# WELFARE LAWS

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In 1972, the Supreme Court promulgated some eight decisions dealing not on all welfare laws but only on the Workmen's Compensation Act. These cases are: *Republic of the Philippines (Philippine Air Force) v. Workmen's Compensation Commission and Erlinda L. Doyon*[1]; *Emilio L. Galang v. the Workmen's Compensation Commission and Juanita A. Vda. de Manligas*[2]; *Republic of the Philippines (Department of Justice) v. Workmen's Compensation Commission and Cleofe R. Azana,* in her own behalf and in behalf of her minor children, Manuel and Rogelio, both surnamed Azana[3]; *Delfin Garcia v. Workmen's Compensation Commission and San Juan de Dios Hospital, Inc.*[4]; *Francisco Visitacion v. Workmen's Compensation Commission and Red v. Coconut Product, Ltd.*[5]; *Republic of the Philippines (Philippine Constabulary) v. Workmen's Compensation Commission and Flora A. Vda. de Anchez* for herself and behalf of her minor children, namely: Angelina, Erlina, Angelita, Froilan, Luciano, Juanito and Jacinta, all surnamed Anchez[6]; *Francisco Marcelino v. Seven-Up Bottling Company of the Philippines and the Workmen's Compensation Commission*[7]; *Delgado Brothers, Inc. v. Workmen's Compensation Commission and Esperidiona Vda. de Fernandez* for herself and for her minor son Ruben Fernandez[8].

The above cases covered a wide range. Some cases dealt with the problem of the applicability of Republic Act 610, the Armed Forces Death Gratuity and Disability Pension Act of 1951. Reiterated was the previous ruling of the Supreme Court that the 10-day period within which to controvert compensation claims must be strictly complied with. Others dealt with the question as to the date when charitable institutions should be covered by the Workmen's Compensation Act pursuant to Republic Act No. 4119 enacted June 20, 1964; within what time should a motion for reconsideration from a decision of a Commissioner or a referee be made;

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1 G.R. No. 30320, March 29, 1972, 44 SCRA 191 (1972).
2 G.R. No. 33928, March 29, 1972, 44 SCRA 221 (1972).
3 G.R. No. 29019, May 18, 1972, 45 SCRA 61 (1972).
4 G.R. No. 31159, May 30, 1972, 45 SCRA 246 (1972).
5 G.R. No. 32076, May 30, 1972, 45 SCRA 265 (1972).
6 G.R. No. 34352, May 31, 1972, 45 SCRA 358 (1972).
7 G.R. No. 30443, October 31, 1972, 47 SCRA 343 (1972).
8 G.R. No. 31759, November 29, 1972, 48 SCRA 198 (1972).

who should controvert a claim for compensation; and whether an award based on a decision of an employer's report is valid.

*Republic Act No. 610 and Workmen's Compensation Act compared*

In the case of the *Republic of the Philippines (Philippine Air Force) v. CIR, WCC*,[9] the Supreme Court decided the issue as to whether beneficiaries of military personnel entitled to death gratuity under Republic Act No. 610 or the Armed Forces Death Gratuity and Disability Pension Act of 1951, who claimed and have received payment thereunder, may in addition to such payment again claim and be paid death compensation under the Workmen's Compensation Act.[10]

The facts of the case are as follows: While undergoing authorized physical training, Corporal Ludovico Doyon of the Philippine Air Force died on October 13, 1966. The Philippine Air Force paid the sum of ₱3,000.00 to his heir pursuant to Republic Act No. 610 plus ₱250.00 for burial expenses pursuant to Section 699 of the Revised Administrative Code. Subsequently, his widow, Erlinda L. Doyon filed a claim for compensation with the Workmen's Compensation Commission. The Philippine Air Force and the Office of the Solicitor General did not controvert such claim. They requested, however, that the sum of ₱3,000.00 already paid be deducted from whatever amount would be given to the widow and that there be no adjudication for burial expenses, payment thereof having been made.

The Chief of the Workmen's Compensation Section rendered an award directing the Republic of the Philippines (PAF) to pay the widow the sum of ₱4,449.12. The Republic filed a motion for reconsideration praying that the sum of ₱3,000.00 be deducted from the award. Said motion was denied. The Workmen's Compensation Commission affirmed such award. A motion for reconsideration filed by the Republic was denied by the Commission *en banc* in a resolution.

The following legal provisions are pertinent to the issue:

Section 9 of Republic Act No. 610 provides:

"Repeal or modification of laws — Except as hereinafter provided, any gratuity or pension received under the provisions of this Act shall be in addition to any retirement pay payable under existing laws: Provided, That no person who has received the death or disability benefits under Republic Act Numbered Five hundred seventy-three shall be entitled to the benefits of this Act. No pay-

[9] G.R. No. 30320; March 29, 1972, 44 SCRA 191 (1972).
[10] Act No. 3428, as amended.

ment shall hereafter be made to the beneficiaries of deceased officers and enlisted men of the Armed Forces of the Philippines or the Philippine Constabulary under the provisions of Republic Act Numbered Thirty or any other law granting similar benefits to officers and employees, generally, of the national, provincial, or municipal government. x x x"

Section 5 of the Workmen's Compensation Act provides:

"Exclusive right to compensation — The rights and remedies granted by this Act to an employee by reason of a personal injury entitling him to compensation shall exclude all other rights and remedies accruing to the employee, his personal representatives, dependents or nearest of kin against the employer under the Civil Code and other laws, because of said injury."

The above provisions of the governing laws are very clear.

The legislature recognizes the exclusive character of the benefits under Republic Act No. 610. This is deductible from the fact that it increased the death gratuity for beneficiaries of army officers and enlisted men from ₱3,000.00 to ₱6,000.00 thru Republic Act No. 5859. The purpose is obviously to place military personnel on an equal footing with civilian employees in the government and private sectors, whose maximum allowable death compensation is ₱6,000.00, but certainly not to make the beneficiaries of military personnel recipients of twice the benefit allowable to beneficiaries of civilian employees in government. The equalization of death benefits under Republic Act No. 610 and the Workmen's Compensation Act also does away with the practice of shifting claims for benefits by military personnel or their beneficiaries from one law to the other.

Hence if one is paid under Republic Act No. 610, he may not again be paid under the Workmen's Compensation Act, unless as in the instant case, what was received under the first law is less than what can be received under the Workmen's Compensation Act, in which case, since both laws are social legislations designed to provide a system whereby dependents are awarded benefits to prevent them from being destitute and a charge upon society, the difference in amount may still be ordered paid by the Workmen's Compensation Commission in a proper case brought before it.

Justice Julio Villamor, speaking for the court, said:

"x x x (A)s the Workmen's Compensation Act now stands, the benefits thereunder are applicable to all officials, employees and laborers in the service of the government, including, apparently, members of the armed forces. Does this mean, then, that if an army officer or enlisted man, or his beneficiary, accepts benefits under Republic Act No. 610, he may still be entitled to the full benefits of

> the Workmen's Compensation Act and vice versa? The answer is in the negative."

To the same effect was the ruling of the Court in the case of *Republic of the Philippines (Philippine Constabulary) v. Workmen's Compensation Commission.*[11] Here the Court held that "x x x the Workmen's Compensation Act, as so amended[12] has become suppletory to Republic Act No. 610, such that whatever benefits cannot be granted under the latter may be completed by an award under the former." Under this construction, the beneficiaries concerned may avail themselves of either of these laws, at their convenience, provided that a full recovery under the Compensation Law would naturally bar any benefit under the other law, whereas any recovery under the latter, if less than that authorized under the former, may be augmented up to the full amount provided in the former.

*Filing of employer's report required by sections 37 and 45 of the Workmen's Compensation Act construed*

In the case of *Republic of the Philippines (Department of Justice) v. Workmen's Compensation Commission,*[13] the Republic, as employer, was late in controverting the claim for compensation. The Department of Justice received the notice and claim on July 20, 1967. The posting by the Solicitor General of the controversion was made on August 2, 1967 which was beyond the reglementary 10-day period, and such delay constituted a forfeiture of all non-jurisdictional defenses available to the respondent.

The 10-day period prescribed by statute (Workmen's Compensation Act) for an employer to controvert a compensation claim should be counted from the date of service of the claim to the Department of Justice on July 20, 1967 and not from the date the papers were received by the Solicitor General on July 24, 1967. The controversion filed by the office of the Solicitor General 13 days after receipt of the claim by the Justice Department (August 2, 1967) was inexcusable and must result in the forfeiture of the right to controvert the claim.

Mr. Justice J.B.L. Reyes made this observation:

> "This Court has always strictly applied to private employers the rule on forfeiture of the right to controvert compensation claims by belated notices of controversion, and no reason is seen why a different norm should govern when the employer is the Republic. On the contrary, the Republic is duty-bound to set the example in the

[11] *Supra,* note 6
[12] By Rep. Act No. 4119 on June 20, 1964.
[13] *Supra,* note 3.

> strict observance of the laws it has enacted, without seeking to shield itself in delays in the official routine, an excuse not accepted in instances where private employers are involved."

In the case of *Galang v. Workmen's Compensation Commission*,[14] the respondent-claimant, Mrs. Juanita A. Vda. de Manligas, filed a claim for compensation for the death of her husband with the Commission, which was granted by it. The petitioner filed a petition for review with the Commission, which petition was denied for having been filed out of time.

In his motion for reconsideration, the petitioner claimed that his petition was filed on time considering that June 12, 1971, the tenth day after he was served the Commission's decision, was Philippine Independence Day, a national holiday, and the next day, June 13, 1971, was a Sunday, and he then cited the provision of Section 31 of the Administrative Code which provides: "where the day or the last day for doing any act required or permitted by law falls on a holiday, the act may be done on the next succeeding business day."

The Commission contended that notwithstanding the fact that June 12 and 13, 1971 were a holiday and a Sunday, respectively, respondent could have availed himself of the Bureau of Posts or any of its branches in transmitting his petition for review by registered mail, since the Bureau of Posts and/or its branches were opened that day.

To this, the Court said:

> "It is obvious that the Commission's position that although 'the last day of filing respondent's petition for review fell on a Saturday which was also a legal holiday and, therefore, the Commission was closed, — respondent could still avail himself of the Bureau of Posts or any of its branches in transmitting his petition for review by registered mail on said date, considering that 'the Bureau of Posts and/or its branches were opened on that date', assuming as true, which it may not be, that postal offices are opened on Sundays and holidays, overlooks the point that in the eyes of the law, when the Commission where the petition was supposed to be filed was itself closed for business, all other offices, public or private, acting virtually or in fact, as agents of the Commission are likewise deemed closed for the business of the Commission. Indeed, the ruling of the Commission goes against the general understanding of practice in the application of Section 31 of the Revised Administrative Code aforequoted. This is, in fact, the first occasion that, to the knowledge of this Court, such an interpretation has been adopted by any office of the Government."

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[14] *Supra*, note 2.

Ordinarily, when a lower court or a Commission, whose decisions are appealable to the Supreme Court, dismisses a case or refuses to act on its merits because of a technical defect either in the form of the corresponding pleading or the unexcused filing thereof beyond the reglementary period, as in the instant case, the case is returned to the court or Commission of origin to have it passed on the merits of the case.

However, in claims for compensation under the Workmen's Compensation Act, lest the laudable purposes of the law be substantially defeated, it is within the power of the Court, conferred upon it by the letter and spirit of the Act and the injunctions of the Constitution of the Philippines, especially upon the judiciary, to "afford protection to labor"[15] and to promote social justice[16] to disregard the usual procedure, if in doing so there would be any resulting denial of due process.

So that where it is not disputed, as in the instant case, that the petitioner failed to file the employer's report required by Sections 37 and 45 of the Workmen's Compensation Act, within the ten-day period prescribed, it will be idle ceremony to remand the claim to the Commission, there being no possibility that a different decision favorable to the petitioner can be correctly rendered by the Commission.

*Charitable institutions covered by the Workmen's Compensation Act*

In the case of *Garcia v. Workmen's Compensation Commission and San Juan de Dios Hospital*,[17] the Supreme Court held that the coverage of the Workmen's Compensation Act, as amended by Republic Act No. 4119, was made applicable to charitable institutions, like the respondent hospital.

Petitioner claimant claimed for disability benefits on July 11, 1963 against respondent. This claim was dismissed March 27, 1967.

Appeal was made and the Commission, through an Associate Commissioner, affirmed the appealed decision on August 26, 1969.

Two things should be considered: (1) the date of filing of the claim and (2) the date when the right to file the claim arises. For purposes of coverage under the Workmen's Compensation Act, the latter is controlling.

The salutary provisions of the amendatory statute, Republic Act No. 4119, extending from its enactment on June 20, 1964 compulsory workmen's compensation coverage even to charitable institutions such as re-

[15] Art. XIV, sec. 6.
[16] Art. IV, sec. 5.
[17] *Supra*, note 4.

spondent hospital, could not be made to apply to petitioner's claim, because when at the time that his illness occurred on January 2, 1963, respondent hospital was still exempt from and not covered by the law.

The claim was rejected not because it was filed before June 20, 1964 but because the course of action accrued in January, 1963 when the illness of petitioner occurred and when hospitals were not yet covered and liable under the Workmen's Compensation Act. This is in line with the express injunction of Article 4 of the Civil Code that "laws shall have no retroactive effect, unless the contrary is provided."

*Who should controvert a claim for compensation?*

In *Republic v. Workmen's Compensation Commission,*[18] the above issue cropped up but the Court did not make any direct ruling on it.

Under Memorandum Circular No. 210, dated October 29, 1968, of the Executive Office, "the duty to file the notice of controversion of claims for compensation of government employees", as "heads of the Departments, Bureaus or Offices concerned", devolved on the corresponding higher army authorities.

In the case at bar, the death of Corporal Anchez took place within the premises of the 137th PC Company in Imus, Cavite. It is to be presumed that report thereof was immediately made to the corresponding higher army authorities. No notice of controversion appears to have been filed by the supposed employers, the Philippine Constabulary. The record shows nothing but the Indorsement of the Acting Chief of Constabulary to the Solicitor General which was subsequently endorsed by the latter to the Workmen's Compensation Commission sub-regional office. Section 45 of the Workmen's Compensation Act requires the filing of an employer's report. These communications do not amount, from a reading of their contents, to the controversion required by the law.

Acting Chief Justice Mr. Justice J.B.L. Reyes ruled under similar circumstances in *Republic v. Workmen's Compensation Commission, et al.,*[19] this wise:

> "The next issue tendered is which party has the right to controvert the laborer's claim, the Philippine Air Force or the Solicitor General. This is a question between said parties *inter se* and its resolution does not affect the rights of the claimant. At any rate, the question is irrelevant in the present case, even in an incidental manner, because neither of the said parties complied with the requirements for a valid controversion — The Philippine Air Force, which knew of the accident on the day of its occurrence on 24 February 1959,

[18] *Supra,* note 6.
[19] G.R. No. 22650, April 28, 1967, 19 SCRA 1022 (1967).

> controverted the claim only on 11 August 1959, much beyond the period prescribed in Section 24 of the Workmen's Compensation Act, while the Solicitor General failed to file an employer's report, as required by Section 45 of the Act. It may well be pointed out also that any report by the latter would be essentially hearsay, without actual knowledge of the facts."[20]

As intimated above, the Court did not make a direct ruling on the issue.

*What constitutes total disability*

The Supreme Court in the case of *Marcelino v. Seven-Up Bottling Company of the Philippines*,[21] has defined in significant terms what should constitute total disability.

The facts of the case show that petitioner started working with the respondent company as a stocker on March 16, 1953, after passing a pre-employment physical examination of assistant foreman. He was promoted to the position of bottle inspector in 1962. On July 12, 1965, at about ten o'clock in the morning, while busy inspecting the bottles in the production department of respondent company, he suddenly collapsed. He was treated by the company physician who found him to be suffering from hypertension. He was treated at his residence by the company physician, and was admitted on October 18, 1965 to the Veterans Memorial Hospital and discharged therefrom on November 3, 1965. On the many occasions after his discharge from the hospital that he presented himself before the management of respondent company requesting that he be allowed to return to work, the respondent company consistently refused to re-admit him for fear that his illness might recur.

The Workmen's Compensation Commission found that the ailment of petitioner had supervened in the course of his employment and that said ailment is presumed to be caused or aggravated by his employment. However, it ruled that the petitioner is only entitled to an award for temporary total disability, the reason being that his hypertensive condition had not resulted into some fatal or disabling complications such as paralysis, partial or total, which would prevent him from pursuing his regular job.

The Supreme Court held that the Workmen's Compensation Commission erred when it declared that the petitioner was not entitled to compensation for permanent total disability but only to an award of temporary disability because he had not suffered from paralysis or other fatal complication due to his ailment of hypertension.

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[20] *Id.*, at 1025-1026.
[21] *Supra*, note 7.

It said that the Commission overlooked the fact that the respondent company refused to allow the petitioner to return to work after his discharge from the hospital for the reason that his illness might anytime recur. This actuation of the respondent company showed that the petitioner was incapacitated or disabled to perform any substantial amount of labor in the line of work where he was formerly engaged, or in any other kind of work for which he could be assigned.

In reversing the Commission's decision and finding the petitioner as suffering from an illness which rendered him permanently and totally disabled to work, the Supreme Court cited the authoritative comments on the coverage of the term "permanent total disability" as used in the Workmen's Compensation Act, e.g., (a) "Comments and Annotations on the Workmen's Compensation Act" by Severo M. Pucan and Cornelio R. Besinga, that "total disability does not mean a state of absolute helplessness, but means disablement of an employee to earn wages in the same kind of work, or a work of similar nature, that he was trained for or accustomed to perform, or any kind of work which a person of his mentality, and attainments could do"; (b) "Philippine Labor and Social Legislation" by Justice Ruperto Martin of the Court of Appeals, that "permanent total disability means disablement of an employee to earn wages in the same kind of work, or work of a similar nature that he was trained for, or accustomed to perform, or any other kind of work which a person of his mentality and attainments could do . . ."; (c) "Labor Standards and Welfare legislation" by Perfecto Fernandez and Camilo Quiason, that "permanent total disability means an incapacity to perform gainful work which is expected to be permanent. This status does not require condition of complete helplessness, nor is it affected by the performance of occasional odd jobs."

*Period of appeal from decision of a Commissioner and a referee different*

In *Visitacion v. Workmen's Compensation Commission*,[22] petitioner filed a claim for compensation due to lung disease (tuberculosis).

On September 8, 1967, a decision in favor of claimant-petitioner was rendered by a referee. Elevated for review, the case was heard by a Commissioner who reversed the decision of the referee on November 28, 1969.

Notice of the decision of the Commission was received December 24, 1969. On January 6, 1970, a motion for reconsideration was filed with the Commission *en banc*. By Resolution of February 20, 1970, the Commission *en banc* denied the motion, holding that the decision of the Com-

[22] *Supra*, note 5.

mission had become final and unreviewable ten (10) days after the petitioner had received notice thereof, on January 3, 1970, pursuant to Section 1, Rule 17 of the Rules of the Commission (published on March 10, 1967, 6509 No. 10).

Section 3 of Workmen's Compensation Commission Rule 24 as well as Section 1, Rule 17 of the amended Rules provide:

> "The Commission to whom an appealed case is assigned by the Chairman shall decide the same on its merits. Either appellee or appellant, or both, may seek the reconsideration of the decision of a Commissioner by the Commission *en banc*, within ten (10) days from receipt of said decision x x x."

Since petitioner received copy of the decision of the Commissioner on December 24, 1969, his period for resorting to the Commission *en banc* expired on January 3, 1970. As he applied for review only on January 6, 1970, his appeal was correctly dismissed for having been filed out of time.

His contention that under Section 49 and 50 of Republic Act No. 772, amending the original Workmen's Compensation Act No. 3428, a period of 15 days was set for applying for a review deserves no merit. The Court ruled that:

> "This argument is without merit, for, as explained by the Court in Manila Trading and Supply Co. v. Workmen's Compensation Commission, (31259, 31 March 1971, 38 SCRA 360), the statutory period of 15 days referred to appeals from an award by a referee, not to appeals from a decision of one Commissioner to the Commission *en banc*."

*Validity of an award based on admission in employer's report*

That an award for compensation based on admission in an employer's report is valid has been confirmed by the Supreme Court in the case of *Delgado Brothers, Inc. v. Workmen's Compensation Commission*,[23] when it ruled that where the controversion made in the letter of the insurance carrier had been overcome by the admission of the employer in its answer in the employer's report respecting the circumstances of the employees illness, an award of compensation may be rendered without further proceeding especially where the employer did not offer to prove that the employee's death was not service-connected.

[23] *Supra*, note 8.