

CHANROBLES PUBLISHING COMPANY

**SUPREME COURT  
EN BANC**

**RAUL CIPRIANO,  
*Plaintiff-Appellant,***

***-versus-***

**G.R. No. L-24774  
August 21, 1968**

**SAN MIGUEL CORPORATION,  
*Defendant-Appellee.***

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**DECISION**

**CONCEPCION, C.J.:**

Direct appeal, on questions purely of law, from a Decision of the Court of First Instance of Manila, dismissing plaintiff's complaint, without costs.

The pertinent facts have been stipulated. Plaintiff, Raul Cipriano, was first employed, on September 1, 1953, as an apprentice salesman of San Miguel Corporation, with a monthly salary of P215. On March 1, 1954, he became a regular salesman, with a monthly salary of P240. Owing to regular promotions given from time to time to defendant's employees, plaintiff's salary was subsequently increased until it reached, on January 1, 1963, to P290 a month. From the date last mentioned to April 17, 1964, he, moreover, got an average commission of P367.11 a month.

On April 21, 1964, plaintiff received a notice to the effect that, the medical department having certified that he could no longer continue performing his functions as a salesman, the defendant was constrained to retire him at the close of business on April 17, 1964. Plaintiff was then, as he had been for sometime prior thereto, a member in good standing of the San Miguel Brewery Sales Force Union, which had with the defendant, an agreement, dated February 20, 1963, establishing a “Health, Welfare and Retirement Plan,” which was in force. Section 2 of Article VIII of said plan<sup>[1]</sup> provided for retirement benefits at the rate of “one (1) month’s guaranteed basic compensation for each year of service.” Pursuant to this provision, plaintiff got the total sum of P2,292.28, computed on the basis of the compensation for one (1) month for each year of service rendered to the defendant. Subsequently, however, plaintiff demanded payment of the separation pay prescribed in the Termination Pay Law<sup>[2]</sup> and, upon failure of the defendant to heed the demand, or on December 1, 1964, he filed this action to recover said pay, as well as moral damages, exemplary damages and attorney’s fees.

After appropriate proceedings, the lower court rendered the appealed decision, dismissing plaintiff’s complaint, upon the ground that the retirement benefits, received by plaintiff under the aforementioned “Health, Welfare and Retirement Plan”, are in lieu of the termination pay provided by law, contrary to plaintiff’s claim to the effect that this pay is not excluded by said benefits.

Plaintiff’s contention is manifestly devoid of merit. His right to the benefits of the aforementioned plan came into existence by virtue of the agreement between the defendant and the labor union, of which plaintiff is a member. Admittedly, said right is subject to the limitations prescribed in the agreement, Article X of which reads:

“Regular employees who are separated from the service of the company for any reason other than misconduct or voluntary resignation shall be entitled to either 100% of the benefits provided in Section 2, Article VIII hereof, regardless of their length of service in the company or to the severance pay provided by law, whichever is the greater amount.”

Pursuant thereto, plaintiff was entitled to “either” the amount prescribed in the plan “or” the “severance pay provided by law, whichever is the greater amount.” In other words, he had a right to one of the two benefits, not to both, at the same time. The exclusion of one by the other is clearly deducible, not only from the terms “either” and “or” used in the agreement, but, also, by the qualifying phrase “whichever is the greater amount.” Indeed, “whichever is the greater amount” would be immaterial, if the retiring employee were entitled to both. Needless to say, the benefits under said plan — compensation for one (1) month for each year of service — is bigger than the termination pay provided by law, which is limited to one-half of the monthly compensation for every year of service.<sup>[3]</sup>

**WHEREFORE**, the Decision appealed from is hereby affirmed, with costs against plaintiff-appellant. It is **SO ORDERED**.

**Reyes, Dizon, Makalintal, Zaldivar, Sanchez, Castro, Angeles and Fernando, JJ., concur.**

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[1] “SEC. 2. Amount of Benefits.

“(a) For service rendered up to December 31, 1955 — one (1) month’s guaranteed basic compensation for each year of service based on the guaranteed basic monthly compensation as of December 31, 1955;

“(b) For service rendered from January 1, 1956 to December 31, 1962, one (1) month’s guaranteed basic compensation for each year of service based on the guaranteed basic monthly compensation then current.

“(c) For service rendered after December 31, 1962 — One (1) month’s pay (as computed in accordance with Section 4, Article VII, of these rules) for each year of service based on the current month’s pay.”

[2] Republic Act No. 1052 as amended by Republic Act No. 1787.

[3] Section, Republic Act No. 1052, as amended by Republic Act No. 1787.