

Title:

The Salvation Army vs. Social Security System (SSS): A Legal Examination on Employer-Employee Relationship within Religious Organizations in the Philippines

Facts:

The Salvation Army, a non-stock, non-profit religious organization, registered with the Philippines' Social Security System (SSS) on March 22, 1962, listing its officers as employees. On December 19, 2005, it requested the SSS to reclassify its officers' membership status from "employees" to "voluntary or self-employed," which the SSS denied. The Salvation Army's motion for reconsideration was likewise rejected, leading to an appeal with the Social Security Commission (SSC), which upheld the SSS's decision. The case then proceeded to the Court of Appeals (CA), which dismissed the petition, affirming that the Salvation Army's officers were indeed employees entitled to SSS benefits. The Salvation Army's subsequent motion for reconsideration was denied, prompting a petition for review on certiorari to the Supreme Court.

Issues:

1. Whether or not the officers (religious ministers) of The Salvation Army are considered its employees.
2. Whether the ruling on the above issue infringes upon the constitutionally guaranteed right to the free exercise of religion.

Court's Decision:

The Supreme Court denied the petition for review on certiorari, affirming the CA's decision that the Salvation Army's officers are employees, thus subject to compulsory SSS coverage. It held that:

- The existence of an employer-employee relationship is a question of fact, supported by substantial evidence, and not typically within the scope of a review on certiorari.
- The principle of non-interference in ecclesiastical affairs does not preclude the State from adjudicating secular matters such as employment relationships.
- An employer-employee relationship indeed exists between The Salvation Army and its ministers, as evidenced by the control exerted by The Salvation Army over its officers in terms of selection, payment (allowances), power of dismissal, and control over their conduct.

Doctrine:

The case reaffirmed that religious organizations, similarly to secular entities, can form

employer-employee relationships subject to compulsory social security coverage. It established that the criteria for determining an employer-employee relationship apply to religious institutions, where such relations are governed by secular law rather than ecclesiastical principles.

Class Notes:

- **Employer-Employee Relationship:** Determined based on (a) selection and engagement, (b) payment of wages, (c) power of dismissal, and (d) power to control.
- **Social Security Coverage:** Mandatory for all employees under the SSS law, irrespective of the religious nature of the employing entity.
- **Separation of Church and State:** While ensuring the non-interference in ecclesiastical affairs, does not exempt religious organizations from complying with secular laws, including employment and social security laws.

Historical Background:

The dispute emphasizes the tension between the state's interest in protecting workers and upholding social security laws and religious organizations' autonomy in defining their internal structures and roles. Over the years, Philippine jurisprudence has treaded cautiously on matters intersecting secular law and religious freedom, balancing the constitutional provisions of separation of church and state with societal interests in labor protections and social security.