity benefits under Republic Act No. 910.³

In a Resolution dated September 24, 1996, this Court approved the application filed by Mrs. Gruba. Per certification dated October 25, 2012 by the Court of Tax Appeals' Office of Administrative and Finance Services, the five-year lump sum retirement benefit under Republic Act No. 910 was remitted to the Government Service Insurance System effective June 26, 1996. A total of ₱1,486,500.00, representing the five-year lump sum gratuity due to Judge Gruba, was paid to his heirs.⁴

¹ The position title "Associate Judge" has been changed to "Associate Justice" by virtue of Republic Act No. 9282 (2004).

² The Report of Death was dated June 27, 1996.

³ At the time of Mrs. Gruba's application, Republic Act No. 910 was amended by Republic Act No. 5095. The case was docketed as A.M. No. 9037-Ret.

⁴ Comment of the Office of the Chief Attorney dated May 14, 2013, p. 3. This fact was evidenced by a Remittance Letter from the Court of Tax Appeals to the Government Service Insurance System, dated July 4, 1997, GSIS Official Receipt No. 00508062 dated July 3, 1997, and receiving vouchers of the different checks given to the heirs of Judge Gruba.

On January 13, 2010, Congress amended Republic Act No. 910 and passed Republic Act No. 9946. Republic Act No. 9946 provided for more benefits, including survivorship pension benefits, among others. The law also provides a retroactivity provision which states:

SEC. 3-B. The benefits under this Act shall be granted to all those who have retired prior to the effectivity of this Act: *Provided*, That the benefits shall be applicable only to the members of the Judiciary: *Provided, further*, That the benefits to be granted shall be prospective.

On January 11, 2012, Mrs. Gruba applied for survivorship pension benefits under Republic Act No. 9946.⁵ In a Resolution dated January 17, 2012, this Court approved the application of Mrs. Gruba. She received ₱1,026,748.00 for survivorship pension benefits from January 1, 2011 to April 2012.⁶

In a Resolution dated November 27, 2012, this Court revoked the Resolution dated January 17, 2012 and directed the Court of Tax Appeals to discontinue the payment of the survivorship pension benefits to Mrs. Gruba. However, this Court stated that Mrs. Gruba was not required to refund the survivorship pension benefits received pursuant to the Resolution dated January 17, 2012.⁷

This Court required the Office of the Chief Attorney to report on the matter. In a Comment dated May 14, 2013, the Office of the Chief Attorney recommended that the heirs of Judge Gruba be entitled to the 10-year lump sum death benefit under Section 2 of Republic Act No. 910, as amended by Republic Act No. 9946.

This Resolution adopts in part the recommendation of the Office of the Chief Attorney.

The issues for our resolution are the following: (1) whether Republic Act No. 9946 applies to Judge Gruba; (2) whether the heirs of Judge Gruba are entitled to the 10-year lump sum gratuity benefits under Republic Act No. 9946; and (3) whether Mrs. Gruba is entitled to survivorship pension benefits under the same law.

We decide the first two issues in favor of the heirs of Judge Gruba. However, we deny the application for survivorship pension benefits of Mrs.

⁵ This subsequent application is now the case at bar, docketed as A.M. No. 14155-Ret.

⁶ Certification of the Court of Tax Appeals' Accounting Chief Judicial Staff Officer Hipolito P. Alvarado dated June 1, 2012.

⁷ Resolution dated November 27, 2012.

Gruba.

The rationale for retirement benefits

Retirement laws are social legislation. In general, retirement laws provide security to the elderly who have given their prime years in employment whether in the private sector or in government. These laws ensure the welfare of individuals who are approaching their twilight years and have limited opportunities for productive employment that give them a steady income stream. In the private sector, retirement packages are usually crafted as “forced savings” on the part of the employee.

In government, lucrative retirement benefits are used as an incentive mechanism to encourage competent individuals to have careers in government. This Court often states:

[R]etirement benefits receivable by public employees are valuable parts of the consideration for entrance into and continuation in public office or employment. They serve a public purpose and a primary objective in establishing them is **to induce competent persons to enter and remain in public employment and render faithful and efficient service while so employed.**⁸ (Emphasis supplied)

Due to this extraordinary purpose, the Constitution provides guidelines on periodically increasing retirement benefits.⁹ On several occasions, this Court has liberally interpreted retirement laws in keeping with its purpose. In *Government Service Insurance System v. De Leon*:¹⁰

Retirement laws, in particular, are liberally construed in favor of the retiree because their objective is to provide for the retiree’s sustenance and, hopefully, even comfort, when he no longer has the capability to earn a livelihood. The liberal approach aims to achieve the humanitarian purposes of the law in order that efficiency, security, and well-being of government employees may be enhanced. Indeed, retirement laws are liberally construed and administered in favor of the persons intended to be benefited, and all doubts are resolved in favor of the retiree to achieve their humanitarian purpose.¹¹

This general principle for retirement benefits applies to members of the Judiciary. However, Congress made a special law specifically for retiring justices and judges. This law on “retirement pensions of Justices arise from

⁸ *Profeta v. Drilon*, G.R. No. 104139, December 22, 1992, 216 SCRA 777, 782-783 citing *Ortiz v. COMELEC*, G.R. No. L-78957, June 28, 1988, 162 SCRA 812, 821. In *Ortiz*, the word “able” was used in lieu of “competent.”

⁹ CONSTITUTION, Art. XVI, Sec. 8. The State shall, from time to time, review to increase the pensions and other benefits due to retirees of both the government and the private sectors.

¹⁰ G.R. No. 186560, November 17, 2010, 635 SCRA 321.

¹¹ *Id.* at 330-331. (Citations omitted)

the package of protections given by the Constitution to guarantee and preserve the independence of the Judiciary.”¹² Aside from guaranteeing judicial independence, a separate retirement law for justices and judges is designed to attract intelligent members of the Bar to join the Judiciary. It compensates for the opportunity cost of having profitable private practices.

The rationale for death benefits

Aside from considering old age retirement benefits, the law also protects the welfare of the heirs and surviving spouses of employees who die before or after retirement. “The law extends survivorship benefits to the surviving and qualified beneficiaries of the deceased member or pensioner to cushion the beneficiaries against the adverse economic effects resulting from the death of the wage earner or pensioner.”¹³

The law usually takes into account the nature of the employment and the vulnerability of the individual to risks that might lead to an early demise. Therefore, military personnel, by virtue of Republic Acts No. 3056, 5976, and 541, and justices and judges, by virtue of Republic Act No. 910 as amended by Republic Act No. 9946, are given generous death benefits. The law recognizes the threats these kinds of government employees face because of their positions. In order to minimize the adverse effects of unexpected deaths while in service, the law extends benefits to the deceased employee’s loved ones. It is also the law’s way of sympathizing with the loss of these families. Death benefits remind the heirs that despite their loss, their departed love one had valuable contributions to society, and the State is grateful for these contributions. These benefits also provide more incentive for the independence of those who serve in the Judiciary. They allow peace of mind since members of the Judiciary know that they could provide for their spouse and their children even beyond their death.

Retirement, disability retirement, and death as modes of terminating employment

Retirement benefits are usually conditioned on compliance with certain requirements. Common requirements include age and years in service. Upon reaching a certain age and compliance with the years of service, an employee becomes entitled to benefits by operation of law.

An exception to compliance with age and service requirements is disability retirement. It is still considered a form of retirement, but the

¹² *Bengzon v. Drilon*, G.R. No. 103254, April 15, 1992, 208 SCRA 133, 153.

¹³ *GSIS, Cebu City Branch v. Montesclaros*, 478 Phil. 573, 586 (2004) citing Rule VI, Sec. 1 of the Implementing Rules and Regulations of Presidential Decree No. 1146.

condition for compliance is not usually age or years in service. Disability retirement is conditioned on the incapacity of the employee to continue his or her employment due to involuntary causes such as illness or accident. The social justice principle behind retirement benefits also applies to those who are forced to cease from service due to disabilities beyond their control.

In line with the doctrine of liberal interpretation of retirement laws, this Court has often construed death as disability retirement. “[T]here is no more permanent or total physical disability than death.”¹⁴ The term “retirement,” when used in a strict legal sense, refers to mandatory or optional retirement. However, when used in a more general sense, “retire” may encompass the concepts of both disability retirement and death. ***All of these concepts involve events that happen to an employee beyond his or her control. In case of mandatory or optional retirement, reaching a certain age due to mere passage of time is beyond the control of the individual. In the case of disability retirement and death, acquiring an illness or accident is beyond the control of the individual.***

In *Re: Resolution Granting Automatic Permanent Total Disability Benefits to Heirs of Justices and Judges*,¹⁵ this Court rejected the Department of Budget and Management’s insistence that “death while in actual service” and “retirement due to permanent physical disability” are distinct and separate circumstances. In this case, the Department of Budget and Management refused to release additional gratuity benefits to judges on account that they died while in actual service without being able to apply for permanent physical disability benefits. Since this case occurred prior to the issuance of Republic Act No. 9946, there were gaps in the law. Gratuity payments due to permanent physical disability were twice as much as gratuity payments caused by death while in active service. This Court, in order to maximize the benefits given to the heirs, treated death as retirement due to permanent physical disability. Hence, we stated:

In Re: Retirement Benefits of the late City Judge Alejandro Galang, Jr., this Court has had the occasion to construe Republic Act No. 910, particularly the phrase “permanent physical disability” found in Section 2 thereof. There, this Court considered death “while in actual service” to be encompassed by the phrase “permanent physical disability.” For, as aptly pointed out by then Associate Justice Claudio Teehankee in his concurring opinion in that case, “*there is no more permanent or total physical disability than death.*”

When the law has gaps which tend to get in the way of achieving its purpose, thus resulting in injustice, this Court is allowed to fill the open spaces therein.¹⁶

¹⁴ *Re: Retirement Benefits of the Late City Judge Galang, Jr.*, 194 Phil. 14, 21 (1981).

¹⁵ 486 Phil. 148 (2004).

¹⁶ *Id.* at 156.

Retiring due to physical disabilities is not far removed from the situation involving death of a judge or justice. This explains why retirement laws necessarily include death benefits. The gaps in the old law prompted Congress to improve death benefits given to the heirs of deceased judges and justices.

Republic Act No. 9946 applies retroactively to those who died or were killed while they were in government service

Republic Act No. 910 was enacted in 1954 to provide for retirement benefits of justices of the Supreme Court and the Court of Appeals. Through various amendments, the coverage of Republic Act No. 910 now includes justices of the Sandiganbayan and the Court of Tax Appeals, as well as judges of the Regional Trial Court, Metropolitan Trial Court, Municipal Trial Court, Municipal Circuit Trial Court, Shari'a District Court, Shari'a Circuit Court, and any other court hereafter established.¹⁷

Republic Act No. 910 provides for two basic benefits: retirement and death benefits.

The retirement benefits under Republic Act No. 910 may be availed in two ways. One way is through compulsory retirement of a judge or justice by attaining the age of 70 years old and complying with the service requirement of 20 years in the Judiciary or any other government branch. The other way is through optional retirement of a judge or justice by attaining the age of 57 years old and complying with the service requirement of 20 years in government, the last 10 of which must be continuously rendered in the Judiciary.¹⁸

The optional retirement requirements were modified in Republic Act No. 5095. To qualify for optional retirement under that law, a judge or justice must serve at least 20 years in government, and the last five (5) years of service must be continuously rendered in the Judiciary.¹⁹

The death benefits under Republic Act No. 910 entitle the heirs of a deceased justice or judge to a five-year lump sum of the salary the justice or judge was receiving during the period of death. The five-year lump sum is conditioned on the compliance with the service requirement of 20 years. Noncompliance with the service requirement entitles the heirs only to a

¹⁷ Republic Act No. 9946 (2010), Sec. 1.

¹⁸ Republic Act No. 910 (1953), Sec. 1.

¹⁹ Republic Act No. 5095 (1967), Sec. 1. This was the law applied in Mrs. Gruba's application for death benefits in 1996.

two-year lump sum.

In 2010, Congress enacted Republic Act No. 9946, otherwise known as *An Act Granting Additional Retirement, Survivorship, and Other Benefits to Members of the Judiciary, Amending for the Purpose Republic Act No. 910*. Republic Act No. 9946 introduced major innovations for retirement of the members of the Judiciary. The first change made was the inclusion of additional allowances in the computation for monthly pensions and gratuity payments.²⁰ Second, the service requirement for compulsory and optional retirement was modified. Under Republic Act No. 9946, only 15 years in the Judiciary and any other branch of government are required. For optional retirement, the last three (3) years must be rendered continuously in the Judiciary.²¹ The third major innovation of the law is that non-compliance with the service requirement will entitle the retiree to a monthly pension pro-rated to the number of years rendered in government.²² The fourth major innovation is the benefits given to justices or judges who contracted permanent disability or partial permanent disability during incumbency.²³

The last two innovations of Republic Act No. 9946 are more relevant to this case at bar. The fifth major innovation of Republic Act No. 9946 is the expansion of death benefits given to the heirs of a deceased justice or judge.²⁴ Finally, the law specifies that pension benefits given under this law will be received by the surviving spouse of the retired justice or judge upon the justice's or judge's demise.²⁵ This last innovation is the most important and the reason why the law was amended in the first place.

Republic Act No. 9946 provides for a retroactivity clause in Section 4, adding Section 3-B to Republic Act No. 910:

SEC. 3-B. The benefits under this Act shall be granted to all those who have **retired** prior to the effectivity of this Act: *Provided*, That the benefits shall be applicable only to the members of the Judiciary: *Provided, further*, That the benefits to be granted shall be prospective. (Emphasis supplied)

An initial look at the law might suggest that the retroactivity of Republic Act No. 9946 is limited to those who retired prior to the effectivity

²⁰ Under Republic Act No. 910, retirement benefits are computed on the basis of highest salary received by the justice or judge. Inclusion of allowances in the computation began in the amendments to Republic Act No. 910 introduced in Presidential Decree No. 1438. Now, it includes transportation, representation and other allowances, such as personal economic relief allowance (PERA) and additional compensation allowance. Republic Act No. 9946 (2010), Sec. 1.

²¹ Republic Act No. 9946 (2010), Sec. 1.

²² Id.

²³ Republic Act No. 9946 (2010), Sec. 3.

²⁴ Republic Act No. 9946 (2010), Sec. 2.

²⁵ Id.

of the law.²⁶ However, a holistic treatment of the law will show that the set of amendments provided by Republic Act No. 9946 is not limited to justices or judges who retired after reaching a certain age and a certain number of years in service. The changes in the law also refer to justices or judges who “retired” due to permanent disability or partial permanent disability as well as justices or judges who died while in active service.

In light of these innovations provided in the law, the word “retired” in Section 3-B should be construed to include not only those who already retired under Republic Act No. 910 but also those who retired due to permanent disability. It also includes judges and justices who died or were killed while in service.

Providing retroactivity to judges and justices who died while in service conforms with the doctrine that retirement laws should be liberally construed and administered in favor of persons intended to be benefited.²⁷ “[T]he liberal approach aims to achieve the humanitarian purposes of the law in order that the efficiency, security, and well-being of government employees may be enhanced.”²⁸ Ensuring the welfare of families dependent on government employees is achieved in the changes made in Republic Act No. 9946. It will be consistent with the humanitarian purposes of the law if the law is made retroactive to benefit the heirs of judges and justices who passed away prior to the effectivity of Republic Act No. 9946.

Judge Gruba who passed away prior to the effectivity of Republic Act No. 9946 is still covered by the law by virtue of Section 3-B. ***“Retired” here is not construed in the strict dictionary definition but in its more rational sense of discontinuance of service due to causes beyond one’s control. It should include the cessation of work due to natural causes such as death.*** Therefore, the death of Judge Gruba produces effects under Republic Act No. 9946 for his family.

In the past, this Court has liberally granted benefits to surviving heirs of deceased members of the Judiciary despite incomplete compliance with the requisites of Republic Act No. 910.²⁹ Since there was a gap in the law,

²⁶ The requirements for compulsory retirement under this law is for the judge or justice to be 70 years old and must have rendered 20 years of service in the government, with five (5) years spent in the Judiciary. Republic Act No. 910 (1953), Sec. 1, as amended by Republic Act No. 5095 (1967).

²⁷ See *In Re: Amount of the Monthly Pension of Judges and Justices Starting from the Sixth Year of their Retirement and After the Expiration of the Initial Five-Year Period of Retirement*, 268 Phil. 312 (1990).

²⁸ *Ortiz v. COMELEC*, 245 Phil. 780, 789-790 (1988).

²⁹ *Re: Retirement Benefits of the late City Judge Alejandro Galang, Jr.*, 194 Phil. 14 (1981) citing *Re: Retirement of District Judge Isaac Puno, Jr.*, A.M. No. 589-Ret., Resolution dated June 28, 1977 (Unreported). With respect to Judge Galang, the main case denied his widow’s claim for a 10-year gratuity for not having been able to retire by reasons of permanent disability. However, this Court still gave his heirs a five-year lump sum gratuity despite non-compliance with the length of service in Government Requirement. Justice Teehankee’s Concurring Opinion cited Judge Puno’s case as the

this Court's Resolution dated September 30, 2003 in *Re: Resolution Granting Permanent Total Disability Benefits to Heirs of Justices and Judges Who Die In Actual Service* provided for benefits of judges and justices who died in actual service but were not able to comply with the age and service requirements stated in Republic Act No. 910.³⁰ This Resolution was incorporated in Republic Act No. 9946.

This Court also applied the survivorship pension benefits to surviving spouses of justices and judges who died *prior* to the enactment of Republic Act No. 9946 in 2010. For example, Chief Justice Enrique M. Fernando passed away in 2004, but his widow, Mrs. Emma Q. Fernando, was given survivorship pension benefits³¹ despite the fact that Chief Justice Fernando's death occurred prior to the enactment of Republic Act No. 9946.

Congress has been liberal in according retirement and death benefits to justices and judges. These benefits are incentives for talented individuals to join the Judiciary. For current members, these benefits assure them that the government will continue to ensure their welfare even in their twilight years. These benefits allow the best and the brightest lawyers to remain in the Judiciary despite its risks because they know that their family's welfare will be addressed even in their passing.

The first *proviso* of Section 3-B ("*Provided, That the benefits shall be applicable only to the members of the Judiciary*") should be interpreted to mean individuals who were members of the Judiciary immediately prior to retirement, disability retirement or death. This *proviso* is meant to exclude individuals who were former members of the Judiciary but accepted positions in other branches of government. In other words, former judges or justices who retire from non-judicial positions are excluded.³² If this *proviso* is interpreted to exclude benefits provided by the law to heirs and surviving members, it will be contrary to the purpose of the law.

Representative Fredenil H. Castro, one of the sponsors of House Bill No. 1238, the precursor of Republic Act No. 9946, "explained that the bill was aimed to assure justices and judges 'that their surviving spouse[s] are

first case wherein this Court disregarded the length of service in Government Requirement in awarding the five (5)-year lump sum gratuity to heirs of a deceased judge.

³⁰ The Resolution dated September 30, 2003 was the basis of the discussion in a subsequent Resolution under A.M. No. 02-12-01-SC, 486 Phil. 148 (2004).

³¹ A.M. No. 13940-Ret., Resolution dated May 31, 2011.

³² See *Re: Application for Retirement of Judge Moslemen T. Macarambon under Republic Act No. 910, as amended by Republic Act No. 9946*, A.M. No. 14061-Ret., June 19, 2012, 673 SCRA 602. This case involves a Regional Trial Court judge who served as such for more than 18 years. Before reaching his optional retirement age, he was appointed by President Gloria Macapagal-Arroyo as Commissioner of the Commission on Elections. His terminal job was with the National Transmission Commission. On retirement, he applied under Republic Act No. 910 but was denied the benefits of the law because he *resigned* from the Judiciary and retired from a position under the Executive branch.

given adequate and substantial benefits through survivorship pension.”³³ In addition, it will also be contrary to jurisprudence stating “retirement laws should be liberally construed and administered in favor of the persons intended to be benefited and all doubts as to the intent of the law should be resolved in favor of the retiree to achieve its humanitarian purposes.”³⁴ Note that this Court referred to “persons intended to be benefited” and not merely “retirees.” There is recognition that the retired or deceased judge is not the only beneficiary of retirement and death benefit laws but also his or her family.

The last *proviso* of Section 3-B (“*Provided, further*, That the benefits to be granted shall be prospective) might likewise cause some confusion. To clarify, when the law states “benefits to be granted shall be prospective,” it refers to pensions given to justices or judges or survivorship pension benefits given to the surviving spouses. It means that those who have been continuously receiving pension benefits before Republic Act No. 9946 may not demand the differential of the previously paid pension benefits. This “prospectivity” provision does not apply to lump sum payments or one-time gratuity benefits given by reasons of death.

The heirs of Judge Gruba are entitled to death gratuity benefits under Republic Act No. 9946, Section 2

Under Republic Act No. 9946, Section 2 provides for death benefits under varying circumstances:

SEC. 2. In case a Justice of the x x x Court of Tax Appeals, x x x dies while in actual service, regardless of his/her age and length of service as required in Section 1 hereof, his/her heirs shall receive a lump sum of five (5) years’ gratuity computed on the basis of the highest monthly salary plus the highest monthly aggregate of transportation, representation and other allowances such as personal economic relief allowance (PERA) and additional compensation allowance received by him/her as such Justice or Judge: *Provided, however*, That **where the deceased Justice or Judge has rendered at least fifteen (15) years either in the Judiciary or any other branch of Government, or both, his/her heirs shall instead be entitled to a lump sum of ten (10) years gratuity computed on the same basis as indicated in this provision**: *Provided, further*, That the lump sum of ten (10) years gratuity shall be received by the heirs of the Justice or the Judge who was killed because of his/her work as such: *Provided*, That the Justice or Judge has served in Government for at least

³³ Comment of the Office of the Chief Attorney, p. 11. The Office of the Chief Attorney cites the explanatory note attached to the bill found at the Archives and Museum Management Service of the House of Representatives.

³⁴ *In Re: Amount of the Monthly Pension of Judges and Justices Starting from the Sixth Year of their Retirement and After the Expiration of the Initial Five-Year Period of Retirement*, 268 Phil. 312, 317 (1990).

five (5) years regardless of age at the time of death. When a Justice or Judge is killed intentionally while in service, the presumption is that the death is work-related. (Emphasis supplied)

This provision provides death benefits to justices or judges who died while in service as well as those who suffered work-related deaths. The presumption is that if a justice or judge was killed intentionally, the death is considered work-related.

The provision contemplates three scenarios. First, if a justice or judge dies while in service, regardless of his or her age and length of service, his or her heirs are entitled to a **five (5)-year lump sum** of gratuity. Second, if a justice or judge dies of *natural causes* while in service, regardless of his or her age, but has rendered at least 15 years in government service, his or her heirs are entitled to a **10-year lump sum** of gratuity. Finally, if a justice or judge is *killed intentionally* and the death is considered work-related, regardless of his or her age, but has rendered at least five (5) years in government service, his or her heirs are entitled to a **10-year lump sum** of gratuity.

In all these scenarios, the law dispenses with the requirement of the judge's or justice's retirement for the surviving heirs to receive benefits upon the judge's or justice's demise. This is an improvement from the benefits given under Republic Act No. 910. The law became more attuned to the reality that death can occur anytime during the tenure of a judge or justice. It recognized the risks judges and justices face in dispensing their duties and responsibilities, risks similar to those experienced by members of law enforcement or the military. The law provides for contingencies for judges and justices who unexpectedly left their loved ones who depended on them for support and sustenance.

Judge Gruba's death follows the second scenario under Section 2 of Republic Act No. 9946. He died due to natural causes while serving the Judiciary. He rendered 16 years, six (6) months, and 21 days in government service, thereby complying with the 15-year service requirement under the law. His heirs became entitled to a lump sum of 10 years gratuity computed on the basis of the highest monthly salary, plus the highest monthly aggregate of transportation, representation, and other allowances such as personal economic relief allowance (PERA) and additional compensation allowance.

The fact that the heirs of Judge Gruba received death benefits under Republic Act No. 910 prior to amendments in Republic Act No. 9946 does not preclude the heirs from receiving the 10-year lump sum in full. This is the effect of the retroactivity mentioned in Section 3-B of Republic Act No. 9946. This is also in keeping with a policy declaration under Article XVI,

Section 8 of the Constitution stating that “[the] State shall, from time to time, review to upgrade the pensions and other benefits due to retirees of both the government and the private sectors.”

However, Mrs. Gruba is not qualified for survivorship pension benefits under Section 3 of Republic Act No. 9946

When Mrs. Gruba applied for benefits under Republic Act No. 9946, she was not claiming additional gratuity benefits. She was invoking the second paragraph of Section 3 of Republic Act No. 910 as amended by Republic Act No. 9946, thus:

Upon the death of a Justice or Judge of any court in the Judiciary, if such Justice or Judge has retired, or was eligible to retire optionally at the time of death, the surviving legitimate spouse shall be entitled to receive all the retirement benefits that the deceased Justice or Judge would have received had the Justice or Judge not died. The surviving spouse shall continue to receive such retirement benefits until the surviving spouse's death or remarriage.

According to Section 3 of Republic Act No. 9946, survivorship pension benefits are given to surviving spouses of retired judges or justices or surviving spouses of judges or justices who are eligible to retire optionally. This means that for the spouse to qualify for survivorship pension, the deceased judge or justice must (1) be at least 60 years old, (2) have rendered at least fifteen years in the Judiciary or in any other branch of government, and in the case of eligibility for optional retirement, (3) have served the last three years continuously in the Judiciary.

When the judge or justice is neither retired nor eligible to retire, his or her surviving spouse is not entitled to those benefits. This was the reason behind our Resolution dated November 27, 2012, wherein we revoked the approval of Mrs. Gruba's application for survivorship pension benefits. The Resolution discontinued the payment of Mrs. Gruba's survivorship pension benefits. We no longer required Mrs. Gruba to reimburse survivorship pension benefits received by virtue of the earlier Resolution dated January 17, 2012 considering that she received those payments in good faith.

Mrs. Gruba could have been entitled to survivorship pension benefits if her late husband were eligible to optionally retire at the time of his death. However, we are faced with a situation where the justice complied only with two of three requirements for optional retirement. He served government for a total of 16 years, six (6) months, and 21 days. In those years, he rendered service for three (3) years, nine (9) months, and eight (8) days in the

Judiciary.

Judge Gruba neither retired compulsorily prior to his death nor was he eligible for optional retirement at the time of his death. He would have qualified for the government service requirements. However, his age at the time of his death did not make him qualified for optional retirement. He was only 55 years old, and the law required the age of 60 for eligibility for optional retirement.

It was unfortunate that Judge Gruba died five years short of the optional retirement age. However, survivorship benefits are an offshoot of retirement benefits. Administrative Circular 81-2010 qualified that “[t]he legitimate surviving spouse of a Justice or Judge who (1) has retired or was eligible to retire optionally at the time of death; and (2) was receiving or would have been entitled to receive a monthly pension” is the individual qualified to receive survivorship benefits. This suggests that survivorship pension benefits are extensions of retirement benefits given to judges and justices, and retirement benefits in government service are governed by law.³⁵ Noncompliance with the clear text of the law means that the benefit cannot be granted.

We note, however, that if Judge Gruba were eligible to optionally retire under Republic Act No. 9946 at the time of his death and despite the fact that he passed away prior to the amendatory law’s passage, his widow would have been entitled to the survivorship pension. The law was passed on January 13, 2010, and any surviving spouse of a judge or justice who died prior to this date but was retired or eligible to retire optionally should be covered by Republic Act No. 9946 by virtue of its retroactivity clause.

Republic Act No. 9946 has recognized the risks and contingencies of being involved in public service in the Judiciary. Death gratuity benefits have been improved to take into account the various circumstances that might surround a judge’s or justice’s death. However, the application of the law is not without limits. The law accommodates the heirs of Judge Gruba by entitling them to receive the improved gratuity benefits under Republic Act No. 9946, but it is clear that Mrs. Gruba is not entitled to the survivorship pension benefits.

Despite the fact that Mrs. Gruba is not entitled to receive survivorship pension, she no longer needs to return the survivorship pension benefits she received from January 2011 to April 2012 amounting to ₱1,026,748.00. This Court, in the past, have decided *pro hac vice* that a surviving spouse who received survivorship pension benefits in good faith no longer needs to refund such pensions. In *Re: Application for Survivorship Pension Benefits*

³⁵ See *Beronilla v. Government Service Insurance System*, 146 Phil. 646, 660 (1970).

of Hon. Juanito C. Ranjo, Former Deputy Court Administrator (DCA),³⁶ we initially resolved to award survivorship pension benefits to DCA Ranjo's surviving spouse, Mrs. Ranjo. In a latter Resolution, we ruled that DCA Ranjo was not entitled to receive benefits under Republic Act No. 9946; hence, it was erroneous to award survivorship pension benefits to his widow. However, this Court ruled that the application of the resolution revoking survivorship pension benefits "appl[ies] prospectively, not retroactively and adversely to [Mrs. Ranjo]."³⁷ This Court found that Mrs. Ranjo accepted this amount in good faith, and the same could be said about Mrs. Gruba.

This Court has made similar pronouncements on other benefits erroneously received by government employees. This Court agreed that employees who have erroneously received rice allowances,³⁸ productivity incentive bonuses,³⁹ representation and transportation allowances (RATA),⁴⁰ anniversary bonuses,⁴¹ year-end bonuses,⁴² and cash gifts⁴³ no longer need to refund the same. The reasoning was that:

Considering, however, that all the parties here acted in good faith, we cannot countenance the refund of x x x benefits x x x, which amounts the petitioners have already received. Indeed, no indicia of bad faith can be detected under the attendant facts and circumstances. The officials and chiefs of offices concerned disbursed such incentive benefits in the honest belief that the amounts given were due to the recipients and the latter accepted the same with gratitude, confident that they richly deserve such benefits.⁴⁴

Analogously, when Mrs. Gruba received the survivorship pension benefits, she accepted them in good faith, knowing that this Court positively pronounced that she was entitled to them in the Resolution dated January 17, 2012. When we revoked this Resolution, such revocation should only apply prospectively in the interest of equity and fairness.⁴⁵

IN VIEW OF THE FOREGOING, WE RESOLVE TO **GRANT** a lump sum of 10 years gratuity benefits under Section 2 of Republic Act No. 9946 to the heirs of Judge Gruba, subject to the availability of funds, and **DENY** the prayer of Mrs. Gruba to receive survivorship pension benefits.

³⁶ *Re: Application for Survivorship Pension Benefits of Hon. Juanito C. Ranjo, Former Deputy Court Administrator (DCA)*, A.M. No. 14082-Ret., Resolution dated October 9, 2012 as cited in the FMBO Report dated October 25, 2012, pp. 7-8.

³⁷ *Id.*

³⁸ *Agra v. Commission on Audit*, G.R. No. 167807, December 6, 2011, 661 SCRA 563; *De Jesus v. Commission on Audit*, 451 Phil. 812, 824 (2003).

³⁹ *De Jesus v. Commission on Audit*, supra; *Blaquera v. Hon. Alcala*, 356 Phil. 678, 765-766 (1998).

⁴⁰ *De Jesus v. Commission on Audit*, supra.

⁴¹ *Id.*

⁴² *Id.*

⁴³ *Id.*


⁴⁴ *Blaquera v. Hon. Alcala*, supra.


⁴⁵ Considerations of equity and fairness were also cited in the ruling in *Agra v. Commission on Audit*, supra.

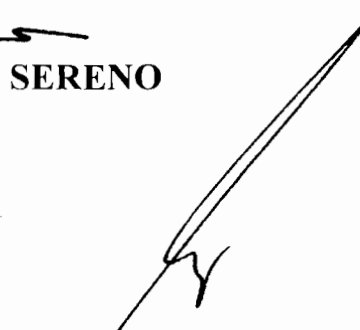
SO ORDERED.


MARVIC MARIO VICTOR F. LEONEN
Associate Justice

WE CONCUR:

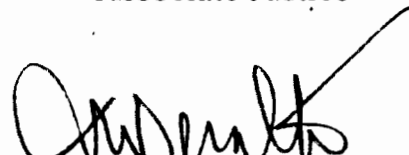

MARIA LOURDES P. A. SERENO
Chief Justice

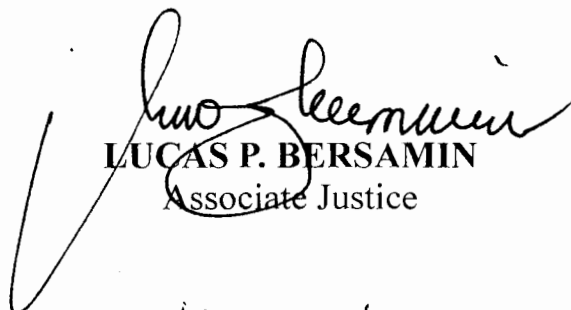

ANTONIO T. CARPIO
Associate Justice


PRESBITERO J. VELASCO, JR.
Associate Justice

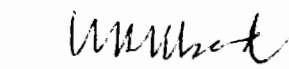

TERESITA J. LEONARDO-DE CASTRO
Associate Justice



ARTURO D. BRION
Associate Justice


DIOSDADO M. PERALTA
Associate Justice


LUCAS P. BERSAMIN
Associate Justice


MARIANO C. DEL CASTILLO
Associate Justice

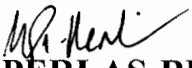

ROBERTO A. ABAD
Associate Justice


MARTIN S. VILLARAMA, JR.
Associate Justice


JOSE PORTUGAL PEREZ
Associate Justice


JOSE CATRAL MENDOZA
Associate Justice


BIENVENIDO L. REYES
Associate Justice


ESTELA M. PERLAS-BERNABE
Associate Justice