

MENDOZA, Benjamin G.

Re: Terminal Leave Benefit

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RESOLUTION NO. 01-0673

Benjamin G. Mendoza, former Sangguniang Bayan (SB) Member, Municipality of San Pascual, Batangas, appeals the ruling of Civil Service Commission (CSC) Batangas Field Office, declaring that Mendoza's claim for payment of his terminal leave benefits has already prescribed.

Pertinent portions of the appealed ruling read, as follows:

"It is represented that Mr. Mendoza served as Sangguniang Bayan Member in the Agricultural Sector of that Municipality. He resigned from the service effective December 1, 1987.

"Section 38 of CSC Resolution No. 98-3142 which is in accordance with Art. 1144 (2) of the New Civil Code of the Philippines clearly states the prescribed period within which to claim terminal leave pay. Such resolution applies to all appointive and elective officials and employees who are entitled to leave privileges.

"If Mr. Mendoza was not able to commute his earned leave credits during the ten year prescribed period, he cannot anymore claim his terminal leave."

The facts established on record show that Mendoza requested payment of his terminal leave benefits as early as December 15, 1990, but was informed by then Mayor Mario Magsaysay that the Municipality, in its proposed budget for 1990, did not provide funds to pay Mendoza's claim. Mayor Magsaysay, instead, told Mendoza that the Municipality shall allot funds to pay his claim in the Municipality's proposed budget for the succeeding year. Nothing has been heard of Mendoza's claim thereafter. Sometime in July 1999, Mendoza learned that the SB of San Pascual appropriated funds to pay the terminal leave benefits of its members who have pending requests. Subsequently, Mendoza presented his claim to the Municipality, which in turn requested the CSC Batangas Field Office to rule on the matter. Hence, the assailed ruling.

In his appeal, Mendoza insists that he presented his claim within the prescribed period. In support of his allegations, Mendoza submitted the following pieces of evidence: 1) A copy of his letter dated December 15, 1990, addressed to then Mayor Magsaysay requesting that he be paid his terminal leave benefits; 2) Affidavit of Socorro R. Arguilles, OIC, Assistant Treasurer, San Pascual, Batangas, attesting to the fact that Mendoza has been following up his request for payment of his terminal leave benefits as early as 1990; and, 3) Affidavit of Milagros Hernandez, Records Officer, Municipal Government of San Pascual, attesting to the fact that Mendoza requested his service record as early as 1990 for the payment of his terminal leave benefits.

After due deliberation, the Commission finds the instant appeal impressed with merit.

The pieces of evidence presented by Mendoza sufficiently establish the fact that he filed his claim for payment of his terminal leave benefits as early as December 15, 1990, well within the prescribed period. Records show that Mendoza was separated from the service on December 1, 1987. Hence, he has until December 1, 1997 within which to file his claim. Mendoza filed his claim on December 15, 1990. Clearly, he filed his claim within the ten-year prescriptive period.

To deny Mendoza of the benefits that rightfully belong to him would be highly inequitable. Mendoza's

right thereto becomes a vested right the moment he filed his claim as *a right is vested when there is an ascertained person with a right to present or future enjoyment, an immediate fixed right of present or future enjoyment (Benguet Consolidated Mining Co. vs. Pineda , 98 Phil. 722)*. It must also be underscored that, *accrued leave credits (terminal leave benefits) are considered as earned salaries of the official or employee concerned and the latter shall be entitled to the same as a matter of course (Ninfa N. Ward, CSC Resolution No. 98-2449 dated September 23, 1998)*.

In part, Sections 37 and 38, CSC Memorandum Circular No. 41, s. 1998 provide:

Section 37. Payment of terminal leave. - *Any official / employee of the government who retires, voluntarily resigns, or is separated from the service through no fault of his own, and who is not otherwise covered by special law, shall be entitled to the commutation of his leave credits exclusive of Saturdays, Sundays and Holidays without limitation and regardless of the period when the credits were earned.*

Section 38. Period within which to claim terminal leave pay. - *Request for payment of terminal leave benefits must be brought within ten (10) years from the time the right of action accrues upon an obligation created by law.*

The fact that Mendoza has not been paid his terminal leave benefits for over ten years does not mean that his claim has already prescribed. It only means that the Municipality of San Pascual's obligation to pay Mendoza's claim has not been extinguished to date. Hence, the SB of the Municipality of San Pascual in its proposed budget should allocate funds to pay Mendoza's claim. Otherwise, the Municipality's obligation remains unsettled.

WHEREFORE, the instant appeal of Benjamin G. Mendoza is hereby **GRANTED**. Accordingly the ruling of the Civil Service Commission-Batangas Field Office is set aside.

Quezon City, **March 26, 2001**

(SIGNED)

J. WALDEMAR V. VALMORES

Commissioner

(SIGNED)

KARINA CONSTANTINO-DAVID

Chairman

(SIGNED)

JOSE F. ERESTAIN, JR.

Commissioner

Attested by:

(SIGNED)

ARIEL G. RONQUILLO

Director III

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