

**BOARD OF ADMINISTRATORS, PHILIPPINE VETERANS
ADMINISTRATION, PETITIONER, VS. HON. JOSE G. BAUTISTA, IN HIS
CAPACITY AS PRESIDING JUDGE OF THE CFI-MANILA, BRANCH III,
AND CALIXTO...**

G.R. No. L-37867. February 22, 1982

Ponente: GUERRERO, J.

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GUERRERO, J.:

This is a petition to review on certiorari the decision of respondent Court of First Instance of Manila, Branch III, rendered on October 25, 1973 in Civil Case No. 90450 for Mandamus filed by Calixto V. Gasilao against the Board of Administrators of the Philippine Veterans Administration.

The facts as found by the Court a quo to have been established by the pleadings filed by the parties are stated in the decision under review from which We quote the following:

"Calixto V. Gasilao, pauper litigant and petitioner in the above-entitled case, was a veteran in good standing during World War II. On October 19, 1955, he filed a claim for disability pension under Section 9, Republic Act No. 65. The claim was disapproved by the Philippine Veterans Board (now Board of Administrators, Philippine Veterans Administration).

"Meanwhile, Republic Act 65 was amended by Republic Act 1362 on June 22, 1955 by including as part of the benefit of P50.00, P10.00 a month for each of the unmarried minor children below 18 of the veteran. Republic Act No. 1362 was implemented by the respondents only on July 1, 1955.

"On June 18, 1957, Section 9 of Republic Act No. 65 was further amended by Republic Act 1920 increasing the life pension of the veteran to P100.00 a month and maintaining the P10.00 a month each for the unmarried minor children below 18.

"Fortunately, on August 8, 1968, the claim of the petitioner which was disapproved in December, 1955 was reconsidered and his claim was finally approved at the rate of P100.00 a month, life pension, and the additional P10.00 for each of his ten unmarried minor children below 18. In view of the approval of the claim of petitioner, he requested respondents that his claim be made retroactive as of the date when his original application was filed or disapproved in 1955. Respondents did not act on his request.

"On June 22, 1969, Section 9 of Republic Act No. 65 was amended by Republic Act No. 5753 which increased the life pension of the veteran to P200.00 a month and granted besides P30.00 a month for the wife and P30.00 a month each for his unmarried minor children below 18. In view of the new law, respondents increased the monthly pension of petitioner to P125.00 effective January 15, 1971 due to insufficient funds to cover full implementation. His wife was given a monthly pension of P7.50 until January 1, 1972 when Republic Act 5753 was fully implemented.

"Petitioner now claims that he was deprived of his right to the pension from October 19, 1955 to June 21, 1957 at the rate of P50.00 per month plus P10.00 a month each for his six (6) unmarried minor children below 18.

He also alleges that from June 22, 1957 to August 7, 1968 he is entitled to the difference of P100.00 per month plus P10.00 a month each for his seven (7) unmarried minor children below 18. Again, petitioner asserts the difference of P100.00 per month, plus P30.00 a month for his wife and the difference of P20.00 a month each for his four (4) unmarried minor children below 18 from June 22, 1969 up to January 14, 1971 and finally, the difference of P75.00 per month plus P30.00 a month for his wife and the difference of P20.00 a month for his three (3) unmarried minor children below 18 from January 15, 1971 to December 31, 1971.”[1]

According to the records, the parties, through their respective counsels, filed on September 24, 1973 the following stipulation of facts in the lower Court:

"STIPULATION OF FACTS

COME NOW the parties thru their respective counsel, and unto this Honorable Court, respectfully state that they agree on the following facts which may be considered as proved without the need of the introduction of any evidence thereon, to wit:

1. Petitioner was a veteran in good standing during the last World War that took active participation in the liberation drive against the enemy, and due to his military service, he was rendered disabled.
2. The Philippine Veterans Administration, formerly the Philippine Veterans Board, (now Philippine Veterans Affairs Office) is an agency of the Government charged with the administration of different laws giving various benefits in favor of veterans and their orphans/or widows and parents; that it has the power to adopt rules and regulations to implement said laws and to pass upon the merits and qualifications of persons applying for rights and privileges extended by this Act pursuant to such rules and regulations as it may adopt to insure the speedy and honest fulfillment of its aims and purposes.
3. On July 23, 1955, petitioner filed a claim (Claim No. Dis-12336) for disability pension under Section 9 of RA 65, with the Philippine Veterans Board (later succeeded by the Philippine Veterans Administration, now Philippine Veterans Affairs Office), alleging that he was suffering from PTB, which he incurred in line of duty.
4. Due to petitioner's failure to complete his supporting papers and submit evidence to establish his service connected illness, his claim was disapproved by the Board of the defunct Philippine Veterans Board on December 18, 1955.
5. On August 8, 1968, petitioner was able to complete his supporting papers and, after due investigation and processing, the Board of Administrators found out that his disability was 100% thus he was awarded the full benefits of section 9 of RA 65, and was therefore given a pension of P100.00 a month and with an additional P10.00 a month for each of his unmarried minor children pursuant to RA 1920, amending section 9 of RA 65.
6. RA 5753 was approved on June 22, 1969, providing for an increase in the basic pension to P200.00 a month and the additional pension, to P30.00 a month for the wife and each of the unmarried minor children. Petitioner's monthly pension was, however, increased only on January 15, 1971, and by 25% of the increases provided by law, due to the fact that it was only on said date that funds were released for the purpose, and the amount so released was only sufficient to pay only 25% of the increase.
7. On January 15, 1972, more funds were released to implement fully RA 5753 and allow payment in full of the benefits thereunder from said date.

WHEREFORE, it is respectfully prayed that a decision be rendered in accordance with the foregoing stipulation of facts. It is likewise prayed that the parties be granted a period of (15) days within which to file their memoranda.”[2]

Upon consideration of the foregoing and the Memoranda filed by the parties, the lower Court rendered judgment against therein respondent Board of Administrators, the dispositive portion of which reads as follows:

"WHEREFORE, premises considered, judgment is hereby rendered for petitioner and the respondents are ordered to make petitioner's pension effective as of December 18, 1955 at the rate of P50.00 per month; and the rate increased to P100.00 per month plus P10.00 per month each for his ten unmarried minor children below 18 years of age from June 22, 1957 up to August 7, 1968; to pay the difference of P100.00 per month plus P30.00 per month and P20.00 per month each for his ten unmarried children below 18 years of age from June 22, 1969 up to January 15, 1971; the difference of P75.00 per month plus P22.50 per month for his wife and P20.00 per month each for his unmarried minor children then below 18 years of age from January 16, 1971 up to December 31, 1971.

"SO ORDERED.

"Manila, October 25, 1973." [3]

In its Petition before this Court, the Board of Administrators of the Philippine Veterans Administration, through the Office of the Solicitor General, challenges the abovementioned decision of the Court a quo on the following grounds:

1. The lower Court erred in ordering the petitioners to retroact the effectivity of their award to respondent Calixto V. Gasilao of full benefits under section 9 of RA 65 to December 18, 1955, the date when his application was disapproved due to his failure to complete his supporting papers and submit evidence to establish his service connected illness, and not August 8, 1968, the date when he was able to complete his papers and allow processing and approval of his application.
2. The lower Court erred in ordering payment of claims which had prescribed.
3. The lower Court erred in allowing payment of claims under a law for which no funds had been released. [4]

The question raised under the first assigned error is: When should private respondent Gasilao's pension benefits start?

The lower Court, quoting excerpts from Our decision in *Begosa vs. Chairman, Philippine Veterans Administration*, [5] ruled that Gasilao's pension benefits should retroact to the date of the disapproval of his claim on December 18, 1955, and not commence from the approval thereon on August 8, 1968 as contended by the Board of Administrators.

Petitioner maintains the stand that the facts of the *Begosa* case are not similar to those of the case at bar to warrant an application of the ruling therein on the retroactivity of a pension award to the date of prior disapproval of the claim. In the *Begosa* case, the Supreme Court speaking thru then Associate Justice, now Chief Justice Fernando, affirmed the decision of the lower Court, and ruled in part as follows:

"From the facts just set out, it will be noted that plaintiff filed his said claim for disability pension as far back as March 4, 1955; that it was erroneously disapproved on June 21, 1955, because his dishonorable discharge from the Army was not a good or proper ground for the said disapproval, and that on reconsideration asked for by him on November 1, 1957, which he continued to follow up, the Board of Administrators, Philippine Veterans Administration, composed of herein defendants, which took over the duties of the Philippine Veterans Board, finally approved his claim on September 2, 1964, at the rate of P30.00 a month." [6]

"Had it not been for the said error, it appears that there was no good ground to deny the said claim, so that the latter was valid and meritorious even as of the date of its filing on March 4, 1955, hence to make the same effective only as of the date of its approval on September 2, 1964 - according to defendant's stand - would be greatly unfair and prejudicial to plaintiff." [7]

In other words, the favorable award which claimant *Begosa* finally obtained on September 2, 1964 was made to

retroact to the date of prior disapproval of the claim on June 2, 1955 for the reason that such disapproval was erroneously made.

In the instant case, on the other hand, the herein claim of respondent Gasilao was denied on December 18, 1955 because of his "failure to complete his supporting papers and submit evidence to establish his service-connected illness" (Stipulation of Facts, Par. 4, ante). Nonetheless, the Stipulation of Facts admitted in par. 1 that "Petitioner was a veteran in good standing during the last World War that took active participation in the liberation drive against the enemy, and due to his mili-tary service, he was rendered disabled." From this admission in par. 1, it can reasonably be deduced that the action on the claim of Gasilao was merely suspended by the Philippine Veterans Administration pending the completion of the required supporting papers and evidence to establish his service-connected illness. Hence, Our ruling in the Begosa case making retroactive the award in favor of the veteran still holds.

Republic Act No. 65 otherwise known as the Veterans' Bill of Rights, as amended, does not explicitly provide for the effectivity of pension awards. However, peti-tioner seeks to remedy this legislative deficiency by citing Section 15 of the law which in part reads as follows:

"SEC. 15. Any person who desires to take advantage of the rights and privileges provided for in this Act should file his application with the Board x x x."

Petitioner contends that since the foregoing section impliedly requires that the application filed should first be approved by the Board of Administrators before the claimant could receive his pension, therefore, an award of pension benefits should commence from the date of the approval of the application.

This stand of the petitioner does not appear to be in consonance with the spirit and intent of the law, considering that Republic Act 65 is a veteran pension law which must be accorded a liberal construction and interpretation in order to favor those entitled to the rights, privileges and benefits granted thereunder, among which are the right to resume old positions in the government, educational benefits, the privilege to take promotional examinations, a life pension for the incapacitated, pensions for widow and children, hospi-talization and medical care benefits.

As it is generally known, the purpose of Congress in granting veteran pensions is to compensate, as far as may be, a class of men who suffered in the service for the hardships they endured and the dangers they encountered,[8] and more particularly, those who have become incapacitated for work owing to sickness, disease or injuries sustained while in line of duty.[9] A veteran pension law is, therefore, a governmental expres-sion of gratitude to and recognition of those who ren-dered service for the country, especially during times of war or revolution, by extending to them regular monetary aid. For this reason, it is the general rule that a liberal construction is given to pension statutes in favor of those entitled to pension. Courts tend to favor the pensioner, but such constructional preference is to be considered with other guides to interpretation, and a construction of pension laws must depend on its own particular language.[10]

Significantly, the original text of RA 65 provided that:

"SEC. 6. It also shall be the duty of the Board (then the Philippine Veterans Board) to pass upon the merits and qualifications of persons applying for the rights and/or privileges extended by this Act, pursuant to such rules as it may adopt to insure the speedy and honest fulfillment of its aims and purposes." (Italics supplied.)

The foregoing provision clearly makes it incumbent upon the implementing Board to carry out the provisions of the statute in the most expeditious way possible and without unnecessary delay. In the Begosa case, it took nine years (from June 2, 1955 to September 2, 1964) before the claimant finally obtained his pension grant, whereas in the instant case, it took about twelve years (from December, 1955 to August 8, 1968) for respondent Gasilao to

receive his pension claim. To Our mind, it would be more in consonance with the spirit and intentment of the law that the benefits therein granted be received and enjoyed at the earliest possible time by according retroactive effect to the grant of the pension award as We have done in the Begosa case.

On the other hand, if the pension awards are made effective only upon approval of the corresponding application which would be dependent on the discretion of the Board of Administrators which as noted above had been abused through inaction extending to nine years, even to twelve years, the noble and humanitarian pur-poses for which the law had enacted could easily be thwarted or defeated.

On the issue of prescription, petitioner cites Article 1144 of the Civil Code which provides:

"Art. 1144. The following actions must be brought within ten years from the time the right of action accrues:

- (1) Upon a written contract;
- (2) Upon an obligation created by law; and
- (3) Upon a judgment."

Petitioner now contends that since the action was filed in the lower Court on April 13, 1973 seeking the payment of alleged claims which have accrued more than ten (10) years prior to said date, the same should have been disallowed as to the prescribed claims.

The obligation of the government to pay pension was created by law (Sec. 9, R.A. 65). Hence, the ten-year prescriptive period should be counted from the date of passage of the law which is September 25, 1946, the reason being that it is only from said date that private respondent could have filed his application. Taking September 25, 1946 as the point of reference, the actual filing of Gasilao's application on July 23, 1955 was clearly made within and effectively interrupted the prescriptive period. It is not the date of the commencement of the action in the lower Court which should be reckoned with, for it was not on said date that Gasilao first sought to claim his pension benefits, but on July 23, 1955 when he filed his application with the defunct Philippine Veterans Board. As We had the occasion to state in the case of *Vda. de Nator vs. C.I.R.*,^[11] "the basis of prescription is the unwarranted failure to bring the matter to the attention of those who are by law authorized to take cognizance thereof."

The Stipulation of Facts do not show and neither do the records indicate when Gasilao attempted to reinstate his claim after the same was disapproved on December 18, 1955. What is evident is that he did take steps to reinstate his claim because on August 8, 1968, herein petitioner finally approved his application. We find it more logical to presume that upon being properly notified of the disapproval of his application and the reasons therefor, Gasilao, being the interested party that he was, proceeded to work for the completion of the requirements of the Board, as in fact he was successful in meeting such requirements. There is nothing in the record to show intentional abandonment of the claim to as to make the prescriptive period continue to run again.

The third ground relied upon in support of this Petition involves the issue as to whether or not the payment of increased pension provided in the amendatory Act, R.A. 5753, could be ordered, even where there was no actual release of funds for the purpose, although the law itself expressly provided for an appropriation. In the case of *Board of Administrators, Philippine Veterans Administration vs. Hon. Agcaoili, et al.*,^[12] penned by Chief Justice Fred Ruiz Castro, the same issue was treated in this wise:

"x x x The inability of the petitioner to pay Abrera the differential of P60.00 in monthly pension is attributed by it, in its own words, 'to the failure of Congress to appropriate the necessary funds to cover all claims for benefits, pensions and allowances.' And the petitioner states that it has 'no alternative but to suspend (full)

implementation of said laws until such time as sufficient funds have been appropriated by Congress' to cover the total amount of all approved claims.

"We find the explanation of the petitioner satisfactory, but we nevertheless hold that as a matter of law Abrera is entitled to a monthly pension of P120.00 from January 1, 1972 when Republic Act 5753 was implemented up to the present, if his physical disability rating has continued and continues to be 60%. Payment to him of what is due him from January 1, 1972 must however remain subject to the availability of Government funds duly set aside for the purpose, and subject further periodic re-rating of his physical disability.

"But even if we have thus defined the precise terms, nature and scope of the entitlement of the respondent Abrera, for the guidance of petitioner, we nevertheless refrain from ordering the petitioner to pay the amount of P120.00 per month from January 1, 1972 that is due to the respondent by virtue of the mandate of section 9 of Republic Act 65, as amended by Republic Act 5753, because the Government has thus far not provided the necessary funds to pay all valid claims duly approved under the authority of said statute."^[13] (*Italics supplied.*)

ACCORDINGLY, the judgment of the Court a quo is hereby modified to read as follows:

"WHEREFORE, premises considered, the Board of Administrators of the Philippine Veterans Administration (now the Philippine Veterans Affairs Office) is hereby ordered to make Gasilao's pension effective December 18, 1955 at the rate of P50.00 per month plus P10.00 per month for each of his then unmarried minor children below 18, and the former amount increased to P100.00 from June 22, 1957 to August 7, 1968.

"The differentials in pension to which said Gasilao, his wife and his unmarried minor children below 18 are entitled for the period from June 22, 1969 to January 14, 1972 by virtue of Republic Act No. 5753 are hereby declared subject to the availability of Government funds appropriated for the purpose."

SO ORDERED.

Teehankee, (Chairman), Makasiar, Fernandez, Melencio-Herrera, and Plana, JJ., concur.

[1] Annex "B", Petition, pp. 1-2; Rollo, pp. 19-20.

[2] Annex "B", Petition, pp. 2-3; Rollo, pp. 20-21.

[3] Annex "B", Petition, p. 8; Rollo, p. 26.

[4] Petition, pp. 4-5; Rollo, pp. 9-10.

[5] L-25616, April 30, 1970, 32 SCRA 466.

[6] *Ibid.*, pp. 468-469.

[7] *Ibid.*, p. 469.

[8] See 60 Am. Jur. 2d., p. 866.

[9] Section 9, R.A. 65.

[10] 60 Am. Jur., 2d., p. 881.

[11] L-16671, March 30, 1962, 4 SCRA 727.

[12] L-38129, July 23, 1974, 58 SCRA 72.

[13] Ibid., p. 77.

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