

SOCIAL SECURITY SYSTEM, PETITIONER, VS. THE HONORABLE COURT OF APPEALS AND MACHINE TOOLS MFG. COMPANY OF THE PHILIPPINES, INC., RESPONDENTS.

G.R. No. 105884. June 03, 1993

Ponente: CRUZ, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-105884/>

CRUZ, J.:

The Social Security System (SSS) filed a petition for remittance of social security contributions with the Social Security Commission (SSC) against private respondent Machine Tools Manufacturing Company, Phils.

An investigation was conducted by Field Representative Artemio M. Banta, who submitted a report dated January 6, 1986, finding the respondent liable in the sum of P308,277.67.[1]

After reinvestigation of the case at the request of the respondent, a Field Assessment Report and Memorandum both dated July 23, 1986, were submitted by Banta reducing the liability of the respondent to P13,270.90.[2]

The private respondent thereupon filed a motion to dismiss the petition and attached as annexes the said Field Assessment Report and SSS receipts to prove full payment of its indebtedness.

On October 16, 1986, the SSC dismissed the case.[3] The petitioner filed a motion for reconsideration within the reglementary period. The SSC granted the motion in an order dated December 11, 1986, and directed the parties to present further evidence.[4]

After hearing, the SSC issued an order on March 9, 1989, finding the private respondent liable to the petitioner in the amount of P308,277.67, representing unremitted premium contributions in behalf of its employees from January 1978 to December 1979, plus the penalties thereon for late payment in the amount of P1,121,301.49 computed as of March 1989.[5]

Reconsideration was denied on February 7, 1990. The private respondent then went to the Court of Appeals, arguing that the SSC erred in granting the motion for reconsideration of the SSS and in reopening the case. It cited Sec. 23, Rule X of the Social Security Commission, Hearing Procedure and Review, reading as follows:

Sec. 23. Finality of decision or awards. - An order or decision of the Commission shall become final after the expiration of the period within which to appeal, without such appeal having been filed. However, if the order, award or judgment of the Commission in the case is adverse to or against the SSS or in favor of the other party whether the latter is a petitioner or respondent, said order, award or judgment shall become immediately final and executory. (Now Sec. 6, Rule VI, Rules on Pleading, Practice and Procedure of the Social Security Commission).

In the decision here challenged,[6] the Court of Appeals agreed with the private respondent, thus:

The Order of Dismissal dated October 16, 1986 issued by the Commission in this case was an order adverse to or against the petitioner SSS. There can be no question, then, that the Order of Dismissal became final and

executory. The word "shall" does not make the finality of the Order of Dismissal discretionary on the Commission or contingent upon some event or proceeding. The word "shall" has been consistently held to mean that the finality of the order is mandatory, leaving no room for interpretation or delay.

Accordingly, the resolution of the SSC dated March 9, 1989, was declared null and void and set aside, and the order of dismissal dated October 16, 1986, was reinstated.

We reverse.

It is true that the SSS was not allowed to appeal against the decision of the SSC not only under the above-quoted Sec. 23 but also under Sec. 1 Rule VII, Rules on Pleading, Practice and Procedure of the Commission, reading as follows:

Sec. 1. Appeal. - Any decision of the Commission, in the absence of an appeal therefrom as herein provided, shall become final fifteen (15) calendar days after the date of notification to the parties and judicial review thereof shall be permitted only after any party claiming to be aggrieved thereby has exhausted his remedies before the Commission. The filing of the motion for reconsideration by any party suspends the running of the period of appeal. A party may appeal to the Court of Appeals, on question of fact, or both on questions of fact and law.

If the decision of the Commission involves only questions of law, the same shall be reviewed by the Supreme Court. In either appeal, no appeal bond shall be required. If no appeal is perfected within the periods hereinabove fixed, the order, award, decision or resolution of the Commission shall become final and may be executed as provided herein.

In all appeals, the Commission shall be made a party respondent or appellee and shall be represented by an attorney retained or employed by the Commission either alone or in collaboration with the solicitor general's office; provided that, no appeal shall be brought by the SSS against the decision of the Commission.

Nevertheless, the SSS was not left without a remedy, as it could have filed - as in fact it did - a motion for reconsideration with the SSC (which was granted). The filing of such motion was allowed under Sec. 22, Rule X, SSC, Hearing Procedure and Review, to wit:

Sec. 22. Motion for Reconsideration. The party aggrieved by the order, award, or resolution of the Commission may file a motion for reconsideration thereof within fifteen (15) calendar days from receipt of the same.

The filing of the motion for reconsideration shall interrupt the running of the period to appeal, unless said motion is pro-forma.

The party interested in upholding the order, award, resolution or decision of the Commission may file his opposition to the motion for reconsideration at any time before the resolution thereof, provided, that not more than one motion for reconsideration shall be allowed any party (Emphasis supplied; Now Sec. 5, Rule VI, Rules on Pleading Practice and Procedure of the SSC).

The Court notes that in its appeal to the respondent court, the private respondent complained that the amount of its liability was statistically improbable. This issue was not passed upon in the challenged decision, which merely declared that the reopening of the case before the SSC was not authorized.

The SSC found that as early as January 6, 1986, the SSS Regional Office No. 03 had already determined that the sum of P308,277.67 should be collected from the private respondent. The controversial reduction of the amount to P13,270.90 was disallowed because it was based on a study only of the documents submitted by respondent, namely, the daily and monthly payrolls from January 1978 to December 1979, SSS Form R-3s (Collection Lists), R-5s (Payment Returns) and Income Statements for the same period.

Banta testified that in order to justify such reduction, it was also necessary to scrutinize the book of accounts and ledgers of Machine Tools. However, the private respondent failed to submit these documents for examination, prompting him to make a revised report on October 15, 1986, recommending the collection of the original assessment of P308,277.67.

In the absence of such documents, the assessment had to be based on the records of the SSS as reported by the employer company itself. Under Section 24 (c) of the Social Security Law, these records shall be presumed correct as to the data and other matters stated therein unless the necessary corrections have been properly made by the parties concerned. The SSC found that no such corrections had been made by the private respondent.

The findings of fact of quasi-judicial agencies which have acquired expertise on the specific matters entrusted to their jurisdiction are accorded by this Court not only respect but even finality if they are supported by substantial evidence.[7] The findings of the SSC in its March 9, 1989, resolution have not been validly challenged and so must be sustained.

ACCORDINGLY, the petition is GRANTED. The decision the Court of Appeals dated March 11, 1992, is REVERSED and SET ASIDE. The resolution dated March 9, 1989 and order dated February 7, 1990 of the SSC in SCC Case No. 10016 are hereby AFFIRMED and REINSTATED.

SO ORDERED.

Griño-Aquino, Bellosillo, and Quiazon, JJ., concur.

[1] Rollo, p. 26.

[2] Ibid.

[3] Id., p. 22.

[4] id., p. 27.

[5] id., p. 42.

[6] Penned by Justice Alfredo Marigomen, with Campos, Jr. and Vailoces, JJ., concurring.

[7] Rabago v. NLRC, 200 SCRA 158; Apex Mining Co. Inc. v. Garcia, 199 SCRA 278, Leano v. Domingo, 198 SCRA 800; Earth Minerals Exploration, Inc. v. Macaraig, Jr., 194 SCRA 1; Biak na Bato Mining Co. v. Tanco, Jr., 193 SCRA 323.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.