

****Title:**** Avelina B. Conte and Leticia Boiser-Palma vs. Commission on Audit (COA)

****Facts:**** This case involves Avelina B. Conte and Leticia Boiser-Palma, former employees of the Social Security System (SSS), who availed themselves of compulsory retirement benefits under Republic Act No. 660 and additionally sought “financial assistance” under the SSS Resolution No. 56, series of 1971. This resolution aimed to provide an additional financial benefit to retiring SSS employees, calculated as the difference between the retirement benefits under RA 660 and RA 1616. However, the COA issued a “3rd Indorsement” dated July 10, 1989, disallowing these claims for financial assistance, viewing them as a form of supplementary retirement plan proscribed by Republic Act No. 4968. Despite COA’s disallowance, SSS Administrator Jose L. Cuisia, Jr. sought presidential authority to continue the implementation of Resolution No. 56, which the Office of the President declined, siding with the COA’s decision. Conte and Boiser-Palma appealed to the COA for reconsideration but were denied by COA Decision No. 94-126 dated March 15, 1994, leading to the filing of this petition for certiorari under Rule 65 of the Rules of Court.

****Issues:**** The central legal issue is whether the SSS Resolution No. 56 constitutes a supplementary retirement plan prohibited by RA 4968 or simply provides “financial assistance” as claimed by the petitioners.

****Court’s Decision:**** The Philippine Supreme Court ruled that SSS Resolution No. 56 indeed constitutes a supplementary retirement plan, as it provides additional retirement benefits beyond those provided under existing laws (RA 660 and RA 1616). The Court pointed out that the financial assistance offered under Resolution No. 56 was designed to augment the benefits provided under RA 660, making it a supplementary plan by nature. Consequently, the COA did not abuse its discretion in disallowing the claims for financial assistance under Resolution No. 56, as it contravened RA 4968. Therefore, the petition was dismissed, and the COA’s decision was affirmed.

****Doctrine:**** The case reiterates the principle that supplementary retirement or pension plans for government officers or employees, other than those provided under the Government Service Insurance System (GSIS) law, are prohibited under RA 4968. Administrative resolutions or orders cannot contravene or expand upon statutory provisions.

****Class Notes:****

1. ****Supplementary Retirement Plans:**** Government offices or agencies are prohibited from creating supplementary retirement or pension plans beyond what is provided by law,

specifically referencing RA 4968's amendment to CA 186.

2. **Administrative Orders vs. Statutory Provisions:** Administrative orders, including resolutions like SSS Resolution No. 56, cannot override or expand upon the provisions of the law. They must be consistent with the enabling statute.

3. **Appeal Mechanism:** Decisions, orders, or actions of the COA exercising its audit functions are appealable directly to the Supreme Court, as demonstrated in this case.

4. **Legal Statutes:** RA 660 (compulsory retirement benefits), RA 1616 (alternative retirement benefits), RA 4968 (prohibition against supplementary retirement plans), and CA 186 as amended (GSIS law).

Historical Background: At the time of its approval in 1971, SSS Resolution No. 56 sought to provide a financial incentive for qualified retiring employees to opt for RA 660 retirement benefits, aiming for cost savings and employee welfare. However, the evolving legal landscape and subsequent COA and presidential rulings highlighted the tension between institutional policies aimed at employee benefits and statutory prohibitions against supplementary retirement plans, culminating in this landmark Supreme Court decision.