

**DEPARTMENT OF BUDGET AND MANAGEMENT, REPRESENTED BY
SECRETARY ROMULO L. NERI, PHILIPPINE NATIONAL POLICE,
REPRESENTED BY POLICE DIRECTOR GENERAL ARTURO L.
LOMIBAO, NATIONAL POLI...**

G.R. No. 169466. May 09, 2007

Ponente: GARCIA, J.

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GARCIA, J.:

Assailed and sought to be set aside in this petition for review on certiorari under Rule 45 of the Rules of Court are the following issuances of the Court of Appeals (CA) in CA-G.R. CV No. 78203, to wit:

- Decision[1] dated July 7, 2005 which affirmed in toto the decision of the Regional Trial Court of Manila, Branch 32, in Civil Case No. 02-103702, a suit for declaratory relief, declaring the herein respondents entitled to the same retirement benefits accorded upon retirees of the Philippine National Police (PNP) under Republic Act (R.A.) No. 6975, as amended by R.A. No. 8551, and ordering the herein petitioners to implement the proper adjustments on respondents' retirement benefits; and
- Resolution[2] dated August 24, 2005 which denied the petitioners' motion for reconsideration.

The antecedent facts:

In 1975, Presidential Decree (P.D.) No. 765 was issued constituting the Integrated National Police (INP) to be composed of the Philippine Constabulary (PC) as the nucleus and the integrated police forces as components thereof. Complementing P.D. No. 765 was P.D. No. 1184[3] dated August 26, 1977 (INP Law, hereinafter) issued to professionalize the INP and promote career development therein.

On December 13, 1990, Republic Act (R.A.) No. 6975, entitled "AN ACT ESTABLISHING THE PHILIPPINE NATIONAL POLICE UNDER A REORGANIZED DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT, AND FOR OTHER PURPOSES," hereinafter referred to as PNP Law, was enacted. Under Section 23 of said law, the Philippine National Police (PNP) would initially consist of the members of the INP, created under P.D. No. 765, as well as the officers and enlisted personnel of the PC. In part, Section 23 reads:

SEC. 23. Composition. - Subject to the limitation provided for in this Act, the Philippine National Police, hereinafter referred to as the PNP, is hereby established, initially consisting of the members of the police forces who were integrated into the Integrated National Police (INP) pursuant to Presidential Decree No. 765, and the officers and enlisted personnel of the Philippine Constabulary (PC).

A little less than eight (8) years later, or on February 25, 1998, R.A. No. 6975 was amended by R.A. No. 8551, otherwise known as the "PHILIPPINE NATIONAL POLICE REFORM AND REORGANIZATION ACT OF 1998." Among other things, the amendatory law reengineered the retirement scheme in the police organization. Relevantly, PNP personnel, under the new law, stood to collect more retirement benefits than what INP members of equivalent rank, who had retired under the INP Law, received.

The INP retirees illustrated the resulting disparity in the retirement benefits between them and the PNP retirees as follows:[4]

Retirement Rank

Monthly Pension

Difference

INP

PNP

INP

PNP

Corporal

SPO3

P 3,225.00

P 11,310.00

P 8,095.00

Captain

P. Sr. Insp.

P 5,248.00

P 15,976.00

P10,628.00

Brig. Gen.

P. Chief Supt.

P 10,054.24

P 18,088.00

P 8,033.76

Hence, on June 3, 2002, in the Regional Trial Court (RTC) of Manila, all INP retirees, spearheaded by the Manila's Finest Retirees Association, Inc., or the MFRAI (hereinafter collectively referred to as the INP Retirees), filed a petition for declaratory relief,[5] thereunder impleading, as respondents, the Department of Budget and Management (DBM), the PNP, the National Police Commission (NAPOLCOM), the Civil Service Commission (CSC) and the Government Service Insurance System (GSIS). Docketed in the RTC as Civil Case

No. 02-103702, which was raffled to Branch 22 thereof, the petition alleged in gist that INP retirees were equally situated as the PNP retirees but whose retirement benefits prior to the enactment of R.A. No. 6975, as amended by R.A. No. 8551, were unconscionably and arbitrarily excepted from the higher rates and adjusted benefits accorded to the PNP retirees. Accordingly, in their petition, the petitioning INP retirees pray that a -

DECLARATORY JUDGMENT be rendered in their favor, DECLARING with certainty that they, as INP-retirees, are truly absorbed and equally considered as PNP-retirees and thus, entitled to enjoy the SAME or IDENTICAL retirement benefits being bestowed to PNP-retirees by virtue of said PNP Law or Republic Act No. 6975, as amended by Republic Act 8551, with the corollary mandate for the respondents-government agencies to effect the immediate adjustment on their previously received disparate retirement benefits, retroactive to its effectivity, and with due payment thereof.

The GSIS moved to dismiss the petition on grounds of lack of jurisdiction and cause of action. On the other hand, the CSC, DBM, NAPOLCOM and PNP, in their respective answers, asserted that the petitioners could not claim the more generous retirement benefits under R.A. No. 6975 because at no time did they become PNP members, having retired prior to the enactment of said law. DBM, NAPOLCOM and PNP afterwards filed their respective pre-trial briefs.

The ensuing legal skirmish is not relevant to the disposition of the instant case. The bottom line is that, on March 21, 2003, the RTC came out with its decision[6] holding that R.A. No. 6975, as amended, did not abolish the INP but merely provided for the absorption of its police functions by the PNP, and accordingly rendered judgment for the INP retirees, to wit:

WHEREFORE, this Court hereby renders JUDGMENT DECLARING the INP Retirees entitled to the same or identical retirement benefits and such other benefits being granted, accorded and bestowed upon the PNP Retirees under the PNP Law (RA No. 6975, as amended).

The respondents Government Departments and Agencies shall IMMEDIATELY EFFECT and IMPLEMENT the proper adjustments on the INP Retirees' retirement and such other benefits, RETROACTIVE to its date of effectivity, and RELEASE and PAY to the INP Retirees the due payments of the amounts.

SO ORDERED.

On April 2, 2003, the trial court issued what it denominated as Supplement to the Decision whereunder it granted the GSIS' motion to dismiss and thus considered the basic petition as withdrawn with respect to the latter.

From the adverse decision of the trial court, the remaining respondents, namely, DBM, PNP, NAPOLCOM and CSC, interposed an appeal to the CA whereat their appellate recourse was docketed as CA-G.R. CV No. 78203.

As stated at the threshold hereof, the CA, in its decision of July 7, 2005,[7] affirmed that of the trial court upholding the entitlement of the INP retirees to the same or identical retirement benefits accorded upon PNP retirees under R.A. No. 6975, as amended.

Their motion for reconsideration having been denied by the CA in its equally assailed resolution of August 24, 2005,[8] herein petitioners are now with this Court via the instant recourse on their singular submission that -

THE COURT OF APPEALS COMMITTED A SERIOUS ERROR IN LAW IN AFFIRMING THE DECISION OF THE TRIAL COURT NOTWITHSTANDING THAT IT IS CONTRARY TO LAW AND ESTABLISHED JURISPRUDENCE.

We DENY.

In the main, it is petitioners' posture that R.A. No. 6975 clearly abolished the INP and created in its stead a new police force, the PNP. Prescinding therefrom, petitioners contend that since the PNP is an organization entirely

different from the INP, it follows that INP retirees never became PNP members. Ergo, they cannot avail themselves of the retirement benefits accorded to PNP members under R.A. No. 6975 and its amendatory law, R.A. No. 8551.

A flashback at history is proper.

As may be recalled, R.A. No. 6975 was enacted into law on December 13, 1990, or just about four (4) years after the 1986 EDSA Revolution toppled down the dictatorship regime. Egged on by the current sentiment of the times generated by the long period of martial rule during which the police force, the PC-INP, had a military character, being then a major service of the Armed Forces of the Philippines, and invariably moved by a fresh constitutional mandate for the establishment of one police force which should be national in scope and, most importantly, purely civilian in character,[9] Congress enacted R.A. No. 6975 establishing the PNP and placing it under the Department of Interior and Local Government. To underscore the civilian character of the PNP, R.A. No. 6975 made it emphatically clear in its declaration of policy the following:

Section 2. Declaration of policy - It is hereby declared to be the policy of the State to promote peace and order, ensure public safety and further strengthen local government capability aimed towards the effective delivery of the basic services to the citizenry through the establishment of a highly efficient and competent police force that is national in scope and civilian in character. xxx

The police force shall be organized, trained and equipped primarily for the performance of police functions. Its national scope and civilian character shall be paramount. No element of the police force shall be military nor shall any position thereof be occupied by active members of the [AFP]. (Emphasis and word in bracket supplied.).

Pursuant to Section 23, supra, of R.A. No. 6975, the PNP initially consisted of the members of the police forces who were integrated into the INP by virtue of P.D. No. 765, while Section 86[10] of the same law provides for the assumption by the PNP of the police functions of the INP and its absorption by the former, including its appropriations, funds, records, equipment, etc., as well as its personnel.[11] And to govern the statute's implementation, Section 85 of the Act spelled out the following absorption phases:

Phase I - Exercise of option by the uniformed members of the [PC], the PC elements assigned with the Narcotics Command, CIS, and the personnel of the technical services of the AFP assigned with the PC to include the regular CIS investigating agents and the operatives and agents of the NAPOLCOM Inspection, Investigation and Intelligence Branch, and the personnel of the absorbed National Action Committee on Anti-Hijacking (NACAH) of the Department of National Defense to be completed within six (6) months from the date of the effectivity of this Act. At the end of this phase, all personnel from the INP, PC, AFP Technical Services, NACAH, and NAPOLCOM Inspection, Investigation and Intelligence Branch shall have been covered by official orders assigning them to the PNP, Fire and Jail Forces by their respective units.

Phase II - Approval of the table of organization and equipment of all bureaus and offices created under this Act, preparation and filling up of their staffing pattern, transfer of assets to the [DILG] and organization of the Commission, to be completed within twelve (12) months from the effectivity date hereof. At the end of this phase, all personnel to be absorbed by the [DILG] shall have been issued appointment papers, and the organized Commission and the PNP shall be fully operational.

The PC officers and enlisted personnel who have not opted to join the PNP shall be reassigned to the Army, Navy or Air Force, or shall be allowed to retire under existing AFP rules and regulations. Any PC-INP officer or enlisted personnel may, within the twelve-month period from the effectivity of this Act, retire and be paid retirement benefits corresponding to a position two (2) ranks higher than his present grade, subject to the conditions that at the time he applies for retirement, he has rendered at least twenty (20) years of service and still has, at most, twenty-four (24) months of service remaining before the compulsory retirement age as

provided by existing law for his office.

Phase III - Adjustment of ranks and establishment of one (1) lineal roster of officers and another for non-officers, and the rationalization of compensation and retirement systems; taking into consideration the existing compensation schemes and retirement and separation benefit systems of the different components of the PNP, to ensure that no member of the PNP shall suffer any diminution in basic longevity and incentive pays, allowances and retirement benefits due them before the creations of the PNP, to be completed within eighteen (18) months from the effectivity of this Act. xxx.

Upon the effectivity of this Act, the [DILG] Secretary shall exercise administrative supervision as well as operational control over the transferred, merged and/or absorbed AFP and INP units. The incumbent Director General of the PC-INP shall continue to act as Director General of the PNP until ... replaced (Emphasis and words in brackets supplied.)

From the foregoing, it appears clear to us that the INP was never, as posited by the petitioners, abolished or terminated out of existence by R.A. No. 6975. For sure, nowhere in R.A. No. 6975 does the words "abolish" or "terminate" appear in reference to the INP. Instead, what the law provides is for the "absorption," "transfer," and/or "merger" of the INP, as well as the other offices comprising the PC-INP, with the PNP. To "abolish" is to do away with, to annul, abrogate or destroy completely;^[12] to "absorb" is to assimilate, incorporate or to take in.^[13] "Merge" means to cause to combine or unite to become legally absorbed or extinguished by merger^[14] while "transfer" denotes movement from one position to another. Clearly, "abolition" cannot be equated with "absorption."

True it is that Section 90^[15] of R.A. No. 6975 speaks of the INP "[ceasing] to exist" upon the effectivity of the law. It ought to be stressed, however, that such cessation is but the logical consequence of the INP being absorbed by the PNP.

Far from being abolished then, the INP, at the most, was merely transformed to become the PNP, minus of course its military character and complexion.

Even the petitioners' effort at disclosing the legislative intent behind the enactment of R.A. No. 6975 cannot support their theory of abolition. Rather, the Senate and House deliberations on the bill that eventually became R.A. No. 6975 reveal what has correctly been held by the CA in its assailed decision: that the PNP was precisely created to erase the stigma spawned by the militarization of the police force under the PC-INP structure. The rationale behind the passage of R.A. No. 6975 was adequately articulated by no less than the sponsor^[16] of the corresponding House bill in his sponsorship speech, thus:

By removing the police force from under the control and supervision of military officers, the bill seeks to restore and underscore the civilian character of police work - an otherwise universal concept that was muddled up by the martial law years.

Indeed, were the legislative intent was for the INP's abolition such that nothing would be left of it, the word "abolish" or what passes for it could have easily found its way into the very text of the law itself, what with the abundant use of the word during the legislative deliberations. But as can be gleaned from said deliberations, the lawmakers' concern centered on the fact that if the entire PC-INP corps join the PNP, then the PC-INP will necessarily be abolished, for who then would be its members? Of more consequence, the lawmakers were one in saying that there should never be two national police agencies at the same time.

With the conclusion herein reached that the INP was not in fact abolished but was merely transformed to become the PNP, members of the INP which include the herein respondents are, therefore, not excluded from availing themselves of the retirement benefits accorded to PNP retirees under Sections 74^[17] and 75^[18] of R.A. No.

6975, as amended by R.A. No. 8551. It may be that respondents were no longer in the government service at the time of the enactment of R.A. No. 6975. This fact, however, without more, would not pose as an impediment to the respondents' entitlement to the new retirement scheme set forth under the aforecited sections. As correctly ratiocinated by the CA to which we are in full accord:

For sure, R.A. No. 6975 was not a retroactive statute since it did not impose a new obligation to pay the INP retirees the difference between what they received when they retired and what would now be due to them after R.A. No. 6975 was enacted. Even so, that did not render the RTC's interpretation of R.A. No. 6975 any less valid. The [respondents'] retirement prior to the passage of R.A. No. 6975 did not exclude them from the benefits provided by R.A. No. 6975, as amended by R.A. No. 8551, since their membership in the INP was an antecedent fact that nonetheless allowed them to avail themselves of the benefits of the subsequent laws. R.A. No. 6975 considered them as PNP members, always referring to their membership and service in the INP in providing for their retirement benefits. [19]

Petitioners maintain, however, that NAPOLCOM Resolution No. 8,[20] particularly Section 11[21] thereof, bars the payment of any differential in retirement pay to officers and non-officers who are already retired prior to the effectivity of R.A. No. 6975.

The contention does not commend itself for concurrence.

Under the amendatory law (R.A. No. 8551), the application of rationalized retirement benefits to PNP members who have meanwhile retired before its (R.A. No. 8551) enactment was not prohibited. In fact, its Section 38[22] explicitly states that the rationalized retirement benefits schedule and program "shall have retroactive effect in favor of PNP members and officers retired or separated from the time specified in the law." To us, the aforesaid provision should be made applicable to INP members who had retired prior to the effectivity of R.A. No. 6975. For, as afore-held, the INP was, in effect, merely absorbed by the PNP and not abolished.

Indeed, to bar payment of retirement pay differential to INP members who were already retired before R.A. No. 6975 became effective would even run counter to the purpose of NAPOLCOM Resolution No. 8 itself, as expressed in its preambulatory clause, which is to rationalize the retirement system of the PNP taking into consideration existing retirement and benefit systems (including R.A. No. 6975 and P.D. No. 1184) of the different components thereof "to ensure that no member of the PNP shall suffer any diminution in the retirement benefits due them before the creation of the PNP." [23]

Most importantly, the perceived restriction could not plausibly preclude the respondents from asserting their entitlement to retirement benefits adjusted to the level when R.A. No. 6975 took effect. Such adjustment hews with the constitutional warrant that "the State shall, from time to time, review to upgrade the pensions and other benefits due to retirees of both the government and private sectors," [24] and the implementing mandate under the Senior Citizen's Law [25] that "to the extent practicable and feasible, retirement benefits xxx shall be upgraded to be at par with the current scale enjoyed by those in actual service."

Certainly going for the respondents in their bid to enjoy the same retirement benefits granted to PNP retirees, either under R.A. No. 6975 or R.A. No. 8551, is Section 34 of the latter law which amended Section 75 of R.A. No. 6975 by adding thereto the following proviso:

Section 75. Retirement benefits. x x x: Provided, finally, That retirement pay of the officers/non-officers of the PNP shall be subject to adjustments based on the prevailing scale of base pay of police personnel in the active service.

Then, too, is the all familiar rule that:

Retirement laws should be liberally construed in favor of the retiree because their intention is to provide for his sustenance and hopefully, even comfort, when he no longer has the stamina to continue earning his livelihood. The liberal approach aims to achieve the humanitarian purposes of the law in order that efficiency, security and well-being of government employees may be enhanced.[26]

The petitioners parlay the notion of prospective application of statutes, noting in this regard that R.A. No. 6975, as amended, cannot be applied retroactively, there being no provision to that effect.

We are not persuaded.

As correctly found by the appellate court, R.A. No. 6975 itself contextually provides for its retroactive application to cover those who had retired prior to its effectivity. In this regard, we invite attention to the three (3) phases of implementation under Section 85 for the absorption and continuation in the service of, among others, the INP members under the newly-established PNP.

In a further bid to scuttle respondents' entitlement to the desired retirement benefits, the petitioners fault the trial court for ordering the immediate adjustments of the respondents' retirement benefits when the basic petition filed before it was one for declaratory relief. To the petitioners, such petition does not essentially entail an executory process, the only relief proper under that setting being a declaration of the parties' rights and duties.

Petitioners' above posture is valid to a point. However, the execution of judgments in a petition for declaratory relief is not necessarily indefensible. In *Philippine Deposit Insurance Corporation[PDIC] v. Court of Appeals*,[27] wherein the Court affirmed the order for the petitioners therein to pay the balance of the deposit insurance to the therein respondents, we categorically ruled:

Now, there is nothing in the nature of a special civil action for declaratory relief that proscribes the filing of a counterclaim based on the same transaction, deed or contract subject of the complaint. A special civil action is after all not essentially different from an ordinary civil action, which is generally governed by Rules 1 to 56 of the Rules of Court, except that the former deals with a special subject matter which makes necessary some special regulation. But the identity between their fundamental nature is such that the same rules governing ordinary civil suits may and do apply to special civil actions if not inconsistent with or if they may serve to supplement the provisions of the peculiar rules governing special civil actions.[28]

Similarly, in *Matalin Coconut Co., Inc. v. Municipal Council of Malabang, Lanao del Sur*: [29] the Court upheld the lower court's order for a party to refund the amounts paid by the adverse party under the municipal ordinance therein questioned, stating:

x x x Under Sec. 6 of Rule 64, the action for declaratory relief may be converted into an ordinary action and the parties allowed to file such pleadings as may be necessary or proper, if before the final termination of the case "a breach or violation of an ... ordinance, should take place." In the present case, no breach or violation of the ordinance occurred. The petitioner decided to pay "under protest" the fees imposed by the ordinance. Such payment did not affect the case; the declaratory relief action was still proper because the applicability of the ordinance to future transactions still remained to be resolved, although the matter could also be threshed out in an ordinary suit for the recovery of taxes paid In its petition for declaratory relief, petitioner-appellee alleged that by reason of the enforcement of the municipal ordinance by respondents it was forced to pay under protest the fees imposed pursuant to the said ordinance, and accordingly, one of the reliefs prayed for by the petitioner was that the respondents be ordered to refund all the amounts it paid to respondent Municipal Treasurer during the pendency of the case. The inclusion of said allegation and prayer in the petition was not objected to by the respondents in their answer. During the trial, evidence of the payments made by the petitioner was introduced. Respondents were thus fully aware of the petitioner's claim for refund and of what would happen if the ordinance were to be declared invalid by the court.

The Court sees no reason for treating this case differently from PDIC and Matalin. This disposition becomes all the more appropriate considering that the respondents, as petitioners in the RTC, pleaded for the immediate adjustment of their retirement benefits which, significantly, the herein petitioners, as respondents in the same court, did not object to. Being aware of said prayer, the petitioners then already knew the logical consequence if, as it turned out, a declaratory judgment is rendered in the respondents' favor.

At bottom then, the trial court's judgment forestalled multiplicity of suits which, needless to stress, would only entail a long and arduous process. Considering their obvious advanced years, the respondents can hardly afford another protracted proceedings. It is thus for this Court to already write finis to this case.

WHEREFORE, the instant petition is DENIED and the assailed decision and resolution of the CA, respectively dated July 7, 2005 and August 24, 2005, are AFFIRMED.

No costs.

SO ORDERED.

Puno, C.J., Quisumbing, Ynares-Santiago, Sandoval-Gutierrez, Carpio, Carpio-Morales, Azcuna, Tinga, Chico-Nazario, and Velasco, Jr., JJ., concur.

Austria-Martinez, and Corona, J., on leave.

Nachura, J., No part. Signed pleadings as Sol Gen.

[1] Penned by Associate Justice Lucas P. Bersamin with Associate Justices Noel G. Tijam and Celia C. Librea-Leagogo concurring; Rollo, pp. 11-24.

[2] Id. at 23-24.

[3] Otherwise known as the Integrated National Police Personnel Professionalization Law of 1977.

[4] Rollo, p. 180.

[5] Original Records, pp. 1-11.

[6] Id. at 207-217.

[7] Supra note 1.

[8] Supra note 2.

[9] Section 6, Article XVI of the Constitution provides that the State shall establish and maintain one police force, which shall be national in scope and civilian in character, to be administered and controlled by a national police commission. xxx

[10] SEC. 86. Assumption by the PNP of Police Functions. - The PNP shall absorb the functions of the PC, the INP and the Narcotics Command upon the effectivity of this Act. x x x

[11] SEC. 88. Transfer, Merger and Absorption of Offices and Personnel. - All properties, equipment and finances of the transferred and absorbed agencies, including their respective financial accountabilities, are hereby transferred to the [DILG].

The transfer, merger and/or absorption of any government office/unit concerned shall include the functions, appropriations, funds, records, equipment facilities, ... of the transferred office/unit as well as the personnel thereof. x x x.

[12] Philippine Law Dictionary, 1988 ed.; also Webster's Unabridged Third New International Dictionary, 1993 ed.

[13] Id.

[14] Id.

[15] Section 90: Status of Present NAPOLCOM, PC-INP. - Upon the effectivity of this Act, the present National Police Commission, and the [PC-INP] shall cease to exist. The [PC] ... shall cease to be a major service of the [AFP]. The [INP] which is the civilian component of the [PC-INP] shall cease to be the national police force and in lieu thereof, a new police force shall be established and constituted pursuant to this Act. x x x.

[16] Sponsorship Speech of Rep. Nereo Joaquin; Records of House Proceedings, April 25, 1989, p. 28; rollo, p. 298.

[17] Section 74. Retirement in the next Higher Grade.- Uniformed personnel covered under this Act shall, for purposes of retirement pay, be retired in one (1) grade higher than the permanent grade last held: Provided, That they have served for at least one (1) year of active service in the permanent grade.

[18] Section 75. Retirement Benefits. - Monthly retirement pay shall be fifty percent (50%) of the base pay and longevity pay of the retired grade in case of twenty (20) years of active service, increasing by two and one-half percent (2.5%) for every year of active service rendered beyond twenty (20) years to a maximum of ninety (90%) percent for thirty-six (36) years of active service and over; Provided that, the uniformed personnel shall have the option to receive in advance and in lump sum his retirement pay for the first five years; Provided further, that the payment of the retirement benefits in lump sum shall be made within six (6) months from effectivity date of retirement and/or completion; Provided, finally, that the retirement pay of the officers/non-officers of the PNP shall be subject to adjustments based on the prevailing scale of base pay of police personnel in the active service. (As amended by R.A. No. 8551); (Emphasis supplied.)

[19] Rollo, p. 17.

[20] Entitled "Resolution Establishing A Retirement and Separation Benefit System For The Uniformed Personnel of The Philippine National Police" done on February 26, 1992; id. at 195-206.

[21] Section 11. When an officer or non-officer is retired from the [PNP] under the provisions of sections 2, 3a, 3b, 5, and 6 of this resolution, he shall, at his option, receive a gratuity equivalent ... and longevity pay ...; Provided, That such retirement pay shall be subject to adjustment on the prevailing scale of base pay of police personnel in the active service; Provided, Furthermore, That when he retires, he shall be entitled at his option, to receive in advance and in lump sum his annual retirement pay for the first three (3) years and thereafter receive his annual retirement pay payable in equal monthly installment as they accrue; Provided, Finally, that if he dies within the three-year period following his retirement and is survived by beneficiaries as defined in this resolution, the latter shall only receive the derivative benefits thereunder starting the first month after the aforesaid three-year period. Nothing on this Section shall be construed as authorizing payment of any differential in retirement pay to officers and non-officers who are already retired prior to the effectivity of RA 6975. Id. at 199.

[22] In full, this section reads: Sec. 38. Rationalization of Retirement and Separation Benefits. - The Commission shall formulate a rationalized retirement and separation benefits schedule and program within one (1) year from the effectivity of this Act for approval by congress: Provided, That the approved schedule and program shall have retroactive effect in favor of PNP members and officers retired or separated from the time specified in the law, unless the retirement or separation is for cause and the decision denies the grant of benefits.

[23] Rollo, p. 195.

[24] Article XVI, Section 8, Phil. Constitution.

[25] Republic Act No. 7432, Section 6.

[26] Request of Clerk of Court Tessie L. Gatmaitan for Payment of Retirement Benefits of Hon. Associate Justice Jorge S. Imperial, A.M. No. 9777-Ret., August 26, 1999, 313 SCRA 134, 140.

[27] G.R. No. 126911, April 30, 2003, 402 SCRA 194.

[28] Id. at 201, citing *Visayan Packing Corporation v. Reparations Commission*, No. L-29673, November 12, 1987, 155 SCRA 542, 546.

[29] G.R. No. L-28138, August 13, 1986, 143 SCRA 404, 408-409.

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