

## **SOCIAL SECURITY SYSTEM, PETITIONER AND APPELLEE, VS. CANDELARIA D. DAVAC, ET AL., RESPONDENTS, LOURDES TUPLANO, RESPONDENT AND APPELLANT.**

*G.R. No. L-21642. July 30, 1966*

Ponente: BARRERA, J.

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### **BARRERA, J.:**

This is an appeal from the resolution of the Social Security Commission declaring respondent Candelaria Davac as the person entitled to receive the death benefits payable for the death of Petronilo Davac.

The facts of the case as found by the Social Security Commission, briefly are: The late Petronilo Davac, a former employee of Lianga Bay Logging Co. Inc. became a member of the Social Security System (SSS for short) on September 1, 1957. As such member, he was assigned SS I.D. No. 08-007137. In SSS Form E-1 (Member's Record) which he accomplished and filed with the SSS on November 21, 1957, he designated respondent Candelaria Davac as his beneficiary and indicated his relationship to her as that of "wife". He died on April 5, 1959 and thereupon, each of the respondents (Candelaria Davac and Lourdes Tuplano) filed their claims for death benefit with the SSS. It appears from their respective claims and the documents submitted in support thereof, that the deceased contracted two marriages, the first, with claimant Lourdes Tuplano on August 29, 1946, who bore him a child, Romeo Davac, and the second, with claimant Candelaria Davac on January 18, 1949, with whom he had a minor daughter, Elizabeth Davac. Due to their conflicting claims, the processing thereof was held in abeyance, whereupon the SSS filed this petition praying that respondents be required to interplead and litigate between themselves their conflicting claims over the death benefits in question.

On February 25, 1968, the Social Security Commission issued the resolution referred to above. Not satisfied with the said resolution, respondent Lourdes Tuplano brought to us the present appeal.

The only question to be determined herein is whether or not the Social Security Commission acted correctly in declaring respondent Candelaria Davac as the person entitled to receive the death benefits in question.

Section 13, Republic Act No. 1161, as amended by Republic Act No. 1792, in force at the time of Petronilo Davac's death on April 5, 1959, provides:

"SEC. 13. Upon the covered employee's death or total and permanent disability under such conditions as the Commission may define, before becoming eligible for retirement and if either such death or disability is not compensable under the Workmen's Compensation Act, he or in case of his death, his beneficiaries, as recorded by his employer shall be entitled to the following benefit: \* \* \*." (Italics supplied.)

Under this provision, the beneficiary "as recorded" by the employee's employer is the one entitled to the death benefits. In the case of *Tecson vs. Social Security System*, (L-15798, December 28, 1961), this Court, construing said Section 13, said:

"it may be true that the purpose of the coverage under the Social Security System is protection of the employee

as well as of his family, but this purpose or intention of the law cannot be enforced to the extent of contradicting the very provisions of said law as contained in Section 13, thereof, \* \* \*. When the provisions of a law are clear and explicit, the courts can do nothing but apply its clear and explicit provisions (Velasco vs. Lopez, 1 Phil. 720; Caminetti vs. U.S., 242 U.S. 470, 61 L. ed. 442)."

But appellant contends that the designation herein made in the person of the second and, therefore, bigamous wife is null and void, because (1) it contravenes the provisions of the Civil Code, and (2) it deprives the lawful wife of her share in the conjugal property as well of her own and her child's legitimate in the inheritance.

As to the first point, appellant argues that a beneficiary under the Social Security System partakes of the nature of a beneficiary in a life insurance policy and, therefore, the same qualifications and disqualifications should be applied.

Article 2012 of the New Civil Code provides:

"ART. 2012. Any person who is forbidden from receiving any donation under Article 739 cannot be named beneficiary of a life insurance policy by the person who cannot make any donation to him according to said article."

And, Article 739 of the same Code prescribes:

"ART. 739. The following donations shall be void: "(1) Those made between persons who were guilty of adultery or concubinage at the time of the donation;

\* \* \* \* \*

Without deciding whether the naming of a beneficiary of the benefits accruing from membership in the Social Security System is a donation, or that it creates a situation analogous to the relation of an insured and the beneficiary under a life insurance policy, it is enough, for the purpose of the instant case, to state that the disqualification mentioned in Article 739 is not applicable to herein appellee Candelaria Davac because she was not guilty of concubinage, there being no proof that she had knowledge of the previous marriage of her husband Petronilo.[1]

Regarding the second point raised by appellant, the benefits accruing from membership in the Social Security System do not form part of the properties of the conjugal partnership of the covered member. They are disbursed from a public special fund created by Congress in pursuance to the declared policy of the Republic "to develop, establish gradually and perfect a social security system which \* \* \* shall provide protection against the hazards of disability, sickness, old age and death."[2]

The sources of this special fund are the covered employee's contribution (equal to 2-1/2 per cent of the employee's monthly compensation);[3] the employer's contribution (equivalent to 3-1/2 per cent of the monthly compensation of the covered employee);[4] and the Government contribution which consists in yearly appropriation of public funds to assure the maintenance of an adequate working balance of the funds of the System.[5] Additionally, Section 21 of the Social Security Act, as amended by Republic Act 1792, provides:

"SEC. 21. Government Guarantee. The benefits prescribed in this Act shall not be diminished and to guarantee said benefits the Government of the Republic of the Philippines accepts general responsibility for the solvency of the System."

From the foregoing provisions, it appears that the benefit receivable under the Act is in the nature of a special privilege or an arrangement secured by the law pursuant to the policy of the State to provide social security to the workingmen. The amounts that may thus be received cannot be considered as property earned by the member

during his lifetime. His contribution to the fund, it may be noted, constitutes only an insignificant portion thereof. Then, the benefits are specifically declared not transferable,[6] and exempted from tax, legal processes, and lien.[7] Furthermore, in the settlement of claims thereunder, the procedure to be observed is governed not by the general provisions of law, but by rules and regulations promulgated by the Commission. Thus, if the money is payable to the estate of a deceased member, it is the Commission, not the probate or regular court that determines the Person or persons to whom it is payable.[8] That the benefits under the Social Security Act are not intended by the lawmaking body to form part of the estate of the covered members may be gathered from the subsequent amendment made to Section 15 thereof, as follows :

"SEC. 15. Non-transfer ability of benefit. The System shall pay the benefits provided for in this Act to such person as may be entitled thereto in accordance with the provisions of this Act. Such benefits are not transferable and no power of attorney or other document executed by those entitled thereto in favor of any agent, attorney, or any other individual for the collection thereof in their behalf shall be recognized except when they are physically and legally unable to collect personally such benefits: Provided, however, That in the case of death benefits, if no beneficiary has been designated or the designation thereof is void, said benefits shall be paid to the legal heirs in accordance with the laws of succession."

(Rep. Act 2658, amending Rep. Act 1161.)

In short, if there is a named beneficiary and the designation is not invalid (as it is not so in this case), it is not the heirs of the employee who are entitled to receive the benefits (unless they are the designated beneficiaries themselves). It is only when there is no designated beneficiaries or when the designation is void, that the laws of succession are applicable. And we have already held that the Social Security Act is not a law of succession.[9]

Wherefore, in view of the foregoing considerations, the resolution of the Social Security Commission appealed from is hereby affirmed, with costs against the appellant. So ordered.

Concepción, C. J., Reyes, J. B. L., Dizon, Makalintal, Bengzon, J. P., Zaldivar and Sanchez, JJ., concur.

Resolution affirmed.

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[1] For a woman to be guilty of concubinage, she must know the man to be married. (Viada y Vilaseca, Vol. 5 p. 217)

[2] Sec. 1, Rep. Act 1792, in force at the time of death of hereto covered member,

[3] Sec. 18, id.

[4] Sec. 19, id.

[5] Sec. 20, id.

[6] Sec. 15, id.

[7] Sec. 16, id.

[8] Sec. 5, id.

[9] See Tecson vs. Social Security System, supra.

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