

****Title:****

Salas vs. Transmed Manila Corporation et al.

****Facts:****

1. ****Contract and Employment****: On March 6, 2014, Wilfredo Lim Salas was hired as a Second Officer by Transmed Manila Corporation for Transmed Shipping Ltd. He boarded M/V Coalmax on April 4, 2014, after being declared fit for duty, for an eight-month term, later extended by two months.
2. ****Illness and Repatriation****: In February 2015, Salas experienced weakness, fatigue, loss of appetite, and insomnia. Diagnosed with diabetes mellitus and gouty arthritis in Rio de Janeiro, he was repatriated to the Philippines on March 21, 2015, for further medical management.
3. ****Medical Evaluations****: Upon arrival in Manila, Salas was evaluated by company-designated physicians who stated his gouty arthritis was not work-related and attributed his diabetes mellitus to familial/hereditary factors.
4. ****Independent Medical Treatment****: Salas, dissatisfied with the company-designated physicians' treatment, sought an independent physician, Dr. Pundavela, who diagnosed him with degenerative osteoarthritis aggravated by work conditions.
5. ****Filing Complaint****: Salas filed a complaint for disability benefits, damages, and attorney's fees before the NLRC against the respondents.

****Procedural Posture:****

- ****Labor Arbiter****: The LA ruled in Salas' favor, awarding him US\$60,000 for total and permanent disability and ten percent attorney's fees.
- ****NLRC****: On appeal, the NLRC reversed the LA's decision, dismissing Salas' complaint, holding he failed to prove his illnesses were work-related.
- ****Court of Appeals****: The CA found no grave abuse of discretion by the NLRC and upheld the dismissal.
- ****Supreme Court****: Salas petitioned the Supreme Court, asserting errors committed by the CA in affirming the denial of his claims for disability benefits.

****Issues:****

1. Whether Salas' illnesses were work-related.

2. Whether the failure to provide a definite disability assessment within 120/240 days entitles Salas to total and permanent disability benefits.

****Court's Decision:****

****Issue 1: Work-Related Illness****

- The Supreme Court found Salas' diabetes mellitus and gouty arthritis presumptively work-related as per POEA-SEC.
- The company-designated physician's reports described the illnesses but did not conclusively disprove the presumption of work-relatedness.

****Issue 2: Definite Disability Assessment****

- The most recent medical report from the company-designated physicians did not provide a definite assessment of Salas' fitness to work or his disability status.
- Given the absence of a conclusive disability determination within 240 days, Salas' condition was deemed total and permanent disability by operation of law.

The Supreme Court reversed the CA's decision and re-instated the LA's award to Salas, with modifications including a 6% per annum legal interest from the decision's finality until full payment.

****Doctrine:****

- ****Presumption of Work-Relatedness****: Illnesses not explicitly listed as non-work-related in the POEA-SEC carry a disputable presumption of being work-related.
- ****Definite Disability Assessment Requirement****: The failure of company-designated physicians to issue a definite disability assessment within 120/240 days entitles the seafarer to total and permanent disability benefits by operation of law.

****Class Notes:****

- ****Work-Related Illness Presumption****: Section 20(A) of the 2010 POEA-SEC presumes illnesses not explicitly listed as non-work-related are disputably work-related.
- ****Disability Benefits Procedure****: To claim disability benefits, the company-designated physician must issue a definite assessment within 120/240 days. If not, the seafarer is considered total and permanent due by operation of law.
- ****Legal Interest on Judgments****: Per *Nacar v. Gallery Frames*, legal interest of 6% per annum from finality of judgment until full payment applies.

- **Attorney's Fees**: Awarded in claims arising under workmen's compensation laws (Article 2208 (8) NCC).

Historical Background:

The case offers insight into the procedural and substantive law governing maritime employment disputes in the Philippines, focusing on the rights of seafarers under the POEA-SEC. It highlights the balance between protecting workers' health and ensuring employers are not wrongfully burdened. The case reflects the Philippine judiciary's role in interpreting labor laws to safeguard seafarers' rights while upholding legal definitions and procedural requirements outlined in the POEA-SEC.