

Title: *Aniñon v. Government Service Insurance System*, 851 Phil. 472 (2020)

Facts:

Quirico D. Aniñon rendered government service intermittently from 1969 to 1982, working for various agencies including the Bureau of Census and Statistics, the Department of Justice, and the Supreme Court. In 1988, he re-entered civil service as an employee of the Supreme Court but resigned in 1989 to work abroad, having only 12 years of service and thus ineligible for retirement benefits under the then-prevailing Presidential Decree No. 1146, which required 15 years of service.

Upon his 1989 resignation, Aniñon received a refund of his premiums amounting to Php 16,345.12. In 1996, he rejoined civil service at the Professional Regulatory Commission, later transferring to the Court of Appeals in 1998, and finally to the Supreme Court in 2001, where he served until 2008.

Republic Act No. 8291 took effect in 1997, stipulating that reinstated employees must refund previously received retirement benefits to have prior service credited. The GSIS buttressed this through Policy and Procedural Guidelines No. 183-06, requiring refunds within 30 days of the guideline's 2006 publication.

Aniñon, planning to retire in 2007, requested full credit for his 12 years of prior service, also pleading for exemption from the refund requirement or for the refund amount to be offset against future benefits. The GSIS denied his requests, leading Aniñon to petition the GSIS Board of Trustees, which upheld the denial. Aniñon then appealed to the Court of Appeals (CA), which affirmed the GSIS Board's decision. Aniñon motioned for reconsideration, which the CA also denied, prompting an appeal to the Supreme Court.

Issues:

1. Did PPG 183-06 impair any vested rights of Aniñon?
2. Was publication of PPG 183-06, without personal notice, sufficient for constitutional due process?
3. Did PPG 183-06 violate Aniñon's right to equal protection?
4. Should Aniñon be exempt from PPG 183-06 under the principle of liberal construction of social legislation and retirement laws?

Court's Decision:

1. **\*\*Due Process - Publication\*\***: The Court ruled that the publication of PPG 183-06 in newspapers of general circulation met the constitutional requirement of due process. There

was no need for personal notice to each member.

2. **Vested Rights**: The Court found that Aniñon's right to retirement benefits had not vested in 2006 when PPG No. 183-06 took effect, as he was still an active employee. Benefits could only vest upon formal retirement application and satisfaction of eligibility requirements under R.A. No. 8291, thus nullifying the claim of impaired vested rights.

3. **Equal Protection**: PPG No. 183-06 did not violate Aniñon's equal protection rights. All similarly situated government employees were subject to the same rules and refund requirements for the reclamation of prior service.

4. **Exemption and Liberal Construction**: The Court emphasized that social legislation and retirement laws should be liberally construed in favor of the retiree. The prohibition against double compensation as stated in the Constitution was applicable. However, Aniñon was entitled to have his refunded contributions considered through an offset against his future benefits.

#### Doctrine:

The Supreme Court affirmed the principle that retirement laws are to be liberally construed in favor of the retiree-beneficiary. For prior service to be creditable upon reinstatement in the government, refunds of benefits previously received must be made; this is to prevent double compensation — a doctrine enshrined in the Constitution.

#### Class Notes:

1. **Due Process in Administrative Rules**: Publication in general circulation newspapers meets constitutional requirements.
2. **Vested Rights**: Eligibility for retirement benefits and formal retirement application are necessary for rights to vest.
3. **Equal Protection Clause**: Uniform application of administrative guidelines to similarly situated individuals does not constitute a violation of equal protection.
4. **Double Compensation Prohibition**: Employees cannot receive benefits twice for the same period of service—Constitution, Article IX-B Section 8.

#### Historical Background:

This case stems from the government's efforts to ensure financial sustainability of pension systems and prevent abuses by public employees seeking to maximize retirement benefits retroactively. The ruling reflects the court's balancing act between safeguarding fiscal integrity and ensuring fair treatment of retirees, providing contemporary legal precedent on

administrative due process and employee benefits management.