



CORRAL, Florencio S.

Re: Monetization of Leave Credits
(Motion for Clarification)
(NDC-2015-04009)

Number: 1500667

Promulgated: 10 JUN 2015

X-----X

RESOLUTION

Atty. Florencio S. Corral, former employee of the House of Representatives, Quezon City, seeks reconsideration (treated as a Petition for Review) of the Opinion dated July 3, 2014 of the Civil Service Commission-National Capital Region (CSC-NCR), Quezon City, declaring that he is not entitled to the payment of terminal leave benefits (monetization of accumulated leave credits) for the periods August 3, 2004 to June 30, 2007, August 1, 2007 to June 30, 2010 and September 21, 2010 to June 30, 2013.

Pertinent portions of Corral's Letter dated December 16, 2014 read, as follows:

xxx

"The undersigned, Atty. Florencio S. Corral, is appealing to your good office with respect to his claim for the financial equivalent of his unused leave credits (vacation and sick leave) for the services rendered by the undersigned as Political Affairs Officer VI of Rep. Ernesto C. Pablo (2004 to 2010) and Rep. Ponciano D. Payuyo (2010 to 2013) as Political Affairs Officer III, both in the House of Representatives.

"I was previously retired as a member of the Board of Administrators of the Cooperative Development Authority in July 30, 1992. This retirement as a government employee is prior to being employed by the Honorable Representatives Pablo and Payuyo whose legislative work was primarily focused on cooperatives (Hon. Pablo was the principal author of the 2008 Cooperatives Code of the Philippines).

"This request for reconsideration is with respect to the ruling/legal opinion of the Civil Service Commission in its letter dated 3 July 2014 to the House of Representatives Director Rosalinda Borja (Director II of the House of Representatives Human Resource Management Service) replying to the query of the latter on whether the undersigned Florencio S. Corral is entitled or not to monetization of my unused vacation and sick leave credits.

"The Civil Service Commission NCR through the letter of its Director, Lydia Alba Castillo ruled that the undersigned Florencio S. Corral cannot be given the equivalent monetary value of his unused leave credits because services rendered during the period of extension shall no longer be credited as government service' (CSC MC No. 15, s. 1999). Further, the CSC NCR ruled that as per Sec. 42 of CSC MC No. 41, s. 1998, 'employees on extension of service no longer earn extra leave credits.' The ruling /legal opinion was adopted by the House of Representatives as its basis for denying the claim to terminal leave.

In a ^Race to Serve: ^Responsive, ^Accessible, ^Courteous and ^Effective Public Service

"I am, therefore, seeking your reconsideration of this issue in the spirit of equity and fairness as all my other colleagues in the two Congressional offices have long received the financial equivalent of their unused leave credits. If my professional engagement in the House could not be considered for government employment why was I indeed allowed the initial appointment? Also, why was I allowed subsequent appointments? If there was any error in my appointment, it certainly is not attributable to the undersigned. The rights inherent in that appointment must, therefore, accrue to said employee. Otherwise I believe, it would be an injustice.

"If left uncorrected, this would give rise to a situation where retirees like me who were eventually appointed to a confidential position would not be equally protected by the law. Clearly, there was a blind spot, in not foreseeing that there are many retirees, who because of their expertise, are still an asset to government and are therefore, re-employed. I am merely asserting my claim to what I honestly believe is due me."

Records show that on July 31, 1990, Corral was employed as Board Member III of the Cooperatives Development Authority (CDA) until his compulsory retirement on July 31, 1992. After his retirement at the CDA, Corral also worked at the House of Representatives as a coterminous employee during the period covering August 3, 2004 to June 30, 2010, as Political Affairs Officer VI and from September 21, 2010 until the end of his term on June 30, 2013 as Political Affairs Officer I.

On June 4, 2014, Rosalinda H. Borja, Director II, Human Resource Management Office, House of Representatives sought the opinion of the CSC-NCR on the propriety of the monetization/payment of Corral's accumulated/unused vacation and sick leave credits for the periods covering: 1.) August 3, 2004 to June 30, 2007, 2.) August 1, 2007 to June 30, 2010, and 3.) September 21, 2010 to June 30, 2013.

In an Opinion dated July 3, 2014, the CSC-NCR ruled that Coral is not entitled to the payment of his terminal leave benefit for said period. Hence, this Motion for Reconsideration (treated as a Petition for Review).

The only issue in this case is whether Atty. Corral is entitled to the payment of terminal leave benefits during the period of his coterminous appointments after his compulsory retirement.

Pertinent to this is Section 12, Rule XIII of CSC MC No. 15, s. 1999, as amended by **CSC MC No. 27, s. 2001** which provides, as follows:

xxx

"Relative thereto, the Commission has issued CSC Resolution No. 01-1624 amending and clarifying Section 12, Rule XIII of CSC MC No. 15, s. 1999, as follows:

"Sec. 12. a) No person who has reached the compulsory retirement age of 65 years can be appointed to any position in the government, subject only to the exception provided under sub-section (b) hereof.



"However, in meritorious cases, the Commission may allow the extension of service of a person who has reached the compulsory retirement age of 65 years for a period of six months only unless otherwise stated. Provided, that such extension may be for a maximum period of one (1) year for one who will complete the fifteen (15) years of service required under the GSIS law.

x x x

"Henceforth, the only basis for heads of offices to allow an employee to continue rendering service after his/her 65th birthday is a Resolution of the Commission granting the request for extension. Absent such Resolution, the salaries of said employee shall be for the personal account of the responsible official.

"Services rendered during the period of extension shall no longer be credited as government service. However, services rendered specifically for the purpose of completing the 15 years of service required under the GSIS law shall be credited as part of government service for purposes of retirement.

"An employee on service extension shall be entitled to salaries, allowances and other remunerations, that are normally considered part and parcel of an employee's compensation package, subject to existing regulations on the grant thereof.

x x x


"b) A person who has already reached the compulsory retirement age of 65 can still be appointed to a coterminous/primarily confidential position in the government.

"A person appointed to a coterminous/primarily confidential position who reached the age of 65 years is considered automatically extended in the service until the expiry date of his/her appointment or until his/her services are earlier terminated." (Emphasis supplied)

In the above-quoted rules, the Commission, in certain meritorious cases, allows an employee who has reached compulsory retirement age of sixty-five (65), to extend his/her services for a period of six (6) months unless otherwise stated. However, such extension may be for a maximum period of one (1) year for one who will complete the fifteen (15) years of service required under the GSIS law.

On the other hand, a person appointed to a coterminous/primarily confidential position who reached the age of sixty-five (65) is considered automatically extended in the service until the expiry date of his/her appointment or until his/her services are earlier terminated.

In this case, Corral has been previously retired from the service and was subsequently reemployed as coterminous employee with a gap in the service. Under these circumstances, it cannot be said that this coterminous employment was in the nature of service extension. More appropriately, this was a case of re-employment.




As defined, Re-employment is the appointment of a person who has been previously appointed to a position in the career or non-career service under permanent status but was separated therefrom as a result of reduction in force, reorganization, retirement, voluntary resignation, or of any non-disciplinary actions such as dropping from the rolls and other modes of separation. Re-employment presupposes a gap in the service (**Section 4 [e], Rule III, Revised Omnibus Rules on Appointments and Other Personnel Actions**).

Having been re-employed in the service, and such re-employment to a primarily confidential or coterminous position being in consonance with existing civil service rules, it is posited that Corral assumed the status of regular employee. As such, he became entitled to receive the usual benefits given to regular personnel, including leave credits, the cumulative value of which can be converted upon separation from the service in the form of terminal leave benefits. Such entitlement, though, must be supported by competent evidence.

WHEREFORE, the Petition for Review filed by Atty. Florencio S. Corral, former employee of the House of Representatives, Quezon City, is hereby **GRANTED**. Accordingly, the CSC-NCR Opinion dated July 3, 2014 declaring that he is not entitled to the payment of terminal leave benefits (monetization of accumulated leave credits) for the periods August 3, 2004 to June 30, 2007, August 1, 2007 to June 30, 2010 and September 21, 2010 to June 30, 2013, is **REVERSED and SET ASIDE**. He shall be entitled to the monetary value of earned leave credits, subject to submission of proof.


Quezon City,


ROBERT S. MARTINEZ
Commissioner

VACANT
Chairman


NIEVES L. OSORIO
Commissioner

Attested by:


DOLORES B. BONIFACIO
Director IV
Commission Secretariat and Liaison Office