

BENGUET CONSOLIDATED, INC., PETITIONER, VS. SOCIAL SECURITY SYSTEM, RESPONDENT.*G.R. No. 19254. March 31, 1964*

Ponente: BARRERA, J.

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On December 5, 1960, petitioner Benguet Consolidated, Inc. filed with the Social Security Commission a petition alleging that its employee Lamberto Forosan suffered an injury while in its employ on September 3, 1960, as a result of which he was unable to work during the period from September 3 to October 8, 1960: that petitioner paid said employee the corresponding disability benefits under the provisions of Section 14 of the Workmen's Compensation Act: that respondent Social Security System, through its regional representative at Baguio City, in its letter of October 12, 1960, requested petitioner to pay to said employee serial security sickness benefits covering the same period of time for which he had been previously paid workmen's compensation disability benefits; that the Workmen's Compensation Act under which said employee was paid workmen's compensation disability benefits for the period of injury and disability (September 7 to October 9, 1960) provides that the rights and remedies granted by it to an employee by reason of a personal injury entitling him to compensation, "shall exclude all other rights and remedies accruing to the employees, his personal representatives, dependents or nearest of kin against the employer under the Civil Code and other laws, because of said injury", that the demand of respondent's regional representative is invalid, considering said provision of law; and that 20% of the social security disability benefits sought to be paid to said employee will also be of petitioner's account, thereby "compelling it to pay disability benefits twice for the same injury and/or disability". Petitioner prayed that the demand of respondent's regional representative dated October 12, 1960 "be countermanded and declared of no further force and effect."

To this petition, respondent, (on December 12, 1960) filed an answer alleging as special defenses that the Social Security Act (Republic Act No. 1161, as amended) being a much later legislation than the Workmen's Compensation Act, its provisions were not contemplated by Section 5 of the latter Act when it was enacted in 1927; that insofar as subsequent legislations are concerned, Section 5 of the Workmen's Compensation Act is not applicable to the provisions of the Social Security Act; that under the provisions of the Social Security Act, the employees-members of the Social Security System are protected against the hazards of disability, sickness, old age, and death, for which they and their respective employers contribute to the funds of the System their proportionate premiums fixed by law and, therefore, its members cannot be deprived of the benefits provided for therein, despite the provisions of Section 5 of the Workmen's Compensation Act; and that the provisions of the Social Security Act and those of the Workmen's Compensation Act complement, rather than to negate each other and, therefore, the respective benefits under both laws for the same injury and/or disability may be granted separately thereunder, respondent prayed that the petition be dismissed and that petitioner be ordered to pay the corresponding sickness benefits to its employee Lamberto Forosan, pursuant to Section 14 of the Social Security Act.

Issues having been joined, the case was heard and, after hearing, the Social Security Commission issued a resolution on September 11, 1961, dismissing the petition, and directing petitioner to pay its employee Lamberto Forosan the social security sickness benefits due him for the injury he suffered on September 3, 1960, conformably with the mandate of Section 14 of the Social Security Act.

Petitioner filed a motion for reconsideration of said resolution, but it was denied by the Social Security Commission, in its order of October 26, 1961.

Hence, this appeal.

As stated by the Social Security Commission, the only issue for resolution in this case is whether sickness benefits under the Social Security Act may be recovered simultaneously with disability benefits under the Workmen's Compensation Act, or whether said benefits are mutually exclusive.

Section 5 of the Workmen's Compensation Act, provides:

"The rights and remedies granted by this Act to an employee by reason of a personal injury entitling him to compensation shall exclude all other rights and remedies accruing to the employee, his personal representatives, dependents or nearest of kin against the employer under the Civil Code and other laws, because of such injury."

It is appellant's view that under this provision, when an injured employee receives any compensation under the Workmen's Compensation Act, such compensation automatically precludes the employee for collecting any other compensation, benefit, and privilege of whatever kind and nature, arising from the same illness or injury by reason of which he was paid.

To our mind, all that this provision 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 confinement 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 this 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 liability 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 legislative history of the Social Security Act, clearly indicates the legislative intention to treat social security benefits as entirely distinct and separate from the statutory benefits provided for under the Workmen's Compensation Law.

Observe that under Section 13 of the original Act, namely, Republic Act No. 1161, the payment of social security death and disability benefits was made subject to the condition that the death or disability is not compensable under the Workmen's Compensation Act, because if the death or disability is compensable under the latter Act, no recovery for social security benefits was allowed by the original law; except in cases where the benefits recoverable under the Workmen's Compensation Act were less than what were provided under the Social Security Act, in which case, the System was liable to pay for the difference in the amount of benefits. Thus, Section 13 of

the original law, provides:

"Sec. 13. Death and disability benefits.—(a) Upon the covered employee's death or total and permanent disability under such conditions as the Commission may define, before becoming eligible for retirement and if either such death or disability is not compensable under the Workmen's Compensation Act, he or, in case of his death, his beneficiaries as recorded by his employer shall be entitled to the following benefits: If the employee dies or become disabled and he has paid less than thirteen monthly contributions as provided in Section nineteen hereof, his accumulated premiums only shall be paid; or if he has paid for thirteen to twenty-four, or from twenty-five to thirty-six, or from thirty-seven to forty-eight, or more than forty-eight monthly contributions, the benefit shall be, respectively, equivalent to thirty per-centum of the average monthly compensation he has received during the year multiplied by twelve: Provided, That in all cases he must have paid the month during which he died or became disabled: Provided, further, That he or his beneficiaries shall be given a grace period of one month within which to pay such contribution: Provided, finally, That if his death or disability is compensable under the Workmen's Compensation Act and the amount payable thereunder is less than what would have been payable to him or his beneficiaries under this section, the difference between the two amounts shall be paid by the System."

"(b) If his disability is partial but permanent, the amount or benefit shall be such percentage of the benefit described in the preceding paragraph as the commission may determine, with due regard to the degree of disability."

When the original law was first amended on June 21, 1957 by Republic Act No. 1792, Section 8 of this amendatory law deleted the condition in Section 13 making the payment of social security death and disability benefits subject to the condition of non-recovery under the Workmen's Compensation Act. As amended by Section 8 of Republic Act No. 1792, Section 13 of the law reads:

"Sec. 13. Death and disability benefits.—(a) Upon the covered employee's death or total and permanent disability under such conditions as the Commission may define, before becoming eligible for retirement he or, in case of his death, his beneficiaries as recorded by his employer, shall be entitled to a benefit equivalent to One hundred per centum of the average monthly compensation he has received during the year multiplied by twelve if he has been a member of the System for at least one year, or multiplied by six if he has been a member of the System for less than one year: Provided, that in no case shall he be qualified to claim the benefits as herein provided if he has failed to pay his contributions for more than six months before his death or disability: Provided, finally, That if the death or disability should occur during such six-month period of grace, he shall be entitled to the corresponding benefits, but any such paid contributions shall be deducted from the amount of benefits payable hereunder: x x x."

When the same Section 13 was again amended on June 18, 1960 by Section 8 of Republic Act No. 2658, the original provision subjecting payment of social security benefits upon the condition of non-recovery under the Workmen's Compensation Act, was not revived.

It is, therefore, clear that although Congress originally subjected the payment of social security death and disability benefits to the condition that there is no recovery under the Workmen's Compensation Act, the payment of social security sickness benefits under the present state of the Social Security Act was not made subject to that condition. This subsequent deletion of an exempting clause originally contained in the Social Security Act, is an indication to do away with the provision.

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. As the Social Security Commission correctly observed:

"The Workmen's Compensation Act is particularly designed to provide rights of action to employees for injuries suffered by them during employment. They are compensated, in the form of damages for injuries arising out of, and in the course of, employment or in illness aggravated by, or the result of, the employment (Sec. 2, Workmen's Compensation Act, as amended).

"On the other hand, benefits granted under the Social Security Law are not damages. They are rights afforded social security members and their dependents, through which said members are assured minimum financial assistance during times of work stoppage, due to hazards covered by the law. Unlike the Workmen's Compensation Act where the injury must arise out of and in the course of employment, benefits under the Social Security Law are awarded to a member for whatever cause. Compensation under the Workmen's Compensation Act is a unilateral liability of the employer. Under the Social Security Law, the benefits are paid by the System out of funds contributed by the employer and the employees in the proportions provided by law. All members-employees of the System pay contributions which have been deducted from their monthly salary, wage, or compensation. Said contributions are in the amount corresponding to their salary, wage or compensation, in accordance with the schedule fixed by the Social Security Act.

x x x x x x

"The Social Security Act was enacted in 1954 and the latest amendments were effected in 1960. On the other hand, the Workmen's Compensation Act is an earlier enactment and its latest amendment went into force in 1952. The Social Security Law, being a later enactment, could not have possibly been contemplated by the Workmen's Compensation Act when it precluded the employees compensated under it from collecting any other compensation or benefits that may be awarded under the Workmen's Compensation Laws.

"To recover under the Workmen's Compensation laws, the person who suffers the harm must have stood in an employment relationship of a type envisaged by the statute (*Matter of Flielmi v. Netherland Dairy Co.*, 254 NY 60, 171 NE 906). The right to the social security benefits, on the other hand, is predicated in all cases upon the fact that the wage-earner or self-employed person had attained a required affiliation with the insurance system called insured status (Report from the Committee on Finance, U.S. Senate on H. E, 6000, Seen. Rep. No. 1663, 81st Cong., 2nd Sess., 1950). Likewise, under the Workmen's Compensation laws, the harm defined as compensable (*Charon's Case*, 321 Mass. 694). No such compensable injury need be suffered by social security benefit claimants. Under the Workmen's Compensation laws, the harm suffered must have been attributable to the employment in the manner contemplated by law, that is, there must be a connection between the injury and employment (*Cardillo v. Liberty Slut. Ins. Co.*, 380 US 469). Social Security laws award compensation for whatever cause, not necessarily industrial accidents and diseases (*Millis and Montgomery, the Economics of Labor*, Ch. IV. 1058)."

For all the foregoing, we hold, as did the Social Security Commission, that sickness benefits under the Social Security Act may be recovered simultaneously with disability benefits under the Workmen's Compensation Act.

WHEREFORE, the resolution appealed from is hereby affirmed. Costs against the petitioner-appellant.

So ordered.

Bengzon, C. J., Padilla, Bautista Angelo, Labrador, Concepcion, Reyes, J.B.L., Paredes, Dizon, Regala, and Makalintal, JJ., concur.

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