

PABLO A. COYOCA, PETITIONER, VS. NATIONAL LABOR RELATIONS COMMISSION AND SEAFARERS SHIPPING, INC.), RESPONDENT.

G.R. No. 113658. March 31, 1995

Ponente: ROMERO, J.

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ROMERO, J.:

This is a petition for certiorari questioning the Resolution of the National Labor Relation Commissions (NLRC) affirming the decision of the Philippine Overseas Employment Administration (POEA) which dismissed petitioner's complaint for recovery of separation pay and incentive pay for lack of merit.

The facts reveal that petitioner started to work for private respondent Seafarers Shipping, Inc., (SEAFARERS) in 1974. His last contract was for ten months, effective October 17, 1989, for the position of First Engineer on board the M/V Ficus with a monthly salary of U.S. \$1,100.00.

On February 14, 1990, he was discharged because of illness he contracted while on board the vessel. On March 13, 1990, petitioner received the amount of P42,315.00 for medical/disability benefits arising from his illness. Upon receipt of the said amount, petitioner signed a Receipt and Release which discharged private respondent from all claims connected with the said illness.

Petitioner, thereafter, filed a complaint for payment of separation pay and incentive pay with the POEA citing Articles 284 and 95, respectively, of the Labor Code which states that:

"ART. 284. Disease as ground for termination. - An employer may terminate the services of an employee who has been found to be suffering from any disease and whose continued employment is prohibited by law or is prejudicial to his health as well as to the health of his co-employees: provided, that he is paid separation pay equivalent to at least one (1) month salary or to one half (1/2) month salary for every year of service, whichever is greater, a fraction of at least six (6) months being considered as one (1) whole year."

"ART. 95. Right to service incentive leave. - (a) Every employee who has rendered at least one year of service shall be entitled to a yearly service incentive leave of five days with pay.

(b) This provision shall not apply to those who are already enjoying the benefits herein provided, those enjoying vacation leave with pay of at least five days and those employed in establishments regularly employing less than ten employees or in establishments exempted from granting this benefit by the Secretary of Labor after considering the viability or financial condition of such establishment.

(c) The grant of benefits in excess of that provided herein shall not be made a subject of arbitration or any court of administrative action.

The POEA denied his claims for the reason that when petitioner signed the Receipt and Release, private respondent was discharged from all its liabilities due him.

On appeal, the NLRC affirmed the decision of the POEA.

Hence, this petition.

Petitioner claims that he never waived his separation pay and incentive pay when he signed the said Release. He further alleges that:

- (1) he was illegally dismissed;
- (2) the "Receipt and Release" documents were executed by him without assistance of counsel nor was it approved by the POEA; and
- (3) because he had been working for private respondent since 1974, he has now assumed the status of a regular employee, which entitles him to separation pay.

We find petitioner's contentions to be unmeritorious.

The facts show that petitioner suffered a stroke while serving on board the M/V Ficus, which left him in a state of permanent partial disability. Petitioner, in fact, admitted that he was discharged because of said illness. Thus, there is no basis for his claim that he was illegally dismissed.

The Receipt and Release document that he signed covered all claims he may have ad against private respondent, as shown by the terms thereof:

"x x x I, PABLO COYOCA, of legal age and a resident of Nagbunga, San Marcelino, Zambales, Philippines, Second Engineer of the vessel "FICUS" who suffered a stroke with a left-hemiparesis on board the said vessel on or about 7th February 1989 and was hospitalized at Greenock, Scotland and was repatriated to the Philippines resulting in permanent partial disability, do by these presents, hereby remise, release and forever discharge said vessel "FICUS", her Owners, operators, managers, charterers, agents, underwriters, P and I Club, master, officers and crew and all parties at interest therein or thereon, whether named or not named, including but not limited to CONCURRENT SHIPPING CO., HONGKONG, SEAFARERS SHIPPING, INC. and THE JAPAN SHIP OWNER'S MUTUAL PROTECTION & INDEMNITY ASSOCIATION from any and all claims, demands, debts, dues, liens, actions or causes of action, at law or in equity, in common law or in admiralty, statutory or contractual, arising from and under the laws of the United Kingdom, Japan, Hongkong, Panama or the Republic of the Philippines and/or any other foreign country now held, owned or possessed by me or by any person or persons, arising from or related to or concerning whether directly or indirectly, proximately or remotely, without being limited to but including the said illness suffered by me on board the vessel "FICUS" on or about 7th February 1989 and the sickness and disability compensation in connection therewith.

This instrument is a GENERAL RELEASE intended to release all liabilities of any character and/or claims or damages and/or losses and/or any other liabilities whatsoever, whether contractual or statutory, at common law or in equity, tortious or in admiralty, now or henceforth in any way related to or occurring as a consequence of the illness suffered by me as Second Engineer of the vessel "FICUS", including but not limited to all damages and/or losses consisting of loss of support, loss of earning capacity, loss of all benefits of whatsoever nature and extent incurred, physical pain and suffering and/or all damages and/or indemnities claimable in law, tort, contract, common law, equity and/or admiralty by me or by any person or persons pursuant to the laws of the United Kingdom, Japan, Hongkong, Panama or the Republic of the Philippines and of all other countries whatsoever.

I hereby certify that I am of legal age and that I fully understand this instrument which was read to me in the local dialect and I agree that this is a FULL AND FINAL RELEASE AND DISCHARGE of all parties and things referred to herein, and I further agree that this release may be pleaded as an absolute and final bar to any suit or suits or legal proceedings that may hereafter be prosecuted by me or by any one claiming by, through, or under me, against any of the persons or things referred to or related herein, for any matter or thing referred

to or related herein. x x x" (*Italics supplied*)

In the absence of any proof that petitioner had been coerced or deceived into signing the above Receipt and Release, he is bound by the conditions thereof.[1] There is also no showing that the consideration for the release was unconscionable or unreasonable. The contention of petitioner that he was not assisted by counsel when he signed the Release is not tenable.

Furthermore, petitioner's contract did not provide for separation benefits. In this connection, it is important to note that neither does the POEA standard employment contract for Filipino seamen provide for such benefits.

As a Filipino seaman, petitioner is governed by the Rules and Regulations Governing Overseas Employment and the said Rules do not provide for separation or termination pay. What is embodied in petitioner's contract is the payment of compensation arising from permanent partial disability during the period of employment. We find that private respondent complied with the terms of the contract when it paid petitioner P42,315.00 which, in our opinion, is a reasonable amount, as compensation for his illness.

Lastly, petitioner claims that he eventually became a regular employee of private respondent and thus falls within the purview of Articles 284 and 95 of the Labor Code. In support of this contention, petitioner cites the case of *Worth Shipping Services, Inc., et al. v. NLRC, et al.*,[2] wherein we held that the crew members of the shipping company had attained regular status and thus, were entitled to separation pay. However, the facts of said case differ from the present. In *Worth*, we held that the principal and agent had "operational control and management" over the MV Orient Carrier and thus, were the actual employers of their crew members.

In the instant case, private respondent merely "recruited" petitioner for employment and was never, at any time, involved in the operational control of the vessel.

We have held in previous cases that a recruitment agency is solidarily liable with a foreign principal for the unpaid salaries of a worker it recruited for employment[3] in accordance with Section 10, Rule V of the Implementing Regulations of the Labor Code. Under this ruling, the agency is liable for the payment of petitioner's medical/disability benefits in the event that the principal fails or refuses to pay the benefits or wages due the seamen.

Therefore, although petitioner may not be a regular employee of private respondent, the latter would still have been liable for payment of the benefits had the principal failed to pay the same.

Herein private respondent does not deny liability for the payment of the medical/disability benefits. What is in contention is the payment of separation pay in addition to what has already been given the petitioner.

Under the terms of his contract, the payment of the said amount and petitioner's execution of the Receipt and Release served as a "general release" from further liability regarding his illness. Petitioner even affirmed the contents of said Receipt and Release in a letter dated March 13, 1990 wherein he states;

"Itong sulat na ito ay nagpapatunay na naipaliwanag ng mahusay ang nilalaman ng Worldwide Receipt and Release sa akin at ito ay aking naintindihan bago ko pinirmahan ito. Ito rin ay nagpapatunay na sumasangayon ako sa final and complete settlement of all my claims in the amount of Pesos 42,315.00 at ako na ang bahala sa lahat ng medical expenses na kailangan ko pagkatapos kong matanggap ang Pesos 42,315.00.

Ako ay wala ng reklamo sa may-ari ng barko o kanino man dahil sa mga natamo kong sakit."

WHEREFORE, the instant petition is hereby **DISMISSED** for lack of merit.

SO ORDERED.

Feliciano, (Chairman), Melo, Vitug, and Francisco, JJ., concur.

[1] Wyeth-Suaco Laboratories v. NLRC, 219 SCRA 356 (1993)

[2] G.R. No. 79097, August, 1988.

[3] Catan v. NLRC, G.R. No. 77279, April 15, 1988; Royal Crown International v. NLRC, G.R. No. 78025, October 16, 1989; Seagull Maritime Corp. v. Balatonga, G.R. No. 82252, February 28, 1989.

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