

GOVERNMENT SERVICE INSURANCE SYSTEM, PETITIONER, VS. COMMISSION ON AUDIT, RESPONDENT.

G.R. NO. 138381. February 09, 2006

Ponente: YNARES-SANTIAGO, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-138381/>

YNARES-SANTIAGO, J.:

Before us is a Motion to Order the Court of Origin to Issue Writ of Execution[1] filed by respondents in G.R. No. 141625, to compel petitioner Government Service Insurance System (GSIS) to execute this Court's final and executory Resolution[2] promulgated on November 10, 2004.

In said resolution, the Court held that Commission on Audit (COA) disallowances cannot be deducted from retirement benefits as the same are explicitly exempt from such deductions under Section 39 of Republic Act No. 8291. Consequently, petitioner GSIS was ordered to refund to respondents all deductions from the latter's retirement benefits except amounts representing respondents' monetary liability to the GSIS as well as other amounts mutually agreed upon by the parties.

According to respondents, they filed a Motion for Issuance of Writ of Execution[3] with the "court of origin," the GSIS Board of Trustees (GSIS Board), upon entry of judgment in this case. Until the present time, however, the Board has not acted upon their motion and continues to refuse to do so. The GSIS Board is allegedly using, as an excuse for avoiding refund of all deductions, the "authorizations" they executed permitting the GSIS to deduct COA disallowances from their retirement benefits. However, said "authorizations" are void since these were forced upon respondents as a pre-condition for the processing of their retirement applications and are, in fact, contrary to law and public policy.

Respondents further allege that while, under the principle of *solutio indebiti*, they are obligated to return to the GSIS amounts representing benefits which were properly disallowed by the COA, the Court's resolution is clear that the GSIS must seek recovery thereof only through a proper court action. In other words, respondents posit that despite the "authorizations," the GSIS must still refund to respondents the COA disallowances and thereafter sue them to recover amounts representing the same.

Finally, counsel for respondents seeks an order from this Court directing the GSIS Board to deduct 15 % from the amounts to be refunded as his contingent professional fees, pursuant to duly executed retainer agreements and the November 10, 2004 resolution of this Court.

Under the third paragraph of Section 1, Rule 39[4] of the Rules of Court, an appellate court may, on motion in the same case, direct the court of origin to issue a writ of execution when the interest of justice so requires. In this case, the "court of origin" is the GSIS Board of Trustees before whom respondents' claims were originally heard pursuant to Section 30 of Republic Act No. 8291.[5] Hence, in order to write finis to this controversy, the GSIS Board is ordered to execute this Court's resolution dated November 10, 2004 by requiring petitioner GSIS for an accounting of the amounts to be refunded (as well as amounts already refunded) to respondents. In effecting said refund, the parties are reminded of the following guidelines enunciated in the November 10, 2004 resolution:

(1) All deductions from respondent's retirement benefits should be refunded except those amounts which may properly be defined as "monetary liability to the GSIS";

(2) Any other amount to be deducted from retirement benefits must be agreed upon by and between the parties; and

(3) Refusal on the part of respondents to return disallowed benefits shall give rise to a right of action in favor of GSIS before the courts of law.[6]

As for the amounts properly disallowed by the COA and which are covered by "authorizations" executed by respondents, petitioner GSIS may exclude the same from the refund considering that said "authorizations" may be deemed to have been duly executed and covered by (2) above. Absent any appropriate challenge to its validity, the "authorizations" are considered subsisting and in effect, until annulled in a proper proceeding on the grounds cited by respondents.

In relation to (2) above, petitioner GSIS is further ordered to withhold 15% of the amount to be refunded to respondents and to remit the same to Atty. Agustin Sundiam as the latter's professional fees, subject to proof of an agreement between him and his individual clients. Accordingly, Atty. Sundiam must submit a list of his clients' names and a copy of said agreements to petitioner GSIS.

WHEREFORE, the GSIS Board of Trustees is ORDERED to execute this Court's resolution dated November 10, 2004 by requiring petitioner GSIS to strictly comply therewith, subject to established guidelines, and to submit proof of compliance within thirty (30) days from receipt of this resolution. Unless ordered by the Court, no further pleadings shall be entertained in this case.

SO ORDERED.

Panganiban, C.J., Puno, Quisumbing, Carpio, Austria-Martinez, , Carpio-Morales, Callejo, sr., Azcuna, Tinga, Chico-Nazario, and Garcia., JJ. concur.

Sandoval-Gutierrez, and Corona., JJ., on leave.

[1] Rollo (G.R. No. 141625), pp. 639-647.

[2] Id. at 579-594.

[3] Id. at 648-650.

[4] RULES OF COURT, Rule 39, Sec. 1. Execution upon judgments or final orders.-

x x x x

The appellate court may, on motion in the same case, when the interest of justice so requires, direct the court of origin to issue the writ of execution.

[5] SEC. 30. Settlement of Disputes.- The GSIS shall have original and exclusive jurisdiction to settle any dispute arising under this Act and any other laws administered by the GSIS.

The Board may designate any member of the Board, or official of the GSIS who is a lawyer, to act as hearing officer to receive evidence, make findings of fact and submit recommendations thereon. The hearing officer shall submit his findings and recommendations, together with all the documentary and testimonial evidence to the board within thirty (30) working days from the time the parties have closed their respective evidence and filed their last pleading. The Board shall decide the case within thirty (30) days from the receipt of the hearing officer's

findings and recommendations. The cases heard directly by the Board shall be decided within thirty (30) working days from the time they are submitted by the parties for decision.

[6] Rollo (G.R. No. 141625), p. 591.

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.