Supreme Court E-Library

FIRST DIVISION

[G.R. No. L-43006. February 28, 1979]

BIBIANA CAOILI, *petitioner*, *vs.* **REPUBLIC OF THE PHILIPPINES (Bureau of Public Schools) and WORKMEN'S COMPENSATION COMMISSION**, *respondents*.

SYLLABUS

1. **LABOR AND SOCIAL LEGISLATION; WORKMEN'S COMPENSATION; PRESUMPTION OF COMPENSABILITY.; APPLICATION** — Where the employee's illness supervened in the course of or during the employment, there arises the rebuttable presumption that the illness arose out of or was aggravated by said employment and consequently compensable without need of further proof. The burden to overcome such presumption is shifted to the door of the employer which he must do by substantial evidence.

2. **ID.; ID.; CLAIM FOR COMPENSATION; DENIAL THEREOF BASED ON FACTS OF ANOTHER CLAIM, A COMPLETE NULLITY.** — The decision of the Workmen's Compensation Commission denying the employee's claim for compensation based on a finding of facts which pertained to another claim, is an absolute and complete nullity. It committed a serious and grave error of injustice in basing its decision on the facts of another case.

3. **ID.; ID.; ID.; RIGHT THERETO, NOT EXTINGUISHED BY THE FACT THAT EMPLOYER-EMPLOYEE RELATIONSHIP CEASED TO EXIST.** — The fact that the employer-employee relationship had ceased to exist does not necessarily extinguish the rights that have already arisen. It is not necessary that the employer-employee relationship exist at the time of the award. If the validity of a judgment or order of the Workmen's Compensation Commission were made to depend on the existence of an employer-employee relationship at the time the award or judgment is rendered, then the employer could with impunity avoid all its obligations under the act by the simple expedient of dismissing its employee as soon as indications of their injury or illness arise.

Supreme Court E-Library

4. ID.; ID.; ID.; EFFECT OF APPROVAL OF OPTIONAL RETIREMENT. — While the retirement from the service results in the severance of employer-employee relationship, which relationship is the jurisdictional foundation of a claim for compensation benefits under the Workmen's Compensation Act, nevertheless, as long as the illness or injury for which compensation is claimed arose out of or in the course of the employment, the retired employee is still entitled to compensation benefits under the provisions of Act 3428. The enjoyment by government employees covered by GSIS of retirement benefits under the GSIS Law (CA 186, as amended), concurrently with benefits under the Workmen's Compensation Act is expressly provided for in Section 3 of said Act. 3428. When an employee is forced to ask for retirement ahead of schedule not because of old age but principally because of his weakened bodily condition due to illness contracted in the course of his employment, he shall be given, aside from his retirement benefits, compensation inability to work during the remaining days before his scheduled retirement. Considering that one compelled to retire from employment due to disability is entitled to disability benefits, and considering further that the maximum amount of disability compensation benefits should be extended to the worker where his illness results in the loss of his earning capacity, it follows that one who is compelled to retire at the age of 63 years due to disability, should be entitled to the full compensation benefits.

APPEARANCES OF COUNSEL

Quirino B. Maglente, Jr. for petitioner.
Office of the Solicitor General for respondent.

D E C I S I O N

GUERRERO, *J.*:

Petition to review[1] the decision of the defunct Workmen's Compensation Commission dated January 14, 1976, affirming the Order of the Acting Referee in RO4-WC Case No. 151447-

[1] Treated as special civil action in Court Resolution dated August 20, 1976.

Supreme Court E-Library

318 entitled "*Bibiana Caoili v. Republic of the Philippines (Bureau of Public Schools)*" dismissing petitioner's claim on the ground that "the claim is anchored on a service-connected illness which has not been proved, to show its credibility" and "the record is bereft of any medical proof to support the claim."

Petitioner-claimant was formerly employed as classroom teacher of the Bureau of Public Schools (now Bureau of Elementary Education). On April 15, 1974, she filed a permanent total disability benefit claim against the Republic of the Philippines under the provisions of the Workmen's Compensation Act, as amended, with Regional Office No. 4, Department (now Ministry) of Labor. She alleged that during her employment, she contracted the ailments of hypertension; rheumatoid arthritis; chronic bronchial asthma; and diabetes mellitus;" that she was found afflicted with these disabling ailments as far back as 1958 which necessitated her going on sick leaves of absence several times in 1958, 1964, 1968 to 1970; that despite medical attendance, her ailments became worse; that in 1970, her physician declared her totally and permanently disabled for work; and that she was forced to retire on December 19, 1970 at the age of 63.[2]

On May 21, 1974, respondent Republic of the Philippines, through the Office of the Solicitor General, filed a controversion of said claim on the ground that the alleged illness of petitioner were not caused or aggravated by the nature of her employment.

On October 14, 1975, after the case was heard, Acting Referee Eduardo R. Isip issued an Order dismissing the claim for lack of merit as petitioner retired from the Government service on December 19, 1970 at the age of 63 and, therefore, there was no longer any employer-employee relationship at the time petitioner filed her claim for compensation and that the alleged ailments were not necessarily disabling and service-connected nor an occupational disease within the meaning of the compensatory provisions of the Workmen's Compensation Act, as amended.

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[2] See Memorandum for Petitioner, p. 66; Memorandum for Respondents, p. 73, Records of Case.

Supreme Court E-Library

On January 6, 1976, petitioner filed a motion for reconsideration and/or appeal from the Order of the Acting Referee. Said motion was denied and the case was elevated to respondent Commission which, on January 14, 1976 dismissed petitioner's claim for lack of merit, contending that the claim is anchored on a service-connected illness which has not been proved and that the record is bereft of any medical proof to support the claim.[3]

Hence, a petition for review on *certiorari* was filed by the claimant with this Court but the same was denied by Us in the Resolution of March 22, 1976. A motion for reconsideration was thereupon filed which We granted in the Resolution of August 23, 1976, treating the petition for review as a special civil action.

We find for the petitioner.

The order of dismissal by the respondent Commission constitutes reversible error for We find no factual nor legal basis therefor under our established jurisprudence in workmen's compensation cases. Since admittedly, petitioner's illness supervened in the course of or during her employment with respondent Republic and upon which fact alone there arises the rebuttable presumption that said illness arose out of or was aggravated by said employment and consequently compensable without need of further proof. The burden to overcome such presumption is shifted to the door of the employer which he must do so by substantial evidence. In the instant case, the respondent Republic has not been attempted to do so.

Factually, petitioner then employed as a classroom teacher of the Bureau of Public Schools contracted and/or aggravated by the nature of her employment the ailments of "hypertension, rheumatoid arthritis, chronic bronchial asthma and diabetes mellitus" (Items 4, & 12, Notice of Injury or Sickness and Claim for Compensation, WC Form No. 1), which ailments resulted in her disability for labor from October 12, 1970 up to the time of the filing of the claim (Items 14 & 15, *Ibid.*). She retired

[3] See Memorandum for Private Respondent, p. 74, Records of Case.

Supreme Court E-Library

from the service on December 19, 1970 at the age of 63 years old.

The claim having been denied by Acting Referee Eduardo R. Isip in his Order dated October 14, 1975 and the case elevated to the respondent Commission, the latter rendered a decision on January 14, 1976 ruling thus —

"It appears in the notice and claim filed on July 13, 1971, that *Andres D. Cruz was employed by the respondent as a Telegraph Operator* receiving a daily wage of ₱8.66. On March 5, 1962, he stopped working due to his alleged gradual loss of sight, diabetes, stated in Item No. 12 of the notice and claim.

The respondent controverted the claim by denying its liability under the law.

The claim is anchored on a service-connected illness which has not been proved, to show its credibility. The record is bereft of any medical proof to support the claim. Therefore, this Commission, finds no reason to reverse the findings of the Unit *a quo*, dismissing the claim for lack of merit.

WHEREFORE, the order on appeal, should be, as it is hereby, AFFIRMED, and the case dismissed for lack of merit." (emphasis supplied).

Clearly and palpably, the decision of the Workmen's Compensation Commission was based on a finding of fact which pertained to another case, RO4-WCU Case No. 127595, *Andres D. Cruz, claimant vs. Republic of the Philippines (Philippine National Railways)*, respondent, filed with the Workmen's Compensation Unit Regional Office No. 4, Manila which for some reason or another was found in the records of the claim of petitioner Bibiana Caoili under Docket No. RO4-WC Case No. 151447-348.

In basing its decision on the facts of another claim, the respondent Commission has committed a very serious and grave error of injustice to the herein petitioner Bibiana Caoili. We rule that the decision of the respondent Commission is an absolute and complete nullity.

Supreme Court E-Library

We cannot accept respondent Republic's contention that the decision of the Workmen's Compensation Commission dated January 14, 1976 refers to petitioner's claim on the ground that the caption of the said decision mentions "Bibiana Caoili" as the claimant and the Republic of the Philippines (Bureau of Public Schools) as respondent; that the case number is stated as "RO4-WC Case No. 151447-318" which corresponds to the case number of Bibiana Caoili's claim for compensation; that the decision states that the Order under review is dated October 14, 1975 and penned by Acting Referee Eduardo R. Isip which unquestionably refers to petitioner's claim; and that the mention of the claim of Andres Cruz in the decision is purely an innocuous mistake, due most likely to the great volume of cases then handled by the WCC which had to be finished before the deadline. These allegations cannot cover-up the gross inefficiency and infidelity clearly committed by those in charge of the records which We must condemn and censure. However identical the name and number in the caption, the date of the order under review and the name of the referee concerned, the factual basis of the dismissal was not only erroneous but they related to another claim filed by some other person against another respondent employer, that of Andres D. Cruz, a telegraph operator employed by the Philippine National Railways.

The order of the acting referee which was sustained by the respondent Commission has no legal basis to stand on for although the employer-employee relationship between the respondent Republic and the petitioner had ceased to exist, the rights that have already arisen are not thereby necessarily extinguished.[4] Further, it is not necessary that employer-employee relationship exist at the time of the award. If the validity of a judgment or order of the Workmen's Compensation Commission were made to depend on the existence of an employer-employee relationship at the time the award or judgment is rendered, then the employer could with impunity avoid all its obligations under the Act by the simple expedient of dismissing its employees as soon as

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[4] *Manila Electric Co. vs. WCC*, No. 31591, June 30, 1971, 39 SCRA 669, 674.

Supreme Court E-Library

indications of their injury or illness arise.[5] While it is true that retirement from the service results in the severance of employer-employee relationship which relationship is the jurisdictional foundation of a claim for compensation benefits under the Workmen's Compensation Act, nevertheless, as long as the illness or injury for which compensation is claimed arose out of or in the course of the employment, the retired employee is still entitled to compensation benefits under the provisions of Act 3428. The enjoyment by government employees covered by GSIS of retirement benefits under the GSIS Law (C.A. 186, as amended), concurrently with benefits under the Workmen's Compensation Act is expressly provided for in Section 3 of said Act 3428.[6]

In a host of cases, We have ruled that when an employee is forced to asked for retirement ahead of schedule not because of old age but principally because of his weakened bodily condition due to illness contracted in the course of his employment, he shall be given, aside from his retirement benefits, compensation for his inability to work during the remaining days before his scheduled retirement.[7]

Considering that one compelled to retire from employment due to disability is entitled to disability benefits,[8] and considering further that the maximum amount of disability compensation

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[5] *Batangas Transportation Co. v. Perez and WCC*, No. L-19522, August 31, 1964, 11 SCRA 793, 800.

[6] *Sudario, Jr. v. Republic*, No. L-44088, October 6, 1977, 79 SCRA 338, 343.

[7] *Dimaano v. WCC, et al.*, L-43553, August 31, 1977, 78 SCRA 507, 511; *Galang v. WCC, et al.*, No. L-41893, August 27, 1976, 72 SCRA 454, 458; *Hernandez v. WCC, et al.*, No. L-20202, May 21, 1965, 14 SCRA 219, 222; *Hortizuela v. WCC, et al.*, No. L-43211, January 31, 1978, 81 SCRA 307, 311-312; *Soriano v. WCC, et al.*; No. L-42824, January 31, 1978, 81 SCRA 307, 311-312; *Yap v. WCC, et al.*, No. L-44849, January 31, 1978, 81 SCRA 307, 311-312; *Roma v. WCC, et al.*, No. L-43675, October 28, 1977, 80 SCRA 171, 175 (citing *Hernandez vs. WCC, supra*); *Sudario Jr. v. Republic*, No. L-44088, October 6, 1977, 79 SCRA 338, 343.

[8] *Galang v. WCC & San Miguel Corporation, supra.*

Supreme Court E-Library

benefits should be extended to the worker where his illness results in the loss of his earning capacity, it follows that herein petitioner who was compelled to retire at the age of 63 years due to her disability, should be entitled to the full compensation benefits.[9]

WHEREFORE, We hereby reverse the decision of the Workmen's Compensation Commission under the review and order the respondent Republic (Bureau of Elementary Education):

1. To pay petitioner claimant
   a. The sum of SIX THOUSAND (₱6,000.00) PESOS as disability compensation;
   b. The reimbursement of medical and/or hospital expenses incurred duly supported by receipts;
2. To pay petitioner's counsel, Atty. Quirino B. Maglente, Jr., the sum of SIX HUNDRED (₱600.00) PESOS for attorney's fees;
3. To provide petitioner-claimant with such medical, surgical, and hospital services as well as necessary appliances as required by the nature of her ailment; and
4. To pay the sum of SIXTY-ONE (₱61.00) PESOS as administrative fee.

SO ORDERED.

Teehankee, (Chairman) Makasiar, Fernandez, De Castro, and *Melencio-Herrera, JJ.*, concur.

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[9] *Caparas v. WCC and Seven-Up Bottling Company of the Philippines*, No. L-42450, September 30, 1976, 73 SCRA 222, 225; *Jacob v. WCC, et al.*, No. L-43302, August 31, 1976, 72 SCRA 576, 580; *PROS v. WCC, et al.*, No. L-43348, September 29, 1976, 73 SCRA 92, 95-96.