

**RURAL TRANSIT EMPLOYEES ASSOCIATION, ANGEL R. DE GUZMAN,
LEON DAGAMAC, ET AL., PETITIONERS AND APPELLEES, VS.
BACHRACH TRANSPORTATION CO., INC., AND SOCIAL SECURITY
SYSTEM, RESP...**

G.R. No. L-21441. December 15, 1967

Ponente: REYES, J. B. L., J.

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REYES, J. B. L., J.:

In this appeal from the resolution of the Social Security Com-mission (in Case No. 174) holding it liable for payment to therein petitioning employees, of sickness benefits under the Social Security Act, appellant Bachrach Transportation Co., Inc., is raising the sole issue of whether or not payment to injured employees, by the employer, of compensation under the Workmen's Compensation Act precludes further recovery by the same employees of sickness benefits under the Social Security law.

The facts of this case are not controverted.

On different dates in 1960, Angel de Guzman, Leon Dagamac, Leonardo Santos and Amador de Guzman, employees of Bachrach Transportation Co., Ltd. and compulsory members of the Social Security System, were confined for injuries sustained in the course of their employment.[1] Accordingly, the employer paid them the corresponding compensation for the duration of their confinement, pursuant to the Workmen's Compensation Act.[2] However, in addition thereto, the employees demanded for sickness benefits under the Social Security Act. And, when the employer refused to grant the later claim, on the ground that the receipt by the employees of compensation for their injuries barred recovery of further benefits under the Social Security law, the employees instituted appropriate proceeding in the Social Security Commission. On January 18, 1963, the Commission granted their prayer and issued the resolution which is the subject of the present appeal.

Appellant's argument against the ruling of the Commission - that the subject employees, as members of the System, are entitled to sickness benefits under the Social Security Act notwithstanding their receipt of compensation under the Workmen's Compensation law - is anchored on the following provision of the latter enactment, thus:

"SEC. 5. Exclusive right to compensation. -- The rights and remedies granted by this act to an employee by reason of a personal injury entitling him to compen-sation shall exclude all other rights and remedies accru-ing 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.

xxx xxx xxx.",

(As amended by Rep. Act 772; underscoring supplied.)

it being contended that the Social Security Act comes within the coverage of the phrase "other laws".

The issue posed herein is not new. In the case of *Benguet Consolidated Inc. vs. Social Security System*, G. R. No. L-19254, promulgated on March 31, 1964, this Court, passing upon the same question, ruled:

"To our mind, all that this provision (Sec. 5 of Act 3428, as amended), means is that there should be no double recovery against the same employer for the same death or injury. But this is not the case in respect of social security benefits, because to allow the recovery of said benefits does not mean allowing a double recovery against the same employer. An action for recovery of sickness benefits under the Social Security Act for the employee's confine-ment which is compensable under the Workmen's Compensation Law, is not a recovery against the employer for sickness benefit. The fact that the law (Section 14) requires that sickness benefits shall be advanced by the employer is of no moment, as the obligation of the employer to advance such benefits is only to expedite payment of sickness benefits. Note that the employer is subsequently reimbursed by the System of the benefits advanced by him in the amounts fixed by the law. Although the employer in the case of sickness benefits bears the burden of 20% of the benefits advanced by him, since the System reimburses only 80% thereof, this burden of 20% is imposed, not as a lia-bility because of an injury which is compensable under the Workmen's Compensation Act, but to preclude connivance in, or the filing of fraudulent claims for reimbursement. This 20% of the sickness benefits imposed on the employer is more in the nature of an administrative expense and not really a compensation for an injury."

The rationale for the exclusion of social security benefits from the application of Section 5 of the Workmen's Compensation law was succinctly stated in the same case as follows:

"The philosophy underlying the Workmen's Compensation Act is to make the payment of the benefits provided for therein as a responsibility of the industry, on the ground that it is industry which should bear the resulting death or injury to employees engaged in the said industry. On the other hand, social security sickness benefits are not paid as a burden on the industry, but are paid to the members of the System as a matter of right whenever the hazards provided for in the law occurs. To deny payment of social security benefits because the death or injury or confinement is compensable under the Workmen's Compensation Act would be to deprive the employees - members of the System of the statutory benefits bought and paid for by them, since they contribute their money to the general common fund out of which benefits are paid. In other words, the benefits provided for in the Workmen's Compensation Act accrues to the employees concerned due to the hazards involved in their employment and is made a burden on the employment itself. However, social security benefits are paid to the System's members, by reason of their membership therein for which they contribute their money to a general common fund. x x x."

It may be added that whereas social security benefits are in-tended to provide insurance or protection against the hazards or risks for which they are established, e. g., disability, sickness, old age or death,[3] irrespective of whether they arose from or in the course of the employment or not, the compensation receivable under the Workmen's Compensation law is in the nature of indemnity for the injury or damage suffered by the employee or his dependents on account of the employment.[4] The nature and source of the two benefits are so clearly different and dissimilar that they cannot be considered alternate remedies.

WHEREFORE, finding no error in the resolution appealed from, the same is hereby affirmed. Costs against the appellant.

SO ORDERED.

Coccepcion, C.J., Dizon, Makalintal, Bengzon, Zaldivar, Sanchez, Ruiz Castro, Angeles, and Fernando, JJ., concur.

[1] Name of Employees Period of Confinement

Angel de Guzman May 6 to May 19, 1960

Leon Dagamac June 2 to July 6, 1960

Leonardo Santos April 5 to April 18, 1960

Amador Vicente February 28 to May 19, 1960

[2] Equivalent to 60% of their average weekly wages (Sec. 14, Act 3428, as amended by Com. Act 210 and Rep. Act 772).

[3] Sec. 2, Rep. Act 1161.

[4] Esguerra vs. Muñoz Palma, 104 Phil. 582.

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