SPECIAL FIRST DIVISION

[G.R. No. 241309. October 13, 2025]

RUTHGAR T. PARCE, PETITIONER, VS. MAGSAYSAY MARITIME CORPORATION, PRINCESS CRUISES LTD.** AND/OR SORWIN JOY G. RIVERA, RESPONDENTS.

R E S O L U T I O N

LOPEZ, J., J.:

This Court resolves the Motion for Partial Reconsideration[1] and Motion for Reconsideration[2] filed by petitioner Ruthgar T. Parce (Parce), and respondents Magsaysay Maritime Corporation (Magsaysay), Princess Cruises Ltd. (Princess Cruises) and Sorwin Joy G. Rivera (Rivera) (collectively, Magsaysay et al.), respectively, of this Court's Decision.[3]

In its Decision, this Court reversed and set aside the Decision[4] and the Resolution[5] of the Court of Appeals (CA), ordering Magsaysay and Princess Cruises jointly and severally liable to pay Parce permanent disability benefits in the amount of US$60,000.00 at the prevailing rate of exchange at the time of payment, and attorney's fees amounting to 10% of the total award, subject to legal interest of 6% per annum reckoned from the date of finality of the Decision until fully paid.

The Facts

On September 8, 2014, Magsaysay engaged Parce as Senior Electrical Fitter for its foreign principal, Princess Cruises.[6] In November 2014, Parce sustained a shoulder injury while doing his work routine onboard the vessel "Golden Princess."[7] He was medically repatriated to Manila, where the company-designated physician diagnosed Parce of rotator tendinitis and recommended for his physical therapy sessions.[8] However, on April 13, 2015, Parce was verbally informed that he had already reached the maximum medical cure.[9] Accordingly, Magsaysay ordered the termination of his medical treatment and the discontinuance of his sickness allowance.[10] Without Parce's knowledge, Magsaysay's company-designated physician issued a final medical report on April 15, 2015, which Princess Cruises used as basis to consider Parce's status as fit without restrictions.[11]

Due to persisting pain, Parce consulted an independent physician who found him unfit for sea duties.[12] Parce then sent a letter to Magsaysay on July 2, 2015 requesting for referral to a third doctor and to be furnished with all his medical records pertaining to his rehabilitation and treatment.[13] However, Magsaysay refused to heed Parce's request and instead asked for a copy of the second opinion of Parce's physician so they can study the possibility of entering settlement negotiations.[14]

On August 20, 2015, Parce filed a complaint before the labor arbiter, praying for payment of disability benefits, reimbursement for medical expenses, damages, and attorney's fees.[15]

The labor arbiter rendered a Decision[16] in favor of Parce. It found that the medical report of the company-designated physician cannot be considered as equivalent to a fitness to work declaration there being no express declaration. Thus, with the lapse of the 240 days from repatriation without a definite fitness to work assessment issued by the company-designated physician, the labor arbiter declared that Parce's disability is deemed total and permanent by operation of law. The labor arbiter decreed:

> WHEREFORE, premises considered, judgment is hereby rendered ordering respondents Magsaysay Maritime Corporation, and/or the foreign principal Princess Cruise Lines, Ltd., to pay Ruthgar T. Parce the Philippine peso equivalent at the time of actual payment of SIXTY THOUSAND US DOLLARS (US$60,000.00), representing total permanent disability benefits, plus ten percent (10%) thereof as and for attorney's fees.
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> All other claims are dismissed for lack of merit.
>
> SO ORDERED.[17]

Magsaysay elevated the case to the National Labor Relations Commission (NLRC), which affirmed with modification the Labor Arbiter's disposition. In so ruling, the NLRC held Rivera solidarily liable with the corporate principals pursuant to Section 10 of Republic Act No. 8042, otherwise known as the "Migrant Workers and Overseas Filipinos Act of 1995."[18]

On appeal, the CA reversed the rulings of the labor tribunals.[19] Essentially, the CA found as crucial Parce's failure to protest his medical assessment immediately and found dubious the two-month gap from Parce's termination of medical treatment and the filing of his labor complaint. According to the CA, Parce's failure to disclose what happened in those two months militates against his cause. The decretal portion of the CA decision reads:

> WHEREFORE, the Decision dated June 30, 2016 of the National Labor Relations Commission (NLRC)-4th Division in NLRC LAC No. OFW-M-05-000392-16/NLRC-NCR-OFW Case No. (M) 08-10002-15 and Decision dated March 29, 2016 of the Labor Arbiter in NLRC NCR OFW Case No.

(M) 08-10002-15 are hereby ANNULLED AND SET ASIDE.

The complaint of private respondent is hereby DISMISSED.

SO ORDERED.[20]

In this Court's Decision,[21] We held that: (1) the medical report issued by Magsaysay's company-designated physician fell short of the requirements for a complete and definite assessment, leaving Parce nothing to properly contest; (2) there is no need for Parce to initiate the referral to a third doctor for him to be entitled to permanent disability benefits since it was by operation of law that Parce became permanently disabled; and (3) Parce's claim of attorney's fees is in order as he was indeed compelled to litigate in pursuit of his claims for disability benefits. The Decision disposed thus:

> **WHEREFORE**, the petition is **GRANTED**. The Decision dated February 27, 2018 and the Resolution dated August 8, 2018 of the Court of Appeals in CA-G.R. SP No. 148328 are hereby **REVERSED** and **SET ASIDE**. The Decision dated June 30, 2016 and the Resolution dated August 31, 2016 of the National Labor Relations Commission in NLRC LAC No. OFW-M-05-000392-16 are **REINSTATED** in that Magsaysay Maritime Corporation and Princess Cruises Ltd. are jointly and severally liable to pay Ruthgar T. Parce permanent disability benefits in the amount of US$60,000.00 at the prevailing rate of exchange at the time of payment, and attorney's fees amounting to ten percent (10%) of the total award. These awards shall earn legal interest of six percent (6%) per annum reckoned from the finality of this Decision until fully paid.
>
> The deletion of the awards of moral and exemplary damages still stands.
>
> **SO ORDERED**.[22] (Emphasis in the original)

Dissatisfied, both parties filed their respective motions for reconsideration of the Court's November 11, 2021 Decision.[23]

In essence, Magsaysay et al. argued that this Court committed patent and palpable error in: (1) disregarding the medical conclusions of the company-designated physician; (2) awarding permanent disability benefits on the basis of the private respondents' failure to furnish a copy of the final medical report to Parce; (3) failing to direct the parties to appoint a third doctor; (4) reinstating the award of permanent disability benefits on the basis of the lapse of 120/240 days; (5) reinstating the award of attorney's fees; and (6) awarding 6% legal interest.[24]

This Court's Ruling

At the outset, Magsaysay et al.'s first to fifth arguments have already been sufficiently passed upon and discussed by this Court in the assailed Decision. This Court finds no

cogent reason to modify or reverse its Decision as to these issues.

Anent the award of legal interest, this Court also finds no valid justification to depart from it, albeit a discussion is in order.

Magsaysay et al. alleged that pursuant to a Writ of Execution issued by the labor arbiter on December 05, 2016, they were compelled to satisfy the judgment award.[25] In such case, then the legal interest at the rate of 6% per annum imposed by this Court shall no longer apply. However, Magsaysay et al. have not submitted any proof that it has paid the full judgment award to Parce. Hence, we do not have any basis to modify Our ruling at this juncture.

Meanwhile, Parce moves to consider only the part of the assailed Decision where this Court did not categorically declare respondent Rivera's solidary liability to the whole judgment award.

After taking a second look at the circumstances of the case, this Court finds Parce's motion for partial reconsideration meritorious.

We sustain the ruling of the NLRC that Rivera is jointly and severally liable with Magsaysay and Princess Cruises for the payment of the monetary award arising from Parce's total and permanent disability. Section 10 of Republic Act No. 8042, otherwise known as the "Migrant Workers and Overseas Filipinos Act of 1995,"[26] as amended by Republic Act No. 10022,[27] reads:

> SECTION. 10. *Money Claims*. -
> . . . .
> The liability of the principal/employer and the recruitment/placement agency for any and all claims under this section shall be joint and several. This provision shall be incorporated in the contract for overseas employment and shall be a condition precedent for its approval. The performance bond to be filed by the recruitment/placement agency, as provided by law, shall be answerable for all money claims or damages that may be awarded to the workers. *If the recruitment/placement agency is a juridical being, the corporate officers and directors and partners as the case may be, shall themselves be jointly and solidarity liable with the corporation or partnership for the aforesaid claims and damages.* (Emphasis supplied)

Clearly, the law expressly provides the joint and solidary liability of corporate directors and officers with the recruitment/placement agency for all money claims or damages that may be awarded to overseas Filipino workers. In *Oscares v. Magsaysay Maritime Corp.*,[28] this Court explained that although generally, corporate officers cannot be personally held liable for the contracts entered into by the corporation in deference to the latter's separate and distinct personality, personal liability may validly attach when he is made personally liable for his corporate action by a specific provision of law.

Section 10 of Republic Act No. 8042, as amended by Republic Act No. 10022, governs and not the Corporation Code. Thus, in the more recent case of *United Philippines Lines, Inc. v. Alkuino, Jr.*,[29] this Court also sustained the joint and solidary liability of the manning agency and the manning agency's owner and president in accordance with Section 10 of Republic Act No. 8042, as amended. Indubitably, Rivera, as the corporate officer of Magsaysay, is solidarily liable with the latter for the petitioner's total and permanent disability benefits.

Here, Rivera was impleaded in the complaint before the Labor Arbiter in his capacity as "Owner/President/Manager" of Magsaysay. Attached to the said complaint is a copy of the Contract of Employment executed between Parce and Magsaysay, where Rivera was the signatory on behalf of Magsaysay, with the notation "For the Employer."

Further, it appears from the records that at no point during the proceedings before the labor arbiter, the NLRC, or the CA was it disputed that Rivera held the position of owner/president/manager of Magsaysay.

At any rate, Magsaysay's officers and directors are presumed to have submitted a verified undertaking that they will be jointly and severally liable with the company over claims arising from an employer-employee relationship, when it applied for a license to operate a seafarer's manning agency. Part II, Rule II, Section 1(f) of the 2003 Philippine Overseas Employment Administration (POEA) Rules and Regulations Governing the Recruitment and Employment of Seafarers (POEA Rules) reads:

> Section 1. Requirements for Licensing. Every applicant for license to operate a manning agency shall submit a written application together with the following requirements:
>
> . . . .
>
> f. In case of corporation or partnership, *verified undertaking by officers, directors and partners that they will be jointly and severally liable with the company* over claims arising from employer-employee relationship. (Emphasis supplied)

Applicable laws form part of, and are read into, contracts without need for any express reference; more so, when it pertains to a labor contract that is imbued with public interest.[30] Each labor contract contains not only what was explicitly stipulated, but also the statutory provisions that have any bearing on the matter.[31] Thus, Section 10 of Republic Act No. 8042, as amended, and the pertinent POEA Rules are deemed incorporated in petitioner's employment contract with respondents. These provisions are in line with the State's policy of affording protection to labor and alleviating the workers' plight and are meant to assure overseas Filipino workers immediate and sufficient payment of what is due them.[32]

All told, this Court finds Rivera jointly and solidarily liable with Magsaysay and Princess Cruises for the payment of the monetary award arising from Parce's total and

permanent disability, and, to such extent, grants Parce's motion for reconsideration. This Court's November 11, 2021 Decision is modified accordingly.

ACCORDINGLY, this Court hereby **RESOLVES** to:

1. **GRANT** Ruthgar T. Parce's Motion for Partial Reconsideration and **DECLARE** Sorwin Joy G. Rivera jointly and severally liable with Magsaysay Maritime Corporation and Princess Cruises Ltd., to **PAY** Ruthgar T. Parce his permanent disability benefits in the amount of US$60,000.00 at the prevailing rate of exchange at the time of payment, and attorney's fees amounting to 10% of the total award; and

2. **DENY** the Motion for Reconsideration filed by Magsaysay Maritime Corporation, Princess Cruises Ltd., and Sorwin Joy G. Rivera, thereby sustaining the legal interest of 6% per annum imposed on the monetary award, reckoned from the date of finality of this Resolution until fully paid. However, should the full judgment award be proven to have been fully paid prior to the finality of this Resolution, the legal interest at the rate abovementioned shall no longer be imposed.

The rest of this Court's November 11, 2021 Decision **STANDS**.

SO ORDERED.

Gesmundo, C.J. (Chairperson), Caguioa, Lazaro-Javier,[*] and *Villanueva, JJ.,* concur.

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[*] Pursuant to the third paragraph, Sec. 8, Rule 2 of the IRSC in lieu of Lopez, M., *J.*

[**] Also appears as "Princess Cruise Lines, Ltd. in some parts of the *rollo*. (pp. 32, 35, 121 & 907)

[1] *Rollo*, pp. 878-885. Dated May 19, 2022.

[2] *Id*. at 628-677. Dated May 25, 2022.

[3] *Id*. at 614-627. The November 11, 2021 Decision was penned by Associate Justice Jhosep Y. Lopez and concurred in by Chief Justice Alexander G. Gesmundo and Associate Justices Alfredo Benjamin S. Caguioa, Amy C. Lazaro-Javier, and Mario V. Lopez (now retired) of the First Division of this Court.

[4] *Id*. at 76-89. The February 27, 2018 Decision in CA-G.R. SP No. 148328 was penned by Associate Justice Henri Jean Paul B. Inting (now a member of this Court) and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Danton Q. Bueser, Ninth Division, Court of Appeals, Manila.

[5] *Id*. at 74-75. The August 8, 2018 Resolution in CA-G.R. SP No. 148328 was penned

by Associate Justice Henri Jean Paul B. Inting (now a member of this Court) and concurred in by Associate Justices Mariflor P. Punzalan Castillo and Danton Q. Bueser, Ninth Division, Court of Appeals, Manila.

[6] *Id*. at 615.

[7] *Id*.

[8] *Id*.

[9] *Id*.

[10] *Id*.

[11] *Id*. at 615-617.

[12] *Id*. at 617.

[13] *Id*. at 618.

[14] *Id*.

[15] *Id*.

[16] *Id*. at 266-279. The March 29, 2016 Decision in NLRC NCR OFW Case No. (M) 08-10002-15 was penned by Labor Arbiter Veneranda C. Guerrero, NLRC, Quezon City.

[17] *Id*. at 279.

[18] *Id*. at 340-341.

[19] *Id*. at 8-21.

[20] *Id*. at 19-20.

[21] *Id*. at 614-627.

[22] *Id*. at 626-627.

[23] *Id*. at 628-677 and 878-885.

[24] *Id*. at 628-677.

[25] *Id*. at 669-670.

[26] Entitled "An Act To Institute The Policies Of Overseas Employment And Establish A Higher Standard Of Protection And Promotion Of The Welfare Of Migrant Workers, Their Families And Overseas Filipinos In Distress, And For Other Purposes," approved on June 7, 1995.

[27] Entitled "An Act Amending Republic Act No. 8042, Otherwise Known As The Migrant Workers And Overseas Filipinos Act Of 1995, As Amended, Further Improving The Standard Of Protection And Promotion Of The Welfare Of Migrant Workers, Their Families And Overseas Filipinos In Distress, And For Other Purposes," approved on March 8, 2010.

[28] 891 Phil. 518 (2020) [Per J. Carandang, First Division].

[29] 908 Phil. 305 (2021) [Per J. Inting, Third Division].

[30] **Halili v. Justice for Children International**, 769 Phil. 456 (2015) [Per J. Perlas-Bernabe, First Division].

[31] Art. 1700 of the CIVIL CODE provides:

> "Art. 1700. The relations between capital and labor are not merely contractual. They are so impressed with public interest that labor contracts must yield to the common good. Therefore, such contracts are subject to the special laws on labor unions, collective bargaining, strikes and lockouts, closed shop, wages, working conditions, hours of labor and similar subjects."

[32] **Sameer Overseas Placement Agency, Inc. v. Cabiles**, 740 Phil. 403 (2014) [Per J. Perlas-Bernabe, *En Banc*].

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