

FATHER SATURNINO URIOS UNIVERSITY (FSUU) INC., AND/OR REV. FR. JOHN CHRISTIAN U. YOUNG – PRESIDENT, PETITIONERS, VS. ATTY. RUBEN B. CURAZA, RESPONDENT.

G.R. No. 223621. June 10, 2020

Ponente: LEONEN, J.

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/g-r-no-223621/>

LEONEN, J.:

This Court resolves the Petition for Review on Certiorari[1] filed by Father Saturnino Urios University, Inc. and Rev. Fr. John Christian U. Young, assailing the Court of Appeals Decision[2] with regard to part-time employee Atty. Ruben B. Curaza's (Atty. Curaza) eligibility for retirement benefits under Republic Act No. 7641.

Father Saturnino Urios University (the University) hired Atty. Curaza to teach commercial law subjects in the Commerce Department during the second semester of school year 1979 to 1980. He was subsequently given teaching loads in the College of Engineering and the College of Arts and Sciences. He later taught subjects as a pioneering professor in the College of Law.[3]

On November 21, 2008, Atty. Curaza wrote a letter applying for early retirement, pursuant to the University's Personnel Policy and Procedure and the Retirement Pay Law.[4] Having received no response, he followed-up his request with the University's Human Resource Management and Development Office, where he was informed that his retirement application could not be approved as the University did not grant retirement benefits to its part-time teachers. Atty. Curaza thus wrote another letter on March 5, 2009, reiterating his application, together with a copy of the Labor Advisory on Retirement Pay Law. By the time Atty. Curaza had turned 60 years old, the application remained unacted upon.[5]

Thus, on June 25, 2010, Atty. Curaza filed a complaint against the University, its president and vice president for retirement benefits, damages, and attorney's fees before the National Labor Relations Commission Regional Arbitration Branch XIII in Butuan City.[6]

The University then submitted a position paper asserting that Atty. Curaza was only a part-time instructor, and not a permanent employee. He was paid monthly, on a per hour, per teaching load, and per semester basis. His last teaching load was only a three-unit subject in the College of Engineering, during the second semester of school year 2008 to 2009, and his last gross salary was P1,400.00.[7]

It was pointed out in the position paper that the Collective Bargaining Agreement between the University and its Faculty and Employees Association expressly excludes part-time faculty from its coverage. The University further argued that Republic Act No. 7641, or the Retirement Pay Law, similarly excludes part-time instructors in private educational institutions from its coverage.[8]

Moreover, the University officials remarked in the position paper that even if part-time instructors were entitled to retirement benefits under Republic Act No. 7641, Atty. Curaza was still not entitled to the same benefits, considering that he had no teaching load during the school years 1991 to 1992 and 1992 to 1993, and did not teach

at all from school years 1990 to 1991 until 2000 to 2001, as well as school years 2002 to 2003 until 2008 to 2009. Finally, Atty. Curaza was not entitled to damages, as he had not been illegally dismissed.[9]

In a December 28, 2010 Decision, the Executive Labor Arbiter held that under Republic Act No. 7641, part-time employees are entitled to retirement benefits. He held that the law prevails over provisions of company policy. Thus, having reached 60 years of age, and having rendered more than five (5) years of service with the University, Atty. Curaza is entitled to retirement benefits under the law.[10] The dispositive portion of the Decision states:

WHEREFORE, in view of the foregoing, judgment is hereby rendered ordering the respondent Father Saturnino Urios University (FSUU) to pay complainant his retirement benefits to be computed based on his average monthly pay for the last Five (5) years of his employment with respondent multiplied by twenty four (24) years.

Plus 10% of whatever amount that may be computed as attorney's fees.

All other claims are hereby ordered dismissed for lack of merit.

SO ORDERED.[11]

On appeal, the National Labor Relations Commission affirmed the Labor Arbiter's Decision in its December 29, 2011 Resolution.[12]

In turn, the Court of Appeals[13] affirmed the National Labor Relations Commission and the Labor Arbiter's rulings. It found that the National Labor Relations Commission correctly held that Republic Act No. 7641 applies. As a part-time employee, Atty. Curaza is not among the employees exempted from the coverage of the law, and since the University does not have an applicable agreement or retirement plan intended for part-time employees, the provisions of Republic Act No. 7641 apply to him.[14]

The Court of Appeals reasoned that although parties to a Collective Bargaining Agreement may establish such stipulations, clauses, terms, and conditions as they may deem convenient, these must not be contrary to law. It held that the exclusion of part-time faculty from the coverage of the Collective Bargaining Agreement is contrary to the provisions and intendment of Republic Act No. 7641 and its Implementing Rules.[15]

Thus, it was correct to apply the Labor Advisory on Retirement Pay issued on October 24, 1996, which specifically provides that the coverage of Republic Act No. 7641 "shall include part-time employees, employees of service and other job contractors and domestic helpers or persons in the personal service of another." [16]

However, the Court of Appeals modified the computation of the length of service to be credited in computing Atty. Curaza's retirement pay, and decreased it to 22 years, based on his teaching load. The Court of Appeals discussed the basis on record for this figure:

On the other hand, since the teaching load summary of Curaza that FSUU submitted as evidence covers only the period from S.Y. 1990-1991 to S.Y. 2008-2009, FSUU is already estopped from denying that Curaza had rendered service for more than six (6) months during S.Y. 1979-1980 until S.Y. 1989-1990, or for a period of 11 years. In addition, his teaching load summary shows that he was able to teach for two (2) semesters or a period of more than six (6) months during S.Y. 1996-1997, 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2006-2007, 2007-2008 and 2008-2009, which is equivalent to 11 years. Thus, Curaza's total creditable years of service for the purpose of computing his retirement pay is 22 years.[17]

The dispositive portion of the Court of Appeals Decision reads:

WHEREFORE, the petition is DENIED and the Resolutions dated December 29, 2011 and March 30, 2012 in NLRC MAC-03-011932-2011 (RAB-XIII-06-00164-2010) are hereby AFFIRMED with the MODIFICATION

that private respondent Atty. Ruben B. Curaza shall be entitled to retirement pay for 22 years of service to petitioner Father Saturnino Urios University.

SO ORDERED.[18]

Thus, the University, together with its president, Rev. Fr. John Christian U. Young, filed a Petition for Review on Certiorari, which this Court initially denied for failure to show any reversible error in the Court of Appeals Decision and Resolution.[19]

Petitioners then filed a Motion for Reconsideration,[20] to which respondent filed an Opposition and Comment,[21] responding to both the Motion for Reconsideration and the Petition.

This Court reinstated petitioners' Petition for Review on Certiorari, after which the Catholic Educational Association of the Philippines filed a Motion for Leave to Intervene[22] together with an attached Petition-in-Intervention.[23] Respondent then filed a Comment to the Petition-in-Intervention,[24] and both petitioners and the Catholic Educational Association of the Philippines (Petitioner-Intervenor) filed their respective Replies.[25]

To justify its interest in this case, petitioner-intervenor explains that it is a national association of 1,252 Catholic educational institutions in the Philippines, of which the University is a member.[26] Petitioner-intervenor has a Retirement Plan, in which 667 member schools are enrolled, with more than 35,000 personnel. Petitioner-intervenor asserts that the intention of the Retirement Plan was to cover only "regular full-time employees, who have reached the age of sixty years old, in conjunction with relevant administrative policies in view of the special employment status of the teaching and academic non-teaching personnel." [27]

Petitioner-intervenor maintains that it will be adversely affected by a precedent declaring that part-time faculty are entitled to retirement benefits, which "would be the death knell to most" of its member schools.[28]

As for the substance of the case, petitioners and petitioner-intervenor insist that Republic Act No. 7641 does not apply to part-time teachers, because they cannot acquire regular permanent status. They maintain that "regular permanent status" is a precondition to being entitled to retirement benefits.[29]

Petitioners point out that in *Lacuesta v. Ateneo de Manila University*,[30] this Court held that the Manual of Regulations for Private Schools determines whether a faculty member has attained regular or permanent status. They cite Section 117 of the Manual of Regulations for Private Higher Education of 2008, which states that a "part-time employee cannot acquire regular permanent status." They point out that in *UST v. NLRC*,[31] this Court cited the Manual of Regulations as basis to find that a teacher had not become a permanent employee despite three (3) years of service.[32]

Petitioner-intervenor argues that it is impossible for part-time teachers to meet the number of years necessary to qualify for retirement pay,[33] and that expanding the coverage of Republic Act No. 7641 to include part-time teachers is contrary to the purpose of the law, which is to "reward the loyalty, dedication and hard work of employees." [34]

Petitioner-intervenor further asserts that the intention of the legislators was to provide benefits for permanent employees who have rendered continued service to the company and not to employees who merely work as part-timers, citing legislative deliberations.[35] It also cites a book on the Employee Retirement Income Security Act of 1974 to explain the pension system in the United States of America, wherein "retirement pay is intended to benefit the employee who spent most of their prime years giving their employer a 'proper career.'" [36]

Petitioner-intervenor also argues that the five-year service requirement must be interpreted to mean five (5)

continuous years. It maintains that because schools are not required to re-hire part-time teachers after the period of their fixed contracts, each separate semester of employment must stand on its own without relation to any other previous contract.[37] It insists that to interpret it otherwise would lead to absurd situations, and that it is ludicrous to require an employer to "reward" an employee who renders service for several employers, or who may pursue other businesses.[38]

Furthermore, petitioner-intervenor asserts that the formula used to compute respondent's retirement benefits is baseless, and that he cannot claim to have served petitioners for 29 years.[39]

The main issue for this Court's resolution is whether or not part-time employees may be entitled to retirement benefits under Republic Act No. 7641.

The Petition and Petition-in-Intervention are denied.

The Court of Appeals correctly held that part-time employees with fixed-term employment are among the employees entitled to retirement benefits under Republic Act No. 7641.

Republic Act No. 7641 specifically states that "any employee may be retired upon reaching the retirement age[.]" and that in case of retirement, in the absence of a retirement agreement, an employee who reaches the retirement age "who has served at least five (5) years... may retire and shall be entitled to retirement pay[.]" No exception is made for part-time employees.

In *De La Salle Araneta University v. Bernardo*,[40] this Court saliently outlined and analyzed the legal provisions which lead to this sound conclusion. It pointed out that Republic Act No. 7641 enumerates certain exemptions from coverage, and that this enumeration provides no basis to exempt petitioners from paying retirement benefits to qualified part-time employees. This Court noted that the coverage of the law and exemptions thereto were further elaborated upon by the Rules Implementing the Labor Code and an October 24, 1996 Labor Advisory, neither of which suggest that part-time employees could be considered excluded from being entitled to retirement pay:

Book VI, Rule II of the Rules Implementing the Labor Code clearly describes the coverage of Republic Act No. 7641 and specifically identifies the exemptions from the same, to wit:

Sec. 1. General Statement on Coverage. — This Rule shall apply to all employees in the private sector, regardless of their position, designation or status and irrespective of the method by which their wages are paid, except to those specifically exempted under Section 2 hereof. As used herein, the term "Act" shall refer to Republic Act No. 7641, which took effect on January 7, 1993.

Section 2. Exemptions. — This Rule shall not apply to the following employees:

2.1 Employees of the National Government and its political subdivisions, including Government-owned and/or controlled corporations, if they are covered by the Civil Service Law and its regulations.

2.2 Domestic helpers and persons in the personal service of another. (Deleted by Department Order No. 20 issued by Secretary Ma. Nieves R. Confessor on May 31, 1994.)

2.3. Employees of retail, service and agricultural establishments or operations regularly employing not more than ten (10) employees. As used in this sub-section:

(a) "Retail establishment" is one principally engaged in the sale of goods to end-users for personal or household use. It shall lose its retail character qualified for exemption if it is engaged in both retail and wholesale of goods.

(b) "Service establishment" is one principally engaged in the sale of service to individuals for their own or household use and is generally recognized as such.

(c) "Agricultural establishment/operation" refers to an employer which is engaged in agriculture. This term refers to all farming activities in all its branches and includes, among others, the cultivation and tillage of the soil, production, cultivation, growing and harvesting of any agricultural or horticultural commodities, dairying, raising of livestock or poultry, the culture of fish and other aquatic products in farms or ponds, and any activities performed by a farmer or on a farm as an incident to or in conjunctions with such farming operations, but does not include the manufacture and/or processing of sugar, coconut, abaca, tobacco, pineapple, aquatic or other farm products. (Emphases ours.)

Through a Labor Advisory dated October 24, 1996, then Secretary of Labor, and later Supreme Court Justice, Leonardo A. Quisumbing (Secretary Quisumbing), provided Guidelines for the Effective Implementation of Republic Act No. 7641, The Retirement Pay Law, addressed to all employers in the private sector. Pertinent portions of said Labor Advisory are reproduced below:

A. COVERAGE

RA 7641 or the Retirement Pay Law shall apply to all employees in the private sector, regardless of their position, designation or status and irrespective of the method by which their wages are paid. They shall include part-time employees, employees of service and other job contractors and domestic helpers or persons in the personal service of another.

The law does not cover employees of retail, service and agricultural establishments or operations employing not more than [ten] (10) employees or workers and employees of the National Government and its political subdivisions, including Government-owned and/or controlled corporations, if they are covered by the Civil Service Law and its regulations.

....

C. SUBSTITUTE RETIREMENT PLAN

Qualified workers shall be entitled to the retirement benefit under RA 7641 in the absence of any individual or collective agreement, company policy or practice... (Emphasis ours.)

Republic Act No. 7641 states that "any employee may be retired upon reaching the retirement age..." and "[i]n 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." The Implementing Rules provide that Republic Act No. 7641 applies to "all employees in the private sector, regardless of their position, designation or status and irrespective of the method by which their wages are paid, except to those specifically exempted..." And Secretary Quisumbing's Labor Advisory further clarifies that the employees covered by Republic Act No. 7641 shall "include part-time employees, employees of service and other job contractors and domestic helpers or persons in the personal service of another."

The only exemptions specifically identified by Republic Act No. 7641 and its Implementing Rules are: (1) employees of the National Government and its political subdivisions, including government-owned and/or controlled corporations, if they are covered by the Civil Service Law and its regulations; and (2) employees of retail, service and agricultural establishments or operations regularly employing not more than 10 employees.[41]

Relying on the foregoing provisions, this Court held that Republic Act No. 7641 encompasses all private sector employees, save for those specifically exempted. This Court also invoked the principle of *expressio unius est exclusio alterius* and concluded that part-time employees, not being among those exempted from coverage, may qualify for retirement benefits under Republic Act No. 7641.

The same reasoning used in *De La Salle Araneta University*[42] applies to respondent, who is entitled to retirement benefits notwithstanding his status as a part-time employee.

Citing legislative deliberations, petitioner-intervenor insists that the legislative intent was for the law to cover only permanent and continuous employees,[43] that a distinction must be made in the law between part-time employees and regular, permanent employees. It asserts that retirement benefits are a reward for loyalty, and that part-time employees are not as loyal as regular, permanent employees, and thus not deserving of the reward.

This is unconvincing. The cited deliberations were not as clear and unequivocal as petitioner-intervenor maintains. However, even granting that one legislator mentioned "permanent employment" during deliberations, and granting that part-time employees do not attain permanent status, the text of the law as passed nonetheless makes no distinction between permanent and non-permanent employees. Thus, the exclusion of non-permanent employees from the coverage of Republic Act No. 7641 has no legal basis.

On the issue of the computation, the Court of Appeals explained its basis for reducing the number of years of service, for which respondent is entitled to retirement benefits to 22 years instead of 24 years, as concluded by the Labor Arbiter, and instead of 29 years as insisted by respondent, as follows:

A perusal of Curaza's teaching load summary from S.Y. 1990-1991 to S.Y. 2008-2009 shows that he had not rendered teaching services at FSUU during S.Y. 1991-1992 and 1992-1993 and only taught for one (1) semester or a period of five (5) months during S.Y. 1990-1991, 1993-1994, 1994-1995, 1995-1996 and 2005-2006. Also, in S.Y. 1997-1998, he only taught summer classes. Consequently, such school years cannot be included in the computation of his length of service.

On the other hand, since the teaching load summary of Curaza that FSUU submitted as evidence covers only the period from S.Y. 1990-1991 to S.Y. 2008-2009, FSUU is already estopped from denying that Curaza had rendered service for more than six (6) months during S.Y. 1979-1980 until S.Y. 1989-1990, or for a period of 11 years. In addition, his teaching load summary shows that he was able to teach for two (2) semesters or a period of more than six (6) months during S.Y. 1996-1997, 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2006-2007, 2007-2008 and 2008-2009, which is equivalent to 11 years. Thus, Curaza's total creditable years of service for the purpose of computing his retirement pay is 22 years.[44]

Although petitioner-intervenor insists that respondent did not work for 22 years for petitioners,[45] it failed to show how the Court of Appeals committed an error in the foregoing computation, or to submit a sound formula for computing his length of service. Petitioner-intervenor relied mainly on its assertion that each semester of respondent's employment must be considered independent of the other, and not cumulative. Again, this Court must reject this assertion for lack of legal basis. Since no cogent reason has been submitted to revisit the computation of the number of respondent's creditable years of service, the Court of Appeals' findings must be affirmed.

WHEREFORE, the Petition and the Petition-in-Intervention are DENIED. The Court of Appeals' Decision and Resolution in CA-G.R. SP No. 04973-MIN are AFFIRMED.

SO ORDERED.

Gesmundo, Carandang, Zalameda, and Gaerlan, JJ., concur.

[1] Rollo, pp. 15-33.

[2] Rollo, pp. 37-48. The Decision dated June, 5, 2015 was penned by Associate Justice Maria Filomena D. Singh and concurred in by Associate Justices Romulo V. Borja (Chair) and Oscar V. Badelles of the Twenty-First Division of the Court of Appeals, Cagayan de Oro City.

[3] Id. at 19.

[4] Id. at 19.

[5] Id. at 38.

[6] Id. at 20.

[7] Id. at 38.

[8] Id. at 38-39.

[9] Id. at 39.

[10] Id. at 39-40.

[11] Id.

[12] Id. at 40.

[13] Id. at 37-48.

[14] Id. at 46-47.

[15] Id. at 45-46.

[16] Id. at 46. Citing *De La Salle v. Bernardo* 805 Phil. 580, 599 (2017), [Per J. Leonardo-De Castro, First Division].

[17] Id. at 47.

[18] Id. at 48.

[19] Id. at 62.

[20] Id. at 73-84.

[21] Id. at 64-71.

[22] Id. at 86-90.

[23] Id. at 91-119.

[24] Id. at 154.

[25] Id. at 170-186 and 202-213.

[26] Id. at 91.

[27] Id. at 92.

[28] Id. at 93.

[29] Id. at 96.

[30] 513 Phil. 329 (2005) [Per J. Quisumbing, First Division].

[31] 266 Phil. 441 (1990) [Per J. Gancayco, First Division].

[32] Rollo, p. 22.

[33] Id. at 176.

[34] Id. at 180.

[35] Id. at 180-181.

[36] Id. at 182.

[37] Id. at 178.

[38] Id. at 183.

[39] Id. at 183-185.

[40] 805 Phil. 580 (2017) [Per J. Leonardo-Dc Castro, First Division].

[41] Id. at 598-600.

[42] 805 Phil. 580 (2017) [Per J. Leonardo-De Castro, First Division].

[43] Rollo, p. 180.

[44] Id. at 47.

[45] Id. at 105.

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.