

THIRD DIVISION

G.R. No. 250613 – ELENITA V. MACALINAO, KENNETH V. MACALINAO and KRISTEL V. MACALINAO, Petitioners, v. CERINE a.k.a. CERENA N. MACALINAO and CINDY N. MACALINAO, Respondents.

Promulgated:

April 3, 2024

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CONCURRING AND DISSENTING OPINION

SINGH, J.:

The present controversy arose from the death of Pedrito G. Macalinao (**Pedrito**), a seafarer employed by Excel Marine Co. Ltd/Fair Shipping Corporation and a member of the Association of Marine Officers and Seafarers Union of the Philippines (**AMOSUP**), on June 26, 2015. His death benefits amounted to USD 93,057.88 or PHP 4,506,309.52.¹

The narration of facts established that Pedrito and respondent Cerena Negapatan Macalinao (**Cerena**) married on June 5, 1981. Their union brought them one child, respondent Cindy Macalinao (**Cindy**). Unfortunately, after only four years, they separated in fact in 1985.²

On April 3, 1990, Pedrito married petitioner Elenita V. Macalinao (**Elenita**) with whom she bore two children: petitioners Kenneth and Kristel Macalinao. Pedrito and Elenita lived together for 25 years until his demise.³

Respondents Cerena and Cindy initially filed before the Regional Trial Court (**RTC**) a Petition for the Declaration of Nullity of the Marriage of Pedrito and Elenita, but it was later amended to a Petition for the Settlement of the Estate of the deceased Pedrito after the RTC determined that the respondents' true intention was to settle the latter's estate. The declaration of nullity of marriage was merely considered as a secondary issue.⁴

After trial, the RTC, in the main, granted the Petition and declared that the marriage between Pedrito and Elenita was null and void for being

¹ Draft *ponencia*, pp. 2-3.

² *Id.* at 2.

³ *Id.*

⁴ *Id.* at 3.



bigamous, and declared that Kenneth and Kristel are illegitimate children of Pedrito for having been born of a void marriage. The RTC also ruled that Pedrito's death benefits formed part of his estate. Consequently, it distributed the death benefits pursuant to Articles 888 and 892 of the New Civil Code (NCC), as follows: (i) Cerena, as the legitimate wife, is entitled to one-half, as her share in the conjugal property; and (ii) the remaining one-half shall be divided among Cerena, Cindy, Kenneth, and Kristel.⁵

On appeal, the Court of Appeals affirmed the RTC Decision.

Thus, the present Petition.

The *ponencia* finds the Petition to be partly meritorious and resolves that: (i) the proceeds of the death benefits are directly payable to the beneficiaries not as a form of inheritance, but as proceeds from a death benefit; and (ii) the only qualified beneficiaries to claim the same are Cerena, as the legitimate surviving spouse, Cindy, as the legitimate child, and Kenneth and Kristel, as illegitimate children, and the proceeds of the death benefits shall be distributed among them in accordance with Articles 999 and 983 of the NCC, in relation to its Articles 892 and 895 (as modified by) Article 176 of the Family Code.⁶

I respectfully register my concurrence as to the finding that the death benefit does not form part of the decedent's estate, and the children of Pedrito should all partake of said benefit. However, I respectfully dissent from the finding that Cerena, the legal spouse, should likewise share in said death benefit.

The principles of social justice underlie Philippine labor laws.⁷ They have been enacted pursuant to the constitutional mandate to "afford full protection to labor, local[,] or overseas."⁸ Filipino seafarers, who are considered "modern-day heroes,"⁹ contribute in large part in keeping the Philippine economy afloat. They undertake long and arduous voyages just to be able to provide for their loved ones.

In this regard, the protection that the State affords is not just for the seafarers, but also extends to those they leave behind. Indeed, it is State policy

⁵ *Id.* at 4-6.

⁶ *Id.* at 9.

⁷ See *Rivera v. Genesis Transport Service, Inc.*, 765 Phil. 544, 557 (2015) [Per J. Leonen, Second Division].

⁸ CONST., art. XIII, sec. 3.

⁹ *Antolino v. Hanseatic Shipping Phils. Inc.*, 871 Phil. 896, 906 (2020) [Per J. A. Reyes, Jr., Second Division].



to protect the rights and promote the welfare of the families of Overseas Filipino Workers, including seafarers.¹⁰

This protection, however, should be read in the wider context of the whole gamut of social legislation, and not narrowly construed on a stand-alone basis. The rule is that “a statute must be interpreted, not only to be consistent with itself, but also to harmonize with other laws on the same subject matter, as to form a complete, coherent[,] and intelligible system.”¹¹

I concur in the *ponencia* insofar as it concludes that the death benefits arising from the death of Pedrito under the Contract prescribed by the Philippine Overseas Employment Administration (POEA) are not included in his estate. This POEA Contract was executed by virtue of POEA Memorandum Circular No. 10, Series of 2010.¹² I likewise concur that all children of Pedrito, whether marital or nonmarital,¹³ are beneficiaries entitled to receive the death benefits under the POEA Contract.

I respectfully dissent, however, from the ruling that Cerena, the long-estranged spouse of Pedrito albeit the legitimate wife, should be deemed a beneficiary entitled to receive a portion of the death benefits. I expound on my position below.

Article 776 of the Civil Code¹⁴ provides for the composition of the inheritance of a decedent:

Article 776. The inheritance includes all the property, rights and obligations of a person which are **not extinguished by his [or her] death**. (Emphasis supplied)

The provision clearly states that all the property, rights, and obligations which survive the death of the decedent is included in the inheritance.¹⁵ This presupposes, therefore, that the property, rights, and obligations are existing at the time of death.

This reading is supported by Article 781 of the Civil Code, thus:

¹⁰ Republic Act No. 11641 (2021), sec. 2, Department of Migrant Workers Act.

¹¹ *Office of Solicitor General v. Court of Appeals*, 735 Phil. 623, 628 (2014) [Per J. Reyes, First Division], citing *Philippine Economic Zone Authority v. Green Asia Construction & Development Corporation*, 675 Phil. 846, 857 (2011) [Per J. Sereno].

¹² Entitled “Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-board Ocean-going Ships.”

¹³ *See Aquino v. Aquino*, G.R. No. 208912, December 7, 2021 [Per J. Leonen, *En Banc*].

¹⁴ Republic Act No. 386 (1949).

¹⁵ *Butte v. Manuel Uy & Sons, Inc.*, 114 Phil. 443, 448 (1962) [Per J. J.B.L. Reyes].



Article 781. **The inheritance of a person includes not only the property and the transmissible rights and obligations existing at the time of his death**, but also those which have accrued thereto since the opening of the succession. (Emphasis supplied)

Considering that inheritance only consists of all property, rights, and obligations existing *prior to* or *at the time* of the death of the decedent, the logical conclusion is that anything that arises *after* death does not form part of the inheritance. Indeed, Article 781 of the Civil Code provides that even those things that arise at the opening of succession, i.e., the moment of death of the decedent, form part of the inheritance for as long as they accrue to such property, rights, and obligations that have been included in the estate.

Section 20(B)(1) of the POEA Contract provides for the grant and payment of death benefits:

SEC. 20. COMPENSATION AND BENEFITS

....

B. COMPENSATION AND BENEFITS FOR DEATH

1. In case of work-related death of the seafarer, during the term of his [or her] contract, the employer shall pay his [or her] beneficiaries the Philippine currency equivalent to the amount of [f]ifty [t]housand US dollars [USD 50,000.00] and an additional amount of [s]even [t]housand US dollars [USD 7,000.00] to each child under the age of twenty-one (21) but not exceeding four (4) children, at the exchange rate prevailing at the time of payment.

Evidently, the payment of work-related death benefits cannot form part of the estate of the deceased because they only arise *after* the death of the decedent seafarer. Prior to the seafarer's death, no such right to receive the benefits exists.

The nature of the death benefits takes the form of a conditional obligation. Article 1181 of the Civil Code is instructive:

Article 1181. In conditional obligations, the acquisition of rights, as well as the extinguishment or loss of those already acquired, shall depend upon the happening of the event which constitutes the condition.

The provision provides for two types of conditions: *suspensive* and *resolatory*. Suspensive conditions are those which "shall take place only if and when the event which constitutes the condition happens or is fulfilled."¹⁶

¹⁶ *Sagun v. ANZ Global Services and Operations (Manila), Inc.*, 793 Phil. 633, 642 (2016) [Per J. Perlas-Bernabe, First Division].



On the other hand, resolatory conditions are “those on which depend the extinction of the obligation.”¹⁷

In *Heirs of Licuanan v. Singa Ship Management, Inc.*,¹⁸ the Court held that to successfully claim for death benefits under Section 20(B)(1) of the POEA Contract, it must be established that the seafarer’s death is: (a) work-related; and (b) had occurred during the term of his employment contract.

Succinctly, the payment of death benefits under Section 20(B)(1) of the POEA Contract may only arise upon the happening of a condition—the death of the seafarer arising out of and in the course of employment. Prior to the happening of such condition, no right exists to receive such benefits as to be included in the inheritance of the decedent; the acquisition of such right commences if and only if the seafarer dies at work.

Indeed, the death benefits are proceeds stemming from a conditional obligation. Prior to Pedrito’s death, there exists no right to receive such payment, and only upon the happening of the stipulated suspensive condition, i.e., the demise of the decedent, would the right be acquired

Relatedly, and as held in the *ponencia*, the exclusion of death benefits, which accrue *after* the moment of death, is supported by the provisions of the National Internal Revenue Code¹⁹ as to what constitutes the *gross estate* of the decedent. Section 86(A)(8) thereof provides that amounts received in accordance with Republic Act No. 4917²⁰ are deducted from the gross estate:

Sec. 86. Computation of Net Estate. – For the purpose of the tax imposed in this Chapter, the value of the net estate shall be determined:

(A) Deductions Allowed to the Estate of Citizen or a Resident. – In the case of a citizen or resident of the Philippines, by deducting from the value of the gross estate –

.....

(8) Amount Received by Heirs Under Republic Act No. 4917. – Any amount received by the heirs from the decedent’s employee as a consequence of the death of the decedent-employee in accordance with Republic Act No. 4917: *Provided*, That such amount is included in the gross estate of the decedent.

¹⁷ *Estipona v. Estate of Aquino*, G.R. No. 207407, September 29, 2021 [Per J. Caguioa, First Division].

¹⁸ 855 Phil. 401, 409 (2019) [Per J. Perlas-Bernabe, Second Division].

¹⁹ Republic Act No. 8424 (1997).

²⁰ Entitled “An Act Providing that Retirement Benefits of Employees of Private Firms Shall Not be Subject to Attachment, Levy, Execution, or Any Tax Whatsoever.” Approved: June 17, 1967.

In turn, Section 1 of Republic Act No. 4917 reads as follows:

Sec. 1. Any provision of law to the contrary notwithstanding, the retirement benefits received by officials and employees of private firms, whether individual or corporate, in accordance with a reasonable private benefit plan maintained by the employer shall be exempt from all taxes and shall not be liable to attachment, garnishment, levy[,] or seizure by or under any legal or equitable process whatsoever except to pay a debt of the official or employee concerned to the private benefit plan or that arising from liability imposed in a criminal action: *Provided*, That the retiring official or employee has been in the service of the same employer for at least ten (10) years and is not less than fifty years of age at the time of his retirement: *Provided, further*, That the benefits granted under this Act shall be availed of by an official or employee only once: *Provided, finally*, **That in case of separation of an official or employee from the service of the employer due to death, sickness[,] or other physical disability or for any cause beyond the control of the said official or employee, any amount received by him [or her] or by his [or her] heirs from the employer as a consequence of such separation shall likewise be exempt as hereinabove provided.** (Emphasis supplied)

Death benefits are amounts received by the seafarer's beneficiaries as a consequence of separation from the service due to the death of such seafarer. Clearly, such benefits fall under the last proviso of Section 1 of Republic Act No. 4917, and is therefore excluded from the computation of the decedent's gross estate.

Considering that death benefits are not part of the estate of the deceased, it is incongruous then to hold that the distribution of such benefits should follow the rules on succession. Indeed, if certain properties and rights do not form part of the estate, then the heirs, whether testate or intestate, would not be called to succeed to such properties and rights.

While the *ponencia* argues that the mode of distribution provided for in the definition of a "beneficiary" is contractual in nature, it must be emphasized that the Contract entered into by Pedrito and his employer is one that is mandated by the State.

In *Eastern Shipping Lines, Inc. v. Philippine Overseas and Employment Administration*,²¹ the Court held that the POEA's power to prescribe a model or standard contract for seafarers is a valid delegation of legislative power necessary to implement the broad policies laid down by the labor statutes.

²¹ 248 Phil. 762 (1988) [Per J. Cruz, First Division].



In *Joint Ship Manning Group, Inc., et al. v. Social Security System*,²² the Court recognized that seafarers only have one standard contract that governs their employment and which is prescribed by the POEA, thus:

[S]eafarers constitute a unique classification of OFWs. Their essential difference against land-based OFWs is that **all seafarers have only one (1) standard contract, which provides the rights and obligations of the foreign ship owner, the seafarer and the manning agencies.** The 2016 POEA Rules define the POEA-SEC as follows:

Employment Contract/Standard Employment Contract — refers to the POEA-prescribed contract containing the minimum terms and conditions of employment, which shall commence upon actual departure of the seafarer from the Philippine airport or seaport in the point of hire.

The POEA-SEC outlines all the duties and responsibilities of the foreign ship owners, manning agencies, and seafarers within its coverage. **As long as the seafarer is employed or engaged in overseas employment in any capacity on board a ship, the POEA-SEC shall apply to him or her. The latest POEA-SEC is covered by the POEA Memorandum Circular No. 010-10, or the Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships.**²³ (Emphasis supplied)

The terms and conditions of the Contract executed by the seafarer and his or her employer is not an area into which the Court can permissibly intervene, lest it violate the right against impairment of obligations and contracts,²⁴ but such stipulations stem from government action, i.e., the issuance of POEA Memorandum Circular No. 10, which is susceptible to review by this Court.

Notably, POEA Memorandum Circular No. 10, which prescribed all the terms and conditions in the subject POEA Contract, is part and parcel of the whole range of social legislation enacted to promote the welfare of workers. In a number of cases,²⁵ the Court has applied its provisions in upholding the rights of seafarers.

The maxim *interpretare et concordare legibus est optimus interpretandi*, or “every statute must be so construed and harmonized with other statutes as to form a uniform system of jurisprudence”²⁶ is instructive.

²² 876 Phil. 596 (2020) [Per J. Gesmundo, *En Banc*].

²³ *Id.* at 618–619.

²⁴ CONST., art. III, sec. 10.

²⁵ *One Shipping Corporation v. Heirs of Abarrientos*, G.R. No. 255802, October 12, 2022 [Per J. M.V. Lopez, Second Division]; *Mabute v Bright Maritime Corporation*, 883 Phil. 219 (2020) [Per J. Carandang, Third Division]; *Magsaysay Maritime Corporation v. Heirs of Buenaflor*, 875 Phil. 253 (2020) [Per J. Reyes, J. Jr., First Division].

²⁶ *Philippine Overseas Employment Administration v. Commission on Audit*, 890 Phil. 498, 517–518 (2020) [Per J. Gaerlan, *En Banc*], citing *Office of the Solicitor General v. Court of Appeals, et al.*, 735 Phil. 622, 630 [Per J. Reyes, First Division].



Utilizing this rule of construction, the Court is called upon to interpret laws not as isolated pieces, but as parts of a whole connected with each other as to create a “complete, coherent, and intelligible system.”²⁷

Death benefits accruing to the beneficiaries of the deceased seafarer are usually taken alongside other social security benefits. Indeed, Section 20(B)(3) of POEA Memorandum Circular No. 10 provides that death benefits are claimed on top of other benefits granted under law from the Social Security System (SSS), Overseas Workers Welfare Administration, Employees’ Compensation Commission (ECC), Philippine Health Insurance Corporation, and the Home Development Mutual Fund.²⁸

Section 8(k) of Republic Act No. 8282, or the Social Security Act of 1997, provides for the definition of a *beneficiary*:

(k) Beneficiaries – **The dependent spouse** until he or she remarries, the dependent legitimate, legitimated or legally adopted, and illegitimate children, who shall be the primary beneficiaries of the member: *Provided, That the dependent illegitimate children shall be entitled to fifty percent (50%) of the share of the legitimate, legitimated or legally adopted children: Provided, further,* That in the absence of the dependent legitimate, legitimated[,] or legally adopted children of the member, his/her dependent illegitimate children shall be entitled to one hundred percent (100%) of the benefits. In their absence, the dependent parents who shall be the secondary beneficiaries of the member. In the absence of all of the foregoing, any other person designated by the member as his/her secondary beneficiary. (Emphasis supplied)

As cited in the *ponencia*, the case of *Social Security System v. Aguas*²⁹ is instructive. There, the Court held that “a wife who is already separated *de facto* from her husband cannot be said to be ‘dependent for support’ upon the husband, absent any showing to the contrary.”³⁰

Then, in *Social Security System v. De los Santos*,³¹ the Court ruled that the wife who has left the family abode on two separate occasions to live with two different partners cannot be considered a dependent spouse entitled to death benefits.³²

²⁷ *Id.*

²⁸ POEA Memorandum Circular No. 10 (2010), sec. 20(B)(3). “3. It is understood and agreed that the benefits mentioned above shall be separate and distinct from, and will be in addition to whatever benefits the seafarer is entitled to under Philippine laws from the Social Security System, Overseas Workers Welfare Administration, Employees’ Compensation Commission, Philippine Health Insurance Corporation and Home Development Mutual Fund (Pag-IBIG Fund).”

²⁹ 518 Phil. 538 (2006) [Per J. Callejo, Sr., First Division].

³⁰ *Id.* at 554.

³¹ 585 Phil. 684 (2008) [Per J. R.T. Reyes, Third Division].

³² *Id.* at 695.



Similarly, Section 2(f) of Republic Act No. 8291, or the Government Service Insurance System (GSIS) Act of 1997, provides:

(f) Dependents – **Dependents shall be the following: (a) the legitimate spouse dependent for support upon the member or pensioner; (b) the legitimate, legitimated, legally adopted child, including the illegitimate child, who is unmarried, not gainfully employed, not over the age of majority, or is over the age of majority but incapacitated and incapable of self-support due to a mental or physical defect acquired prior to age of majority; and (c) the parents dependent upon the member for support[.]** (Emphasis supplied)

In *Re: Application for Survivor's Benefits of Ms. Maylene G. Manlavi*,³³ the Court held that a spouse who abandoned the family for more than 17 years is not entitled to receive the death and survivorship benefits accruing to the deceased GSIS member.

Section 8 of Republic Act No. 3428 or the Workmen's Compensation Act, as amended by Republic Act No. 4119,³⁴ provides for who are entitled to receive death benefits:

Sec. 8. Death benefit. If the disease contracted or injury received by the employees as provided in Section two hereof cause his death within two years from the date of such injury or sickness, the employer shall pay to the persons entitled thereto, or, in cases there shall be none, to the person representing the deceased employee the burial expenses in the amount of two hundred pesos, and shall also pay to or for the following persons, in the order of priority and during the periods hereinafter set forth, compensation equivalent to the following percentages of the average weekly wages of the employee as determined in Section nineteen of this Act:

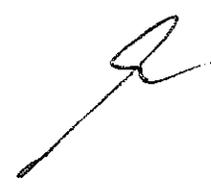
(a) **To the dependent widow or widower**, in case there are no dependent children, forty-five per centum.

(b) **To the dependent widow or widower** in case there are one or two dependent children, fifty per centum, and if there are three or more dependent children, sixty per centum. The compensation to the widow or widower shall be for the use or benefit of the widow or widower and of the dependent children, and the Bureau may from time to time adjust the compensation between them in the most equitable manner possible. (Emphasis supplied)

These social security laws provide that there must be, at least, a level of *dependency* on the deceased employee by the surviving spouse; for the children it is assumed. The rationale behind this is clear—the State tries to ameliorate the loss, at least in terms of economics, that is brought by the death of the family member who provides for their needs, especially when such

³³ 405 Phil. 152 (2001) [Per J. Kapunan, *En Banc*].

³⁴ Approved on June 20, 1964.



death is brought about by the performance of duties during the course of employment.

To rule that the payment of death benefits under the POEA Contract, which are akin to death benefits granted under the other social justice legislation abovementioned, should be granted under a different and distinct policy for distribution would lead to an absurd result. An estranged spouse not dependent on the support of the deceased seafarer who would not otherwise be entitled to receive SSS, GSIS, and ECC payments, would now be entitled to receive death benefits under the POEA Contract.

In this case, Cerena has been established to be the estranged spouse of Pedrito. Only after four years of their marriage, Cerena and Pedrito separated in fact and have since lived their lives separately. That separation lasted for over 24 years prior to Pedrito's demise, and during the last 24 years of Pedrito's life, he held out Elenita as his common law wife. Evidently, the facts have established that Cerena has not depended on Pedrito for support from the time they separated. It is for this reason that she is not entitled to receive the death benefits under the POEA Contract.

At any rate, I concur that as regards the children of Pedrito, namely Cindy, Kenneth, and Kristel, they are entitled to receive the death benefits under the POEA Contract.

As found by the RTC, Cindy is a marital child from the legal union between Pedrito and Cerena, while Kenneth and Kristel are the nonmarital children by virtue of the bigamous marriage between Pedrito and Elenita.³⁵

To reiterate, the death benefits under the POEA Contract are similar to the death benefits granted under the Social Security law. As to the manner of distribution, guidance may be taken from the latter law. Section 8(k) of Republic Act No. 8282 provides that "the dependent illegitimate children shall be entitled to fifty percent (50%) of the share of the legitimate [...] children."³⁶

As applied herein, Cindy is entitled to 50% of the total amount of death benefits under the POEA Contract, and the remaining 50% will be shared by both Kenneth and Kristel in equal parts, or 25% each. This way, only those who are truly dependent on Pedrito would be able to receive their entitlement, as envisioned under the POEA Contract and the law.

Thus, I vote to **PARTIALLY GRANT** the Petition. The Decision, dated August 29, 2019, and the Resolution, dated November 25, 2019, of the

³⁵ *Rollo*, p. 48.

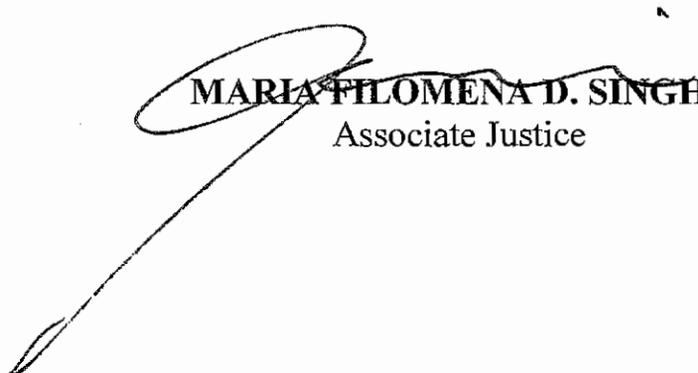
³⁶ Republic Act No. 8282, sec. 8(k).



Court of Appeals in CA-G.R. CV No. 112739 should be **AFFIRMED** with **MODIFICATION**. The death benefits in the amount of PHP 4,506,309.52 should be distributed, as follows:

1. 50% or PHP 2,253,154.76 shall be paid to Cindy N. Macalinao;
2. 25% or PHP 1,126,577.38 shall be paid to Kenneth V. Macalinao;
and
3. The other 25% or PHP 1,126,577.38 shall be paid to Kristel V. Macalinao.

The foregoing interpretation does not only carry out the precepts of social justice, but actually enforces the true meaning of "justice," in general, which is to give someone his or her due.



MARIA FILOMENA D. SINGH
Associate Justice