

**DELFIN A. BRION, PETITIONER, VS. SOUTH PHILIPPINE UNION
MISSION OF THE SEVENTH DAY ADVENTIST CHURCH,
REPRESENTED BY PASTORS PATERNO DIAZ, ULYSSES CAMAGAY,
MANUEL DONATO AND WEND...**

G.R. No. 135136. May 19, 1999

Ponente: ROMERO, J.

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ROMERO, J.:

Blow, blow, thou winter wind,
Thou art not so unkind
As man's ingratitude ...

[Shakespeare: As You Like It, Act II, sc. 7, Line 174]

Vilified as an ingrate by his erstwhile church, accused of being possessed by the devil, and likened to the dog that bit the hand that fed him, petitioner Delfin A. Brion comes to this Court with a novel question of law: Must the conditions for eligibility for retirement be met only at the time of retirement or are these conditions continuing ones which must be complied with even after one has retired?

The facts are simple.

Petitioner Delfin A. Brion became a member of respondent South Philippine Union Mission of the Seventh Day Adventist Church (hereafter SDA) sometime in 1949. He worked his way up the ladder, starting as a literature evangelist, then a janitor or office helper, until he became an ordained minister and president of the Northeastern Mindanao Mission of the Seventh Day Adventist Church in Butuan City.

Respondent claims that due to corruption charges, petitioner was transferred to the Davao Mission of the SDA. Thereafter, allegedly due to an act of indiscretion with a masseuse, petitioner was demoted to the position of Sabbath School Director at the Northern Mindanao Mission of the SDA located at Cagayan de Oro City. Here, petitioner worked until he retired in 1983. As was the practice of the SDA, petitioner was provided a monthly amount as a retirement benefit.

Sometime thereafter, petitioner got into an argument with Samuel Sanes, another pastor of the SDA. This disagreement degenerated into a rift between petitioner and the SDA, culminating in the establishment by petitioner of a rival religious group which he called the "Home Church." Petitioner succeeded in enticing a number of SDA members to become part of his congregation even as he continued disparaging and criticizing the SDA. Because of his actions, petitioner was excommunicated by the SDA and, on July 3, 1993, his name was dropped from the Church Record Book. As a consequence of his "disfellowship," petitioner's monthly retirement benefit was discontinued by the SDA.

On December 21, 1995, petitioner filed an action for mandamus with the Regional Trial Court of Cagayan de Oro City asking that the SDA restore his monthly retirement benefit. On July 10, 1996, the trial court rendered a

decision, the dispositive portion of which reads:

WHEREFORE, premises considered, the Court finds in favor of plaintiff and hereby orders defendant to pay the retirement benefits due to the plaintiff from October 1995 to the present and all subsequent monthly benefits that may be due to the plaintiff until his demise. The Court finds no basis or no justification to the (sic) award any damages considering that there is no showing of bad faith on the part of defendant, since the latter acted in good faith and believing that it is within their right to withhold the benefits that may be due to the plaintiff.

Without pronouncement as to cost.

SO ORDERED.[1]

Aggrieved by the trial court's decision, the SDA filed an appeal with the Court of Appeals, docketed therein as CA-G.R. SP No. 43846. On March 19, 1998, the appellate court set aside the decision of the trial court and ordered the dismissal of petitioner's complaint. Petitioner filed a motion for reconsideration, which was denied on August 3, 1998, hence this petition.

We find for petitioner.

The following provisions on retirement, contained in the General Conference Working Policy of the SDA, are of primary importance in resolving the issue at hand:

[Paragraph] Z1010 Beneficiaries of Retirement Plan - The benefits of the retirement plan are designed for those who have devoted their lives to the work of the Seventh-day Adventist Church and are eligible to retire for reasons of old age and/or disability.

x x x x x x x x

[Paragraph] Z1025 Termination of Benefits - The benefits shall terminate with the decease of the beneficiary, except where there is an eligible surviving spouse and/or children.[2]

On the basis of these two provisions, the trial court ruled in favor of petitioner. In its own words:

Going over the aforecited provisions in the Retirement Plan of defendant church, it is very clear that the benefit of retirement provided therein are designed for those who have devoted their lives to the work of the SDA. The word "have" in the quoted provision refers to past acts rendered by the retiree to the defendant church. There is no doubt that plaintiff has devoted his life to the service. That is the reason he is qualified to receive the retirement benefit.

The second quoted provision does not impose any other cause of termination of the benefit except the death of the beneficiary. Since there is no other condition that is attached to the same except the death of the beneficiary, then the plaintiff must be entitled to receive the benefits provided. The retirement benefit is not conditional, but rather it is for past services that have already been rendered. The grant of retirement benefit is absolute since it is a reward for one who has devoted his life to the defendant church up to the time plaintiff retired.[3]

The above declaration was, however, refuted by the Court of Appeals when it stated in its decision that:

In the first place, its ruling that the wording of paragraph Z1010 - that by using the word "have," both parties intended to refer to past acts rendered by the retiree to the Church - is erroneous. The provision was couched in the present perfect tense, the word "have" being used as an auxiliary verb prefixed to the past participial form of the verb "devote." It is an elementary rule in grammar that the present perfect tense is used to refer to an action or condition that began in the past and continues to the present or has just been completed. Such being the case, the SDA's argument that a member must maintain loyalty and fealty to the Church for him to continue

to qualify for benefits gains ground. The use of the word "lives" also implies that the beneficiary devoted all of his life not just a part of it, to the work of the Church. On the other hand, the word "work," instead of "service," connotes the ministry of the Church, to which one can be devoted by loyalty, if no longer active participation.[4]

Furthermore, the Court of Appeals considered of great significance the fact that petitioner had been "disfellowed" and expelled by SDA. Citing American Jurisprudence, the appellate court held that:

It may preliminarily be observed that the profession of priest or minister of any denomination is held subject to its laws; he acquires it by compact, and is not exempt from the proper discipline and authority of his church. A minister, in the legal point of view, is a voluntary member of the association to which he belongs. The position is not forced upon him; he seeks it. He accepts it with all its burdens and consequences, with all the rules and laws and canons subsisting or to be made by competent authority, and may, at pleasure and with impunity, abandon it. While a member of the association, however, and having a full share in the benefits resulting therefrom, he should adhere to its discipline, conform to its doctrines and mode of worship, and obey its laws and canons.

The continuance, powers, and emoluments of a priest or minister depend on the will of the church, and the sentence of the church judicatory in a proper case deprives him of the position and the right to further salary or emoluments; hence, upon the dissolution or suspension of the pastoral relation, or upon the expulsion of a priest or minister from a pastorate, all right to further salary ceases.

x x x x x x x x.[5]

Retirement has been defined as a withdrawal from office, public station, business, occupation, or public duty.[6] It is the result of a bilateral act of the parties, a voluntary agreement between the employer and the employee whereby the latter, after reaching a certain age, agrees and/or consents to sever his employment with the former.[7] In this connection, the modern socio-economic climate has fostered the practice of setting up pension and retirement plans for private employees, initially through their voluntary adoption by employers, and lately, established by legislation. Pension schemes, while initially humanitarian in nature, now concomitantly serve to secure loyalty and efficiency on the part of employees, and to increase continuity of service and decrease the labor turnover by giving to the employees some assurance of security as they approach and reach the age at which earning ability and earnings are materially impaired or at an end.[8]

It must be noted, however, that the nature of the rights conferred by a retirement or pension plan depends in large measure upon the provisions of such particular plan. The Labor Code provides:

Art. 287. Retirement. - Any employee may be retired upon reaching the retirement age established in the collective bargaining agreement or other applicable employment contract.

In case of retirement, the employee shall be entitled to receive such retirement benefits as he may have earned under existing laws and any collective bargaining agreement and other agreements...

x x x x x x x x

From the above, it can be gleaned that employer and employee are free to stipulate on retirement benefits, as long as these do not fall below the floor limits provided by law.

Again, it has been held that "pension and retirement plans create a contractual obligation in which the promise to pay benefits is made in consideration of the continued faithful service of the employee for the requisite period.[9] In other words, before a right to retirement benefits or pension vests in an employee, he must have met the stated conditions of eligibility with respect to the nature of employment, age, and length of service. This is a condition precedent to his acquisition of rights thereunder.

Under the SDA's theory, however, the right to a pension never really vests in an employee, there being no fixed period for eligibility for retirement. The SDA insists that an employee must "devote his life to the work of the Seventh-day Adventist Church" even after retirement to continue enjoying retirement benefits. There is, thus, no definite length of service provided as the SDA can withdraw retirement benefits at any time after "retirement," if it determines that a "retired employee" is not devoting his life to the work of the church. Furthermore, the SDA's eligibility requirement as to length of service is even more stringent than that required by law. Under the Labor Code, "an employee upon reaching the age of sixty (60) years or more, but not beyond sixty-five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in the said establishment may retire and shall be entitled to retirement pay..." Under the law, service for five years is enough to entitle an employee who meets the requisite age to retirement benefits. However, the SDA would require its employees to serve it for all his lifetime. It must be noted that petitioner has served the SDA for thirty-four (34) years.

Likewise, the SDA's theory negates the very concept of retirement. As earlier defined, retirement means to withdraw from one's office, occupation, or duty. To require petitioner to continue "devoting his life to the work of the Seventh-day Adventist Church" would mean that petitioner never really withdraws from his office or occupation, that of working for the church. It is an oxymoron to retire an employee and yet require him to continue working for the same employer. This Court cannot, thus give its imprimatur to SDA's theory. We rule that the conditions of eligibility for retirement must be met at the time of retirement at which juncture the right to retirement benefits or pension, if the employee is eligible, vests in him.

In the present case, petitioner was adjudged by the SDA in 1983, to be qualified for retirement, such that when it began paying petitioner retirement benefits in said year, it must have been convinced that petitioner had "devoted his life to the work of the Seventh-day Adventist Church." Having arrived at such a conclusion, it may not now reverse this finding to the detriment of petitioner.

Furthermore, pension and retirement plans, in line with the Constitutional mandate of affording full protection to labor,[10] must be liberally construed in favor of the employee, it being the general rule that pension plans formulated by an employer are to be construed most strongly against the employer.[11] Hence, where two constructions of a retirement plan are possible, one of which requires the retiree to devote his life to the service of the church even after retirement, and the other of which sanctions the severance by the retiree of his employment thereto at retirement, this Court will not hesitate to adopt the latter interpretation.

Bolstering this conclusion is this Court's observation in *UST Faculty Union v. NLRC*[12] that "upon the ... retirement of an employee or official in the public or private service his employment is deemed terminated." With the termination of employment, the right of the employer to control the employee's conduct, the so-called "control test" also terminates; hence, after retirement, the SDA may no longer require petitioner to devote his life to the work of the church, it having lost control over its erstwhile employee.

Given the above disquisition, it can be seen that the importance placed by the appellate court on petitioner's excommunication and "disfellowship" is misplaced. While it is true that "upon the expulsion of a priest or minister from a pastorate, all right to further salary ceases,"[13] this presupposes that the priest or minister is still on "active duty," so to speak. Here, petitioner has already retired. Hence, he already had a vested right to receive retirement benefits, a right which could not be taken away from him by expulsion or excommunication, this not being a ground for termination of retirement benefits under the SDA's retirement plan. In fact, under paragraph Z1025 of the SDA's General Conference Working Policy, retirement benefits terminate only with the decease of the beneficiary, an event which has not yet transpired here. The SDA must, thus, pay petitioner his retirement benefits despite his establishment of a rival church and his excommunication.

Again, while paying retirement benefits to petitioner may be odious and abhorrent to the SDA, in the absence of any other stipulation for the termination of petitioner's retirement benefits, the SDA must comply with its contractual obligations, the contract being the law between the parties. As correctly pointed out by the trial court:

While what plaintiff is doing may be inimical, despicable or repulsive to the view of defendant, it is of no consequence. *Dura lex sed lex*, the law is hard but that is the law. Since the only condition for the termination of the same is death of (sic) beneficiary, then the defendant cannot legally cut off what is due to the plaintiff.[14]

In refutation of this point, the appellate court declared that:

[I]t is not only death which would terminate receipt of benefits under the retirement plan, as per paragraph Z1025 of the GCWP; to this extent, the covenant must be deemed subject to the implied condition that the beneficiary continues to be a member in good standing of the church. The Court believes that such an understanding is inherent in every relationship between the believer and his church.[15]

Obviously, the SDA would have petitioner cease and desist from organizing and running a rival church. This is analogous to provisions limiting or prohibiting a retiree or pensioner from engaging in a competitive business or accepting employment with a business competitor, a clause not infrequently found in private retirement or pension plans. The SDA, however, chose not to include such a provision in its General Conference Working Policy. For its lack of foresight, it now seeks to extricate itself from a messy situation through the assistance of the Court. This Court's pronouncement in *Vales v. Villa*[16] seems particularly apropos:

Courts cannot follow [a person] every step of his life and extricate him from bad bargains, protect him from unwise investments, relieve him from one-sided contracts, or annul the effects of foolish acts. Courts cannot constitute themselves guardians of persons who are not legally incompetent. Courts operate not because one person has been defeated or overcome by another, but because he has been defeated or overcome illegally. Men may do foolish things, make ridiculous contracts, use miserable judgment, and lose money by them—indeed, all they have in the world; but not for that alone can the law intervene and restore. There must be, in addition, a violation of law, the commission of what the law knows as an actionable wrong, before the courts are authorized to lay hold the situation and remedy it.

Petitioner's establishment of a rival church hardly qualifies as an actionable wrong. In fact, it is a perfectly legitimate exercise of one's freedom of religion enshrined in our Constitution.

WHEREFORE, premises considered, the decision of the Court of Appeals dated March 19, 1998 is hereby REVERSED and SET ASIDE and the decision of the trial court dated July 10, 1996 AFFIRMED in toto. No pronouncement as to costs.

SO ORDERED.

Vitug, Panganiban, and Gonzaga-Reyes, JJ., concur.
Purisima, J., did not participate in the deliberations.

[1] Rollo, p. 30.

[2] Ibid., p. 24.

[3] Ibid., p. 29.

[4] Ibid., p. 25.

[5] Ibid., p. 24, citing 66 AmJur 2d, Religious Societies, § 28.

[6] Webster's Third New International Dictionary.

[7] Soberano v. Secretary of Labor, 99 SCRA 558 (1980).

[8] 60 AmJur 2d, Pension and Retirement Funds § 73.

[9] Ibid., § 74

[10] Const., Art XIII, Section 3.

[11] Frietzsche v. First Western Bank and Trust Co., 336 P2d 589.

[12] 188 SCRA 400 (1990).

[13] Rollo, p. 25.

[14] Ibid., p. 30.

[15] Ibid., p. 25-26.

[16] 35 Phil. 769 (1916).

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