

Republic of the Philippines
Supreme Court
Manila

FIRST DIVISION

INTERNATIONAL SCHOOL **G.R. No. 275832**
MANILA,

Petitioner, Present:

- versus -

GESMUNDO, C.J.,
Chairperson,
HERNANDO,
ZALAMEDA,
ROSARIO, and
MARQUEZ, JJ.

IRELAND **CARREON**
CABRIDO,
Respondent.

Promulgated:

JUL 29 2025

[Signature]

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DECISION

HERNANDO, J.:

This Petition for Partial Review on *Certiorari*¹ seeks to annul the Decision² of the Court of Appeals (CA) in CA-G.R. SP No. 180309 insofar as it held respondent Ireland Carreon Cabrido (Cabrido) to be entitled to retirement benefits under the retirement plan of petitioner International School Manila (ISM).³

The Antecedents

ISM employed Cabrido as an Afternoon Activity (AFAC) and Athletic Activity (ATAC) coach from August 14, 1995 to May 29, 2020. His duties

¹ *Rollo*, vol. 1, pp. 12–67.

² CA *rollo* pp. 529–541. The February 29, 2024 Decision in CA-G.R. SP No. 180309 was penned by Associate Justice Marie Christine Azcarraga-Jacob and concurred in by Associate Justices Bonifacio S. Pascua and Raymond Joseph G. Javier of the Sixteenth Division, Court of Appeals, Manila.

³ *Id.* at 53.

included teaching techniques and lessons to students, assisting in the AFAC and ATAC office, and performing other duties that his coordinator may assign.⁴

Face-to-face classes were disallowed starting March 2020 due to several lockdowns that were imposed by the government in response to the COVID-19 pandemic. Nonetheless, Cabrido received his salary from March 2020 to May 2020.⁵

On July 23, 2020, ISM offered an early retirement package for those who (1) were at least 50 years old; and (2) had worked for at least 5 years as of January 31, 2021.⁶ Cabrido expressed his intent to avail of the offer.⁷

When Cabrido received ISM's computation⁸ on August 24, 2020, of his retirement pay of PHP 298,196.18, he requested a re-computation.⁹ He asserted that based on his 25 years of service, the computation should have been PHP 680,112.57 or equivalent to 70% of PHP 971,598.38, which was the correct amount of his retirement pay. However, ISM denied Cabrido's request.¹⁰

Cabrido filed a complaint against ISM for underpayment of retirement pay and damages. He argued that he was a regular employee of ISM as he rendered 25 years of service. Meanwhile, ISM claimed that Cabrido was employed on a fixed-term basis, and his employment contracts indicated the period within which he was employed.¹¹

Ruling of the Labor Arbiter

On December 28, 2022, the arbiter dismissed Cabrido's complaint finding that: (1) Cabrido's employment status is fixed-term; (2) Cabrido's employment as a part-time coach for a fixed period of five months was expressly agreed upon at the start of each semester;¹² (3) Cabrido's repeated rehiring did not make him a regular employee, nor his contention that he was performing activities necessary and desirable in the usual trade or business of ISM; (4) at the time Cabrido was given financial aid, he was only 50 years old, whereas Republic Act No. 7641¹³ requires the employee to be at least 60 years old to avail of

⁴ *Rollo*, p. 70

⁵ *Id.*

⁶ *Id.* at 171.

⁷ *Id.* at 174.

⁸ *Id.* at 179–180.

⁹ *Id.* at 178.

¹⁰ *Id.*

¹¹ *Id.* at 71–72.

¹² *Id.* at 238.

¹³ An Act Amending Article 287 Of Presidential Decree No. 442, As Amended, Otherwise Known As The Labor Code Of The Philippines, By Providing For Retirement Pay To Qualified Private Sector Employees In The Absence Of Any Retirement Plan In The Establishment (1992).

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retirement benefits; and (5) the Waiver, Release, and Quitclaim signed by Cabrido should be given weight.¹⁴ The dispositive portion states:

WHEREFORE, premises considered, judgment is hereby rendered **DISMISSING** the complaint for underpayment of Retirement pay for lack of merit.

The other claims of the complainant are likewise **DISMISSED**.

SO ORDERED.¹⁵ (Emphasis in the original)

Cabrido thus filed an appeal against the order of the arbiter to the National Labor Relations Commission (NLRC).¹⁶

Ruling of the NLRC

In its April 28, 2023 Decision,¹⁷ the NLRC affirmed the arbiter's ruling. The dispositive portion thereof reads:

WHEREFORE, the complainant's appeal is **DISMISSED** for lack of merit. Accordingly, the Decision dated December 28, 2022 of Labor Arbiter Andrew N. Baysa is **AFFIRMED**.

SO ORDERED.¹⁸ (Emphasis in the original)

Dissatisfied, Cabrido appealed the NLRC's Decision.¹⁹

Ruling of the Court of Appeals

In its February 29, 2024 Decision,²⁰ the CA partly granted Cabrido's petition; the dispositive portion thereof reads:

WHEREFORE, premises considered, the instant Petition for *Certiorari* is **GRANTED**.

Accordingly, the *Decision* dated 28 April 2023 and *Resolution* dated 21 June 2023 issued by the National Labor Relations Commission (NLRC), Second Division, in NLRC LAC No. 03-000915-23 is **SET ASIDE** and a **NEW ONE IS**

¹⁴ *Rollo*, pp. 72–73.

¹⁵ *Id.* at 72.

¹⁶ *Id.* at 117–136.

¹⁷ *Id.* The April 28, 2023 Decision in NLRC Case No. NCR-07-00146-22 was penned by Presiding Commissioner Julia Cecily Coching-Sosito and concurred in by Commissioners Nicolas B. Nicolas and Charmalou D. Aldevera of the Second Division, National Labor Relations Commission, Quezon City.

¹⁸ *Id.* at 135.

¹⁹ *Id.* at 86–112.

²⁰ *Id.* at 69–82.

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ENTERED declaring herein [respondent] Ireland Carreon Cabrido **ENTITLED** to **RETIREMENT PAY** pursuant to Option A, Section 3, Article V of private respondent International School Manila's Retirement Plan.

The case is **REMANDED** to the Labor Arbiter for re-computation of the amounts due to petitioner in conformity with this **Decision**.

SO ORDERED.²¹ (Emphasis in the original)

The CA held that: (1) Cabrido was a part-time employee engaged in fixed-term employment and could not attain regular status no matter how long he had served ISM.²² (2) Despite not being a regular employee, Cabrido is entitled to Option A of ISM's Retirement Plan because he falls under said category, namely, Cabrido is at least 50 years of age and has completed 10 years of service.²³ (3) Under Republic Act No. 7641, part-time employees with fixed-term employment are entitled to retirement benefits.²⁴ (4) ISM cannot renege on its obligation to grant Cabrido his retirement pay under its retirement plan under the pretense that it only gave its employees financial aid.²⁵ (5) The Quitclaim signed by Cabrido should not be recognized because it was against public policy.²⁶

Hence, when the Motion for Partial Reconsideration filed by ISM was denied, ISM filed the present Petition for Review on *Certiorari*.²⁷

ISM argues that the CA overlooked that its Retirement Plan covers only full-time regular employees;²⁸ (2) Cabrido is only entitled to the financial assistance offered by way of accommodation, which the latter has already received;²⁹ (3) Cabrido, being only 50 years old, is not entitled to retirement pay under the Labor Code, which requires the employee to be at least 60;³⁰ and (4) the quitclaim executed by Cabrido in favor of ISM is valid. Thus, he is already precluded from pursuing his claims in the instant case.³¹

Moreover, the definition of "Member" under ISM's Retirement plan expressly refers to a locally hired national faculty or support staff or teaching assistant, who is in the regular and permanent employ of the employer. As found by the lower courts, Cabrido is a fixed-term employee. Due to the nature of his

²¹ *Id.* at 81.

²² *Id.* at 76.

²³ *Id.* at 76-78.

²⁴ *Id.* at 78-79.

²⁵ *Id.* at 79.

²⁶ *Id.* at 79-80.

²⁷ *Id.* at 12-55.

²⁸ *Id.* at 30.

²⁹ *Id.* at 41-43.

³⁰ *Id.* at 46.

³¹ *Id.* at 48.

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work as AFAC and ATAC, Cabrido only teaches non-compulsory after-school sporting activities. He only renders 11.24 hours of work a week or approximately 45 hours per month. He does not teach any regular units and therefore cannot be considered as a locally hired national faculty member. Thus, Cabrido is not covered by ISM's Retirement Plan.³²

Cabrido does not possess the requirements to qualify as a regular full-time faculty member of ISM under its Description for Teachers, nor under the 2010 Revised Manual of Regulations for Private Schools in Basic Education. ISM points out that Cabrido: 1) has a degree in Advertising and Public Relations, which is not an education-related degree; 2) only completed 14 units of Certificate Course in Physical Education, thereby insufficient to qualify as a Physical Education teacher of ISM; and 3) did not take the Licensure Examination for Teachers.³³

Issue

Whether Cabrido is entitled to retirement pay.

Our Ruling

We rule in the affirmative.

When the CA's findings and conclusions differ from those of the labor tribunals, a Rule 45 review can consider questions of fact; the Court is not bound to address only questions of law.³⁴

Here, the CA's finding that Cabrido is entitled to retirement pay pursuant to Option A, Section 3, Article V of ISM's Retirement Plan contrasts with the ruling of the LA and the NLRC. Thus, the Court can rule on the factual issue of the case.

Definition of Retirement

It is imperative to discuss the definition of retirement because the issue revolves around it and its entitlement. In *Santo v. University of Cebu*,³⁵ the Court defined it as:

³² *Id.* at 30–38.

³³ *Id.* at 37–38.

³⁴ *Solidum v. Smart Communications, Inc.* G.R. No. 206985, February 28, 2024 [Per J. Hernando, First Division], citing *Bergonio, Jr., v. South East Asian Airlines*, 733 Phil. 347, 356 (2014) [Per J. Brion, Second Division].

³⁵ 860 Phil. 979 (2019) [Per J. Lazaro-Javier, Second Division]

a form of reward for an employee's loyalty and service to an employer and are earned under existing laws, Collective Bargaining Agreements (CBA), employment contracts and company policies. It is the result of a bilateral act of the parties, **a voluntary agreement** between the employer and the employee whereby the latter, after reaching a certain age or length of service, agrees to sever his or her employment with the former.³⁶ (Emphasis supplied, citations omitted)

From the definition, We can derive the elements of retirement: (1) it is a form of reward for an employee's loyalty and service to an employer; (2) it is earned under existing laws, Collective Bargaining Agreements, employment contracts, and company policies; (3) it is a result of a bilateral act of the parties; (4) it is an agreement, whereby, after reaching a certain age or length of service, the employee severs their employment.

However, We should understand that there is more depth to it than how retirement was defined in our jurisdiction. The United Nations Human Rights Office of the High Commissioner explained that:³⁷

The right to social security is of central importance in guaranteeing human dignity for all persons when they are faced with circumstances that deprive them of their capacity to fully realize their human rights.

The right to social security encompasses the right to access and maintain benefits without discrimination in order to secure protection from:

1. **a lack of work-related income** caused by sickness, disability, maternity, employment injury, **unemployment**, old age, or death of a family member;

....

Social security plays an important role in reducing and alleviating poverty, preventing social exclusion, and promoting social inclusion. (Emphasis supplied)

From here, it can be deduced that the right to social security, which includes the right to secure protection from unemployment, also consists of the right to receive retirement pay.

Articles 22 and 25 of the Universal Declaration of Human Rights (UDHR)³⁸ cover the rights within which retirement is embodied. Thus:

³⁶ *Id.* at 987.

³⁷ United Nations, OHCHR and the right to social security, About the right to social security and human rights, available at <https://www.ohchr.org/en/social-security/about-right-social-security-and-human-rights> (last accessed on June 23, 2025).

³⁸ United Nations, Universal Declaration on Human Rights, available at <https://www.un.org/en/about-us/universal-declaration-of-human-rights> (last accessed on June 23, 2025).

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Article 22

Everyone, as a member of society, has the **right to social security** and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights **indispensable for his dignity and the free development of his personality.**

Article 25

1. Everyone has the right to a standard of living adequate for the health and well-being of himself[*/herself*] and of his[*/her*] family, including food, clothing, housing and medical care and necessary social services, and the **right to security in the event of unemployment**, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his[*/her*] control. (Emphasis supplied)

Looking at these provisions of the UDHR, retirement no longer remains a reward or a privilege but a right that is indispensable for one's dignity.

No less than the state policies under Article II of the Constitution provide:

Section 11. The State values the dignity of every human person and guarantees full respect for human rights.

Section 18. The State affirms labor as a primary social economic force. It shall protect the rights of workers and promote their welfare.

With this definitive backdrop, We now address the contentions raised by ISM.

First, ISM alleges that the CA overlooked that its Retirement Plan covers only full-time regular employees.³⁹

ISM asserts that the CA erroneously concluded that Cabrido is entitled to retirement benefits under the ISM's retirement plan when such plan covers only regular full-time teachers and Cabrido's contract was for a fixed term. In effect, the CA rewrote the school's retirement plan.⁴⁰

In *De La Salle Araneta University v. Bernardo*,⁴¹ the Court ruled that:

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

³⁹ *Rollo* p. 13.

⁴⁰ *Id.* at 14.

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

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 [. . .]” 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.”⁴² (Emphasis supplied)

Thus, the fact that Cabrido’s contract was for a fixed term is immaterial because all employees in the private sector, regardless of their status, are entitled to retirement pay.

Moreover, according to ISM, Cabrido’s greed dragged ISM into a costly and time-consuming litigation and demanded benefits to which he was not entitled under the school’s retirement plan.⁴³

On the contrary, it may be recalled that Cabrido would not have had any notion that he was entitled to a retirement benefit until ISM sent an offer to avail a retirement package. Thus:

Good day,

We regret to inform you that the IATF regulation stating that, “Conduct of curricular and co-curricular activities involving gatherings such as science fairs, showcase of portfolios, trade fairs, school sports, campus journalism, festival of talents, job fairs, and other similar activities will be cancelled” remains in force. It may well be that this ban will last for the entirety of SY 2020-2021.

In view of this, ISM has no choice but to suspend all afternoon activities - both ATAC and AFAC - and furlough all its coaches. This means that your employment status at ISM will follow” the “no work, no pay” arrangement, as permitted by DOLE, unless and until we are allowed by the government to return to regular holding of ATAC and AFAC activities.

However, the School is offering an **early retirement option** for those (1) at least 50 years of age; and (2) have worked for the school for at least 5 years as of Jan 31, 2021. Pursuant to the Philippine Labor Code, the computation for **retirement pay** is ½ month for every year of service. “The basis for this calculation will be your pay for school year 2019-2020.

If you do meet the qualifications above and are interested in availing of this option, please feel free to reach out to me by sending me an email no later than November 30th 2020 and we can then provide you with a computation.

⁴² *Id.* at 600.

⁴³ *Rollo*, p. 15.

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We will keep this situation under constant review and keep you informed of any changes.

Please do not hesitate to email me should you have any questions.

Michelle Mapua
HR Director⁴⁴ (Emphasis supplied)

When he conveyed his acceptance of the offer,⁴⁵ it becomes a new “agreement” that will be the basis for the grant of the retirement pay that superseded any other previously agreed retirement plans.

Article 302 [287] of the Labor Code, as amended by Republic Act No. 7641, reads:

Art. 302 [287]. *Retirement.* – **Any employee may be retired upon reaching the retirement age** established in the collective bargaining agreement or **other applicable employment contract.** (Emphasis supplied)

The Court further held that:⁴⁶

In 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**; *Provided, however,* That an employee’s retirement benefits under any collective bargaining and **other agreement** shall not be less than those provided herein.

In the absence of a retirement plan or **agreement** providing for retirement benefits of employees in the establishment, an employee upon reaching the age of sixty (60) years or more, but not beyond sixty five (65) years which is hereby declared the compulsory retirement age, who has served at least five (5) years in said establishment, may retire and shall be entitled to retirement pay equivalent to at least one-half (1/2) month salary for every year of service, a fraction of at least six (6) months being considered as one whole year.

Unless the parties provide for broader inclusions, the term one-half month salary shall mean fifteen (15) days plus one twelfth (1/12) of the 13th month pay and the cash equivalent of not more than five (5) days of service incentive leaves.⁴⁷ (Emphasis supplied)

Hence, ISM’s reproof against and its imputation of greed on Cabrido is not acceptable, given that the qualifications for retirement were crafted by ISM and the offer to retire was likewise initiated by ISM. Cabrido did not actively ask

⁴⁴ *Id.* at 171.

⁴⁵ *Id.* at 174.

⁴⁶ *De La Salle Araneta University v. Bernardo*, 805 Phil. 580 (2017) [Per J. Leonardo-De Castro, First Division].

⁴⁷ *Id.* at 597–598.

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for it but only agreed to avail of it after it was offered to him as it was doubtful that he could still regain his employment considering the pandemic.

Besides, ISM's responsible officers used the words "retirement option" and "retirement package." Thus, the CA was correct in pointing out that ISM cannot renege on its obligation and refuse to grant Cabrido his retirement pay under the pretense that it was doling out financial aid, under the claim that Cabrido, being only 50 years old, is not entitled to retirement pay under the Labor Code, which requires that the employee be at least 60 years old.⁴⁸ This assertion would have only remained meritorious had it not made a new offer to Cabrido.

In *Riingen v. Western Union Financial Services*,⁴⁹ the Court applied estoppel in a case involving a monetary claim for withholding tax deducted from the early retirement benefit. Thus:

According to Article 1431 of the Civil Code provides that "through estoppel, an admission or representation is rendered conclusive upon the person making it, and cannot be denied or disproved as against the person relying thereon." There are three kinds of estoppels, to wit: (1) estoppel in *pais*; (2) estoppel by deed; and (3) estoppel by laches. Under estoppel in *pais*, a person is considered in estoppel if his **conduct, representations, admissions, or silence when he ought to speak out**, whether intentionally or through culpable negligence, **"causes another to believe certain facts to exist and such other rightfully relies and acts on such belief**, as a consequence of which he would be prejudiced if the former is permitted to deny the existence of such facts."⁵⁰ (Emphasis in the original, citation omitted)

The conduct and representations of ISM and its responsible officers before, during, and after Cabrido's acceptance of the offer led him to believe that he is qualified to avail of the offer, and that the benefit he would receive was a retirement pay that should be computed according to the applicable laws, as specifically mentioned in ISM's letter.

Next, there is no merit in ISM's assertion that the quitclaim executed by Cabrido in favor of ISM is valid. Thus, he is already precluded from pursuing his claims in the instant case.⁵¹

The Court repeatedly held that quitclaims are looked upon with disfavor and are commonly frowned upon as contrary to public policy and ineffective to bar claims. The reason for this rule is that the employer and the employee do

⁴⁸ *Rollo*, p. 46.

⁴⁹ 897 Phil. 1028 (2021) [Per J. Carandang, First Division].

⁵⁰ *Id.* at 1037.

⁵¹ *Rollo*, p. 48.

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not stand on the same footing, such that quitclaims usually take the form of contracts of adherence, not of choice.⁵²

In this case, ISM left Cabrido with no choice but to accept the terms of its offer. Its message was clear that if Cabrido does not accept the offer, there is no guarantee that he can still be employed. The CA was correct in noting that considering the factual milieu of the incidents when the offer for retirement was made, the pandemic caused a negative impact on an individual's income.⁵³ The quitclaim should not stop Cabrido from pursuing his claim for retirement pay.

To Our minds, the premise of the quitclaim is the offer and acceptance of ISM's computed retirement benefit. ISM cannot call it retirement pay to release itself from further responsibility and simultaneously deny its nature as retirement pay when the computation is being challenged and questioned.

ISM's representations belie its claim that its offer is a financial assistance to qualified employees who wish to resign.

Finally, the issue of the grant of retirement benefit is not an issue of generosity and greed. As previously discussed, it is a basic human right to social security indispensable to uphold and protect the dignity of every person and critical for alleviating the lives of the marginalized. Thus, employers should be reminded to take the issue of retirement with careful consideration. Retirement is a right and not a privilege; neither is it considered a "dole out".

FOR THESE REASONS, the Petition for Review on *Certiorari* is **DENIED**. The February 29, 2024 Decision of the Court of Appeals in CA-G.R. SP No. 180309 is **AFFIRMED**. Ireland Carreon Cabrido is **ENTITLED** to **RETIREMENT PAY**.

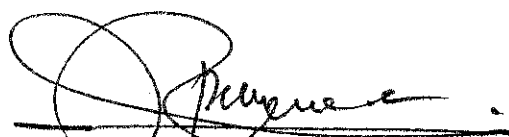
The case is **REMANDED** to the Labor Arbiter for re-computation of the amounts due to Cabrido in conformity with this Decision.

⁵² *Al-Masiya Overseas Placement Agency, Inc. v. Viernes*, 869 Phil. 123, 135–136 (2020) [Per J. Inting, Second Division].

⁵³ *Rollo*, p. 80.

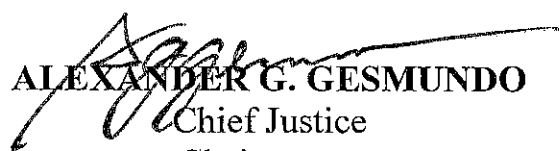
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SO ORDERED.

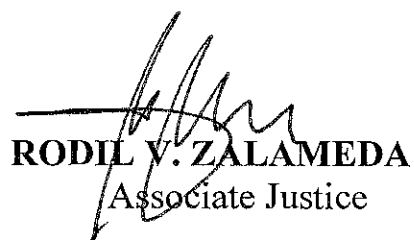


RAMON PAUL L. HERNANDO
Associate Justice
Working Chairperson

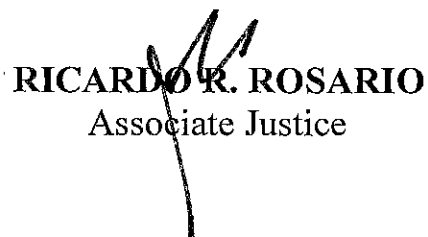
WE CONCUR:



ALEXANDER G. GESMUNDO
Chief Justice
Chairperson



RODIL V. ZALAMEDA
Associate Justice



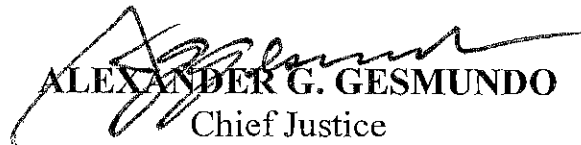
RICARDO R. ROSARIO
Associate Justice



JOSE MIDAS P. MARQUEZ
Associate Justice

CERTIFICATION

Pursuant to Article VIII, Section 13 of the Constitution, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



ALEXANDER G. GESMUNDO
Chief Justice