

DIONISIA ANTALLAN, PETITIONER, VS. GOVERNMENT SERVICE INSURANCE SYSTEM AND DEPARTMENT OF EDUCATION, CULTURE & SPORTS, RESPONDENTS.

G.R. No. 80382. November 29, 1988

Ponente: FELICIANO, J.

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FELICIANO, J.:

The present Petition seeks to set aside the Decision of the Employees' Compensation Commission ("ECC") dated 2 June 1987 in ECC Case No. 2756 entitled "Dionisia Antallan v. Government Service Insurance System" ("GSIS"). The decision affirmed the judgment of the GSIS denying petitioner Dionisia Antallan's claim for disability benefits under P.D. No. 626, as amended.

Dionisia commenced her government service in 1949 as elementary grade school teacher in Surigao City. Sometime in 1967, she began to fall into deep depression alter she found herself confronted by "a certain problem," the nature of which is not indicated by the record. She started hearing voices not heard by anyone else and began suffering from insomnia and mental disturbances. This led to her confinement in a mental hospital where her illness was diagnosed as schizophrenia, residual. Antallan's illness continued and apparently became progressively worse until she found herself unable to carry on her regular work as a teacher and hence retired on 30 July 1971 at the age of 47.

Fourteen (14) years later, in 1985, she filed a claim for disability benefits with the GSIS. The System, in denying her claim, declared that:

"Our records show that she retired from the government service effective 30 July 1971. We wish to inform you that the GSIS, as an administering agency of the Employees' Compensation Program under the aforementioned decree, has jurisdiction only for claims of government employees who were still in the service on or after 1 January 1975."[1]

Petitioner interposed an appeal to the ECC, which Commission rendered a Decision[2] on 2 June 1987 affirming the appealed decision and denying petitioner's claim on the ground of prescription. The Commission's Decision in part, reads:

"We sustain respondent's decision. Appellant's case is beyond the coverage of PD 626, as amended. Sec. 1 - (2) Rule III of the Amended Rules on Employees' Compensation is very clear on this point:

'Rule III, Sec. 1-(c) - Only injury or sickness that occurred on or after January 1, 1975 and the resulting disability or death shall be compensable under these Rules.'

Appellant's illness occurred in 1967; she retired in 1971. Therefore, her case is not covered by the Decree which took effect only on January 1, 1975. She was no longer an employee at the time the aforesaid law came into existence. The cause of action in this claim having occurred before January 1, 1975, this claim is properly cognizable under the provisions of the old Workmen's Compensation Act (Act 3428, as amended). But unfortunately, the claim was filed only in 1985, or after a lapse of more than ten (10) years. The claim is now

barred by the Statute of Limitation.

FOR ALL THE FOREGOING, the instant case is hereby DISMISSED by reason of prescription."

The preliminary question that confronts the Court here is what law is applicable in respect of petitioner's claim for disability benefits.

It must be pointed out that petitioner's claim was filed under the provisions of the Labor Code (P.D. No. 442), as amended, and the Amended Rules on Employees' Compensation. However, petitioner's illness first occurred or manifested itself sometime in 1967. And Section 1 (c) of Rule III of the Amended Rules on Employees' Compensation Act provides:

"(c) Only injury or sickness that occurred on or after January 1, 1975 and the resulting disability or death shall be compensable under these Rules." (Italics supplied)

Clearly, under the quoted provision, only illness or injury which occurred or was detected not earlier than 1 January 1975 can be compensated under the provisions of the Labor Code. In the instant case, Antallan's mental illness had started or surfaced as early as 1967, a fact which she has not disputed. Hence, her case does not fall within the coverage of the Labor Code.

The provisions of the old Workmen's Compensation Act should then be applied, considering that her illness was first detected while this law was in effect. Under this Act, claims for compensation should be filed within a certain period of time. Article 291, paragraph 3 of the Labor Code, provides as follows:

"Workmen's compensation claim accruing prior to the effectivity of this Code and during the period from November 1, 1974 up to December 31, 1974, shall be filed with the appropriate regional office of the Department of Labor not later than March 31, 1975, otherwise they shall be barred forever." (Italics supplied)

If petitioner's illness had accrued "during the period from November 1, 1974 up to December 31, 1974," i.e., during the two (2) month period immediately prior to the effectivity of the Labor Code, her claim could have been filed under the Labor Code not later than March 31, 1975. This provision of the Labor Code does not, however, apply to petitioner whose illness had begun long before November 1, 1974. What is applicable in respect of petitioner's right to claim disability benefits under the old Workmen's Compensation Act (Act 3428, as amended) is the prescriptive period of ten (10) years established by Article 1144 of the Civil Code^[3] which period should be counted from the time of the disability of the employee.^[4] In the case at bar, petitioner filed her claim eighteen (18) years after the symptoms of her illness began to emerge, and fourteen (14) years after she was disabled and finally retired from her employment as a public school teacher. Thus, petitioner's claim for compensation must be regarded as barred by prescription.

Petitioner also argues that she is still entitled to the benefits (including, specifically, coverage by the employees compensation provisions of the Labor Code) accruing to government employee presently employed, as she has remained a government employee by virtue of the monthly pension benefits that she is receiving up to the present.

This argument, though original, has no merit. Petitioner ceased to be an employee of the Department of Education, Culture and Sports upon her retirement from that office on 31 July 1971. The monthly pension benefits that she has since been receiving are not the equivalent of the monthly wages that she had received while she was still in the government service. That monthly pension has been and is being extended to her by the government precisely because of her previous services; when she retired from the Department of Education, Culture and Sports, she of course ceased rendering service to that Department and her status as a government employee ended. As we said in the case of *Alano vs. Florido*:^[5]

"[T]he granting of a pension, besides being an act of liberality, is in compliance with the State's duty imposed by social justice to help the aged and disabled persons who, in their prime, both physical and mental, have served the community with loyalty, constancy, and self-abnegation." (*Italics supplied*)

A pension is not, therefore, salary or compensation, the retiree having already received all the remuneration corresponding to her actual, previous work. A pensioner or retiree is not an employee, at least for purposes of application of employees compensation provisions.[6]

WHEREFORE, the Petition is DENIED and the Decision dated 2 June 1987 of the Employees' Compensation Commission is AFFIRMED, without pronouncement as to costs.

SO ORDERED.

Fernan, C.J., Gutierrez, Jr., Bidin, and Cortes, JJ., concur.

[1] Rollo, Annex "A" of Petition, p. 6.

[2] *Id.*, pp. 5-7.

[3] *Galanida v. Employees' Compensation Commission*, 154 SCRA 232 (1987); *Leonardo v. Workmen's Compensation Commission*, 88 SCRA 58 (1979).

[4] *Cepeda v. Bacolod Murcia Milling Co., Inc.*, 135 SCRA 505 (1985); *Leonardo v. Workmen's Compensation Commission*, *supra*; and *Superior Concrete Products, Inc. v. Workmen's Compensation Commission*, 82 SCRA 270 (1978).

[5] 61 Phil. 303 (1935).

[6] Section 4 (a), Rule I of the Amended Rules on Employees Compensation, which implement the Labor Code provisions, defines "employee" as "any person who performs services for an employer." (*Underscoring supplied*) Section 2 of the Revised Government Service Insurance Act of 1977 (P.D. No. 1146, as amended) defines "employee" as "any person, whether elected or appointed, in the service of an employer who receives compensation for such service." (*Italics supplied*)

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