

Title: Borromeo vs. Civil Service Commission and Secretary of Budget and Management

Facts:

1. Jesus N. Borromeo, petitioner and Chairman of the Civil Service Commission (CSC) until his retirement on April 1, 1986, sought the inclusion of cost of living allowance (COLA) and representation and transportation allowance (RATA) in the computation of his terminal leave pay.
2. On August 18, 1988, Borromeo requested an opinion from the Commission on Audit (COA) on whether his terminal leave should include allowances received at the time of retirement.
3. The CSC Chairman at that time recommended approval for Borromeo's claim, endorsing it to COA, which on September 28, 1989, agreed with no objections.
4. Upon requesting payment for the terminal leave differential from the Department of Budget and Management (DBM), Borromeo was denied on the basis that terminal leave pay computation should only consider "basic pay" according to the Revised Administrative Code and related laws.
5. Following a denial from DBM to release the corresponding allotment, the CSC issued Resolution No. 90-514 advising Borromeo to seek action from the Supreme Court. A subsequent CSC resolution (No. 90-945) denied reconsideration, staying consistent with the view that COA's decision lacked legal basis.

Issues:

1. Whether terminal leave pay should include COLA and RATA or be solely based on the highest salary.
2. The legal standing of COA's decision, whether it became final and executory or subject to review.
3. The jurisdiction over the legality of claims on leave matters, whether it solely pertains to CSC or involves COA.
4. The applicability of various laws and orders regarding terminal leave pay computation.

Court's Decision:

1. The Supreme Court ruled in favor of including COLA and RATA in the computation of Borromeo's terminal leave pay.
2. The Court determined that COA's decision lacked automatic finality, suggesting that aggrieved parties could seek judicial review.
3. It was clarified that while CSC handles the administrative aspect of leave benefits, issues involving government expenditures related to leave benefits fall under COA's jurisdiction.

4. The Court balanced the laws and executive orders, concluding that allowances should be included for those who retire from the judiciary or constitutional commissions following certain presidential orders and related laws.

Doctrine: The Supreme Court established that terminal leave pay for retiring members of the judiciary and constitutional commissions should be computed based on the highest monthly salary plus COLA and RATA. It emphasized a liberal interpretation of retirement laws in favor of the retirees.

Class Notes:

- Terminal leave pay should include both COLA and RATA alongside the basic salary for retirees from the judiciary or constitutional commissions, post-1986 upheaval.
- COA's decisions on matters involving government expenditures can be reviewed by the Supreme Court.
- Legal disputes concerning the interpretation or application of laws related to government employees' benefits are ultimately decided by the judiciary.
- Liberal interpretation favors retirees in the context of laws granting retirement benefits and computations.

Historical Background:

This case arose in the context of differing interpretations of laws and executive orders regarding the calculation of terminal leave pay for government officials. It underscores the evolving policies aimed at ensuring fair retirement benefits for public servants, highlighting the role of the Supreme Court in resolving ambiguities in the application of such policies. The decision reflects the broader political and administrative adjustments following the 1986 political upheaval in the Philippines, emphasizing a humanitarian approach towards retiring government employees.