

IGMIDIO CANOVAS, PETITIONER AND APPELLANT, VS. BATANGAS TRANSPORTATION COMPANY AND SOCIAL SECURITY SYSTEM, RESPONDENTS AND APPELLEES.

G. R. No. L-19868. March 31, 1965

Ponente: BARRERA, J.

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BARRERA, J.:

This is an appeal from the order of Commissioner Manuel A. Concordia of the Social Security Commission, of April 6, 1962, dismissing the petition filed therein by, Igmidio Canovas (Case No. 189) only with regard to therein respondent Social Security System, in view of the absence of allegation in the petition that petitioner was unemployed or was a voluntary member of said System.

It is not controverted in this proceeding that appellant Canovas, an employee of Batangas Transportation Company, presumably in the course of his employment, was injured and hospitalized from January 21, 1961 to June 19, 1961.

On February 5, 1962, Canovas filed a petition in the Social Security Commission, praying that therein named respondent Batangas Transportation Company and the Social Security System be ordered to pay him the sickness benefits allowed by Section 14 of Republic Act 1161, corresponding to the period of his confinement and treatment at the Manila Sanitarium and Hospital, or from January 21, 1961 to June 19, 1961. Respondent Batangas Transportation Company opposed the petition on the ground that it had already paid for his hospitalization and medical expenses and given petitioner the corresponding compensation under the Workmen's Compensation Law. Respondent Social Security System, on the other hand, filed a motion to dismiss the petition with respect to said entity, for lack of cause of action, the same not containing any allegation that petitioner has been separated from employment or that he is a voluntary member (of the System) at the time of the accident and hospitalization. Acting on this motion by the respondent System, the Commissioner issued the order subject of the present appeal.

Appellant's claim for sickness benefits against both respondents is predicated on Section 14 of Republic Act 1161, as amended by Republic Act 2658, which reads:

"SEC 14. Sickness Benefit.—(a) Under such rules and conditions as the Commission may prescribe, any covered employee under this Act who has paid at least twelve monthly contributions and who, on account of sickness or bodily injury is confined in a hospital, or elsewhere with the Commission's approval, shall, for each day of such confinement, be paid by his employer, or by the System if such person is unemployed or is a voluntary member, an allowance equivalent to x x x; Provided further; That payment of such allowance shall be promptly made by the employer every regular Pay day, or on the fifteenth and last day of each month in the case of direct payment by the System, for as long as such allowances are due and payable." (Underscoring supplied.)

The foregoing legal provision is clear. The sickness benefit granted thereunder shall be paid, in proper cases, by

the employer or by the Social Security System if the claimant is unemployed or is a voluntary member. In other words, the System becomes liable under this section only in cases where the hospitalized member is without employment or his membership to the System is merely voluntary.

It is not here pretended that appellant is out of employment. On the contrary, it was alleged in the petition itself, and admitted by respondent Company in its answer, that appellant is an employee of the latter. It is claimed in this instance, however, that with the amendment of the law by Republic Act 1792, whereby the provisions on unemployment coverage and voluntary membership were eliminated and deleted, membership in the System is now exclusively compulsory. And, in view of this changed situation, the retention of the word "unemployed" in Section 14 of the law should cover any instance when the employee is not actually working, as during the period of illness.

This contention cannot be sustained. Firstly, tracing the history of the statute, the term unemployed has a particular meaning. Under the original law (Rep. Act 1161), the State aimed to establish a system to provide, among others, protection against "the hazards of unemployment".[1] A provision on unemployment benefit was also included in the law.[2] With the enactment of Republic Act 1792, however, the protection against unemployment was withdrawn from the coverage of the System. So were Sections 9(b) and 10(b) on voluntary membership. Nevertheless, Section 14 on sickness benefits remained unaltered and the terms "unemployed" and "voluntary member" still appear. The retention of this provision could mean only that there is no alteration or change in the responsibility of the System with respect to this benefit, i.e., since membership in the System is now made compulsory and under the same law sickness benefit could be demanded from other parties, only those who are without or are separated from employment or who are voluntary members may be given this allowance by the System.

Secondly, it is not correct to say that under the present law, there are no more instances of unemployed or voluntary members. Section 11 of the Social Security Act provides:

"SEC. 11. Effect of separation from employment.—When an employee under compulsory coverage is separated from employment, his employer's contribution on his account shall cease at the end of the month of separation, but said employee may continue his membership in the System and receive the benefits of this Act, in accordance with such rules and regulations as may be promulgated by the Commission."

Thereunder, upon the separation from employment of a compulsory member, the latter is allowed to continue his membership in the System, if he so desire, although there will no longer be any contribution from the employer. In such event, the System will have not only an "unemployed" member, but the latter's membership therein will already become voluntary.

It may also be added that, as pointed out by the Solicitor General, the law allows aggrieved parties to appeal from the decision of "the Commission".[3] And, the Social Security Commission is composed of the Secretary of Labor and six members appointed by the President.[4] Under the law, therefore, appeal could be taken from the decision of the Commission en banc. The present appeal, instituted from the ruling of a single Commissioner, is consequently, premature.

WHEREFORE, the appeal herein interposed is hereby dismissed, without costs.

SO ORDERED.

Bengzon, C. J., Bautista Angelo, Concepcion, Reyes, J.B.L., Paredes, Bengzon J.P. and Zaldivar, JJ., concur.

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

[2]Sec. 15, *ibid.*

[3]Sec. 5(c), Rep. Act 1161, as amended.

[4]Sec. 3, Rep. Act 1161, as amended by Rep. Act 2658.

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