

THIRD DIVISION

[G.R. No. 105854, August 26, 1999]

**ANIANO E. IJARES, PETITIONER, VS. THE COURT OF APPEALS,
EMPLOYEES COMPENSATION COMMISSION AND GOVERNMENT
SERVICE INSURANCE SYSTEM, RESPONDENT.**

D E C I S I O N

PURISIMA, J.:

At bar is an appeal by *certiorari* from the decision of the Court of Appeals^[1], dated April 13, 1992, and the denial of the motion for reconsideration dated June 11, 1992 in CA-G. R. SP No. 26910

The facts that matter are as follows:

Petitioner was employed by the government on March 16, 1955 as a Researcher in the Institute of National Language of the Department of Education, Culture and Sports (DECS). In 1983, he was diagnosed by Dr. Merlin B. Consing, a Phthysiologist, to have PTB Minimal and Emphysema. Since then, he has undergone medical treatment.

From May 1 to 31, 1985, petitioner went on sick leave due to chronic emphysema. On June 1, 1985, he availed of early retirement under Presidential Decree No. 1146 bringing to a close thirty (30) years of public service. He was sixty (60) years old at the time of his retirement.

Sometime in 1988, petitioner was confined at the Philippine General Hospital (PGH) due to Chronic Obstructive Pulmonary Diseases, Emphysema, PTB class IV and S/P Pneumothorax, Right. He underwent a Pulmonary Function Test which indicated Severe Obstructive Ventilatory Pattern unresponsive to Bronchodilator. Dr. Leon James Young of the UP-PGH Medical Center found petitioner to be suffering from Permanent Total Disability.

On January 5, 1989, petitioner filed with the Government Service Insurance System (GSIS) a claim for Permanent Total Disability benefits under P. D. No. 626. After his ailment was evaluated medically compensable he was only granted Permanent Partial Disability compensation, equivalent to a period of nineteen (19) months beginning June 1, 1985 to December 31, 1986. His subsequent request for an award of his original claim was denied by the System on the ground that the petitioner was already awarded the maximum benefits commensurate to the degree of his disability at the time of retirement. The matter was elevated to the Employees Compensation Commission (ECC) which, in due, time affirmed the finding of the GSIS, ratiocinating thus:

"After going over the records of the case under consideration, we agree with the decision of the respondent System in denying appellant's claim for additional compensation. Under the ECC Schedule of Compensation, appellant was already awarded the maximum benefits commensurate to the degree of his disability at the time of his retirement from the service. The confinement of appellant at the Philippine General Hospital sometime in January, 1988 due to PTB, minimal with Pulmonary Emphysema, Bilateral, could not be attributed to his employment considering that he retired from the service on June 1, 1985, hence, the risk of his employment aggravating his PTB was unlikely. For any progression of a retired employee's condition after the date of his retirement is no longer within the compensatory coverage of P. D. 626, as amended, since severance of an employee-employer relationship results to the release of the State Insurance Fund from any liability in the event of sickness and resulting disability or death after such retirement or separation from the service. Thus, claim of appellant for additional compensation benefits could not be given favorable consideration."

On appeal, the Court of Appeals came out with the assailed decision affirming the disposition of the respondent Commission. Petitioner's motion for reconsideration suffered the same fate.

Undaunted, petitioner found his way to this Court via the present petition for review on *certiorari* theorizing that:^[2]

- A. Respondent Court erred in finding that Rule XI Section 1 of the Amended Rules on Employees Compensation and the case of FLORANTE E. DALUYON VS. EMPLOYEES COMPENSATION COMMISSION (G. R. No. 85133, 15 October 1992) do not apply.
- B. Respondent Court erred in finding that the ailment acquired during employment, the continuation and consequent aggravation of the same resulting to confinement in a hospital and evaluation by a physician that his patient was permanently totally disabled is not compensable as Permanent Total Disability because there is no employee-employer relationship.
- C. Respondent Court erred in finding that the grant of permanent partial disability is sufficient proof that petitioner is still fit for work, and modern medicine may easily heal such ailment.
- D. Respondent Court erred in finding that since petitioner's ailment has no specific relationship with his work, although he was already granted Permanent Partial Disability benefits, he should not be allowed Permanent Total benefits.
- E. The Respondent Court erred in finding that liberal interpretation of labor laws does not apply to all cases.
- F. The Respondent Court erred that the decision of the ECC is supported by substantial evidence.

Petitioner also posed the legal issues:^[3]

1. Whether an ailment lasting more than One Hundred Twenty (120) days as provided for by Section 2 (a and b), Rule VII and Section 1 (b), Rule X of the Amended Rules On Employees Compensation should be classified as Permanent Total Disability.
2. Whether a work-connected illness, acquired during employment, to which Permanent Partial Disability benefits were granted in 1989 and award of the original claim of Permanent Total Disability benefits denied due to the severance of employee-employer relationship, should be considered as caused by the conditions of work.

In a nutshell, petitioner, under the aforesaid assignment of errors and the legal issues posited for resolution, faults the Court of Appeals for not adjudging him entitled to his original income benefits claim for Permanent Total Disability and not Permanent Partial Disability as found by the respondent Commission.

The assigned errors and legal issues, being closely allied will be discussed jointly.

Petitioner anchors his position on the fact that he was unable to perform any gainful occupation for a period exceeding 120 days by reason of his illness. It is his submission that his illness was acquired during his employment with the government, the same illness which caused him to avail of an early retirement in 1985 and to be confined in 1988 at the Philippine General Hospital. Further, petitioner theorizes that the diagnosis by his physician, Dr. Leon James Young, declaring him to be permanently and totally disabled should have prodded the Commission to grant his original claim.

On the other hand, the respondent Commission maintains that the petitioner is not entitled to the benefits of an employee who is permanently and totally disabled, citing in support of its finding, Section 2 (a), Rule X of the Amended Rules on Employees Compensation, to wit:

"SECTION 2. Period of entitlement. - (a) The income benefit shall be paid beginning on the first day of such disability. If caused by an injury or ill sickness it shall not be paid longer than 120 consecutive days except where injury or sickness still requires medical attendance beyond 120 days but not to exceed 240 days from onset of disability in which case benefit for temporary total disability shall be paid. However, the system may declare the total and permanent status at any time after 120 days of continuous temporary total disability as may be warranted by the degree of actual loss or impairment of physical or mental functions as determined by the System."

It is thus contended that the mere inability to perform gainful occupation for a period exceeding 120 days due to his illness or injury does not entitle him (petitioner) to the benefits claimed. Respondent Commission also seeks to deny further liability to the petitioner on account of the non-compensable nature of the illness of the latter, alleging that the confinement of petitioner at the PGH sometime in 1988 due to the same ailment could not be attributed to his employment considering that he retired from the service on June 1, 1985. According to the