



Republic of the Philippines  
**Supreme Court**  
Manila

SECOND DIVISION

**THE LATE ALBERTO B. JAVIER, as  
substituted by his surviving wife, MA.  
THERESA M. JAVIER, and children,  
KLADINE M. JAVIER, CHRISTIE M.  
JAVIER, JALYN M. JAVIER, CANDY  
GRACE M. JAVIER and GLIZELDA  
M. JAVIER,**

Petitioners,

- versus -

**PHILIPPINE TRANSMARINE  
CARRIERS, INC. and/or NORTHERN  
MARINE MANAGEMENT, LTD.,**

Respondents.

G.R. No. 204101

Present:

CARPIO, J.,  
Chairperson,  
BRION,  
DEL CASTILLO,  
PEREZ, and  
PERLAS-BERNABE, JJ.

Promulgated:

JUL 02 2014 *Manabalo Pineda*

X-----X

DECISION

**BRION, J.:**

In this petition for review on *certiorari*,<sup>1</sup> we resolve the challenge to the May 31, 2012 decision<sup>2</sup> and the October 23, 2012 resolution<sup>3</sup> of the Court of Appeals (CA) in CA-G.R. SP No. 96533. This CA decision affirmed the March 10, 2006 resolution<sup>4</sup> of the National Labor Relations Commission (NLRC) in NLRC NCR Case No. (M) 04-07-01946-00 (NLRC NCR CA No. 045549-05) which, in turn, affirmed with modification the May 31, 2005 decision<sup>5</sup> of the labor arbiter (LA). The LA granted the complaint filed by Alberto Javier for disability benefits, illness allowance, reimbursement of medical expenses, damages and attorney's fees.

<sup>1</sup> *Rollo*, pp. 8-31.

<sup>2</sup> Penned by Associate Justice Michael P. Elbinias, and concurred in by Associate Justices Japar B. Dimaampao and Socorro B. Inting; *id.* at 145-160.

<sup>3</sup> *Id.* at 162-163.

<sup>4</sup> Penned by Commissioner Tito F. Genilo; *id.* at 101-106.

<sup>5</sup> Penned by Labor Arbiter Antonio R. Macam; *id.* at 67-74.

### **The Factual Antecedents**

On March 3, 2003, Philippine Transmarine Carriers, Inc. (*PTCI*), for its principal Northern Marine Management, Ltd. (collectively, *the respondents*), hired Alberto as “pumpman,” on board the vessel “MT Neptune Glory.” This was Alberto’s 20<sup>th</sup> contract with the respondents.<sup>6</sup> Pursuant to the agreement, Alberto received a basic monthly salary of **US\$656.00** for a contract period of nine months. Prior to his hiring on March 3, 2003, Alberto underwent the required Pre-employment Medical Examination (*PEME*) and was declared “fit for work” by PTCI’s designated physician.<sup>7</sup>

On November 10, 2003, Alberto suddenly felt severe headache accompanied by dizziness, vomiting and physical weakness while he was on board “MT Neptune Glory.”<sup>8</sup>

On November 15, 2003, Alberto was confined at the University of Texas Medical Branch Hospital in Galveston, Texas. He underwent a series of medical examination and was diagnosed to be suffering from **hypertension**.<sup>9</sup> On the doctors’ advice, Alberto was repatriated to the Philippines on November 23, 2003 for further medical treatment.

Upon arrival in Manila, Alberto was referred to Dr. Justo Cammayo at the Manila Doctors Hospital. Alberto underwent a series of medical treatment and examination that included an electrocardiogram, a computed tomography scan of the head, a 2-D Echocardiogram, a Chest X-ray, a Cervical Spine Aplo Series, and a Coronary Angiogram.<sup>10</sup> On March 30, 2004, Alberto underwent coronary artery bypass surgery due to a “three vessel Coronary Artery Disease.”<sup>11</sup>

On April 14, 2004, Alberto was discharged from the Manila Doctors Hospital. The doctors, however, failed to either declare him as “fit to return to work” or to assess his disability grading. Thus, Alberto sought the opinion of Dr. Efren Vicaldo, a private doctor-cardiologist, who diagnosed Alberto’s disability as “*Hypertensive cardiovascular disease; Coronary artery disease; 2 vessel involvement; S/P Coronary artery bypass graft*”

---

<sup>6</sup> Id. at 32.

<sup>7</sup> Id. at 33.

<sup>8</sup> Id. at 37-38.

<sup>9</sup> Id. at 45-46.

<sup>10</sup> Id. at 47-59.

<sup>11</sup> Id. at 60-63.

*surgery; S/P Cerebrovascular accident.” Dr. Vicaldo assessed Alberto’s disability as “impediment grade 1” and declared the latter as “unfit to resume work as seaman in any capacity[,]” and “not expected to land a gainful employment given his medical background.”<sup>12</sup>*

### **The LA’s Ruling**

In view of Dr. Vicaldo’s assessment, Alberto claimed from the respondents’ disability benefits and sickness allowance pursuant to the Philippine Overseas Employment Administration Standard Employment Contract (*POEA-SEC*). The respondents denied Alberto’s claim. Hence, Alberto filed before the LA a complaint for disability benefits, illness allowance, reimbursement of medical expenses, damages and attorney’s fees.

In a decision dated May 31, 2005,<sup>13</sup> the LA granted Alberto’s claims. The LA ordered the respondents to pay Alberto the total amount of US\$68,886.40 or its Philippine Peso equivalent at the prevailing rate of exchange; it consisted of disability benefits (in the amount of US\$60,000.00), sickness allowance (in the amount of US\$2,624.00 or Alberto’s basic monthly wage of US\$656.00 for four months), and attorney’s fees equivalent to 10% of the monetary award.

According to the LA, Alberto contracted his illness during the term of his contract with the respondents and because of his constant exposure to extraneous work. Hence, he is entitled to disability benefits. Also, the LA noted that the respondents’ designated physician failed to assess Alberto’s impediment grading within the POEA-SEC mandated 120-day period. Thus, the LA declared Alberto as likewise entitled to sickness allowance equivalent to 120 days, absent proof that the respondents had already paid Alberto this benefit. The LA, however, denied Alberto’s claims for reimbursement of medical expenses and damages for lack of substantial basis.

### **The NLRC’s Ruling**

In its March 10, 2006 resolution,<sup>14</sup> the NLRC affirmed the LA’s decision with modification.

---

<sup>12</sup> Id. at 64-65.

<sup>13</sup> *Supra* note 5.

<sup>14</sup> *Supra* note 4.

The NLRC held that the nature of Alberto's job and his duties as "pumpman" on board the vessel "MT Neptune Glory" proximately caused or, at the least, contributed to the development of his hypertension. In addition, the NLRC pointed out that Alberto was already serving his 20<sup>th</sup> consecutive contract with the respondents at the time he fell ill. At the start of each contract, he underwent the required PEME for which he had been declared "fit for sea service" by the company-designated physician. Under these circumstances, Alberto's illness could not have been concealed and pre-existing as to preclude him from claiming disability benefits.

The NLRC, however, found that Alberto made an April 12, 2004 certification<sup>15</sup> acknowledging receipt in full of his sickness allowance equivalent to 120 days (in the amount of ₱144,318.03) and payment in full of his medical treatment (in the amount of ₱1,928,841.27). Since these expenses, in the total amount of ₱2,073,159.30, have already been paid, the NLRC ordered its deduction from the peso equivalent of the total monetary award of US\$68,886.40.

Meanwhile, Alberto died on November 1, 2005.<sup>16</sup> He was substituted by his heirs, petitioners Ma. Theresa, Kladine, Christie, Jalyn, Candy Grace and Glizelda, all surnamed Javier.

On April 17, 2006, the petitioners sought reconsideration<sup>17</sup> of the NLRC's resolution that ordered the deduction of Alberto's sickness allowance and medical expenses from the total monetary award, but the NLRC denied the petitioners' motion.<sup>18</sup> The petitioners sought recourse with the CA via a petition for *certiorari*.<sup>19</sup>

### **The CA's Ruling**

In its May 31, 2012 decision,<sup>20</sup> the CA affirmed the NLRC's resolution. The CA brushed aside the petitioners' claim for reimbursement of medical expenses incurred by Alberto because the petitioners failed to appeal the portion of the LA's decision that denied Alberto's claim on these. It also denied Alberto's claim for sickness allowance because of Alberto's April 12, 2004 certification.<sup>21</sup>

---

<sup>15</sup> *Rollo*, p. 104.

<sup>16</sup> *Id.* at 100.

<sup>17</sup> *Id.* at 107-111.

<sup>18</sup> *Id.* at 113-116.

<sup>19</sup> *Id.* at 117-133.

<sup>20</sup> *Supra* note 2.

<sup>21</sup> *Supra* note 15.

The CA rejected the petitioners' claim for death benefits. The CA pointed out that death benefits are granted to the heirs of the seafarer only when the seafarer dies during the term of the contract and for causes that are work-related. In this case, Alberto died after his employment contract with the respondents had already been terminated.

### **The Petition**

The petitioners argue that, as Alberto's heirs, they are entitled to reimbursement of the expenses that Alberto incurred for his medical treatment. They argue that contrary to the NLRC's and the CA's rulings, medical expenses and sickness allowance are separate and distinct from one another and from disability benefits. Under Section 20-B (2), paragraph 2 of the POEA-SEC, employers must provide the seafarer, at their cost, with the needed medical attention for the work-related injury or illness until the seafarer is declared fit or the degree of disability is established by the company-designated physician. This is in addition to the sickness allowance, based on the seafarer's basic wage, that Section 20-B (3) of the POEA-SEC equally requires the employers to provide. Following these provisions, the amount of ₱1,928,841.27 that they spent for Alberto's medical treatment should, therefore, not be deducted from the disability benefits to which Alberto was equally entitled. The petitioners, thus, argue that the CA misconstrued these POEA-SEC provisions (on medical expenses, sickness allowance and disability benefits) when it affirmed the NLRC's decision which ordered the deduction of Alberto's medical expenses from the total monetary award.

Lastly, the petitioners argue that the respondents failed to prove that they (the respondents) paid Alberto the amount of ₱144,318.03 representing his sickness allowance. They point out that: (1) the respondents belatedly presented the April 12, 2004 certification, the execution of which is even highly questionable; and (2) the respondents failed to prove *via* vouchers and/or receipts their payment of the sickness allowance.

### **The Case for the Respondents**

The respondents maintain<sup>22</sup> that the CA did not err in affirming the NLRC's resolution because the NLRC committed no grave abuse of discretion. Relying on the CA's ruling, they point out that: (1) the portion of the LA's decision that denied Alberto's claim for reimbursement of medical expenses had already become final and executory, and therefore

---

<sup>22</sup> Id. at 167-170.

unassailable, as Alberto no longer appealed from this decision; and (2) they had already paid the full amount of Alberto's sickness allowance.

### **The Court's Ruling**

**We find merit in the petition.**

***Preliminary considerations:  
jurisdictional limitations of the  
Court's Rule 45 review of the CA's  
Rule 65 decision in labor cases***

In a Rule 45 petition for review on *certiorari*, what we review are the legal errors that the CA may have committed in the assailed decision, in contrast with the review for jurisdictional errors that we undertake in an original *certiorari* action. In reviewing the legal correctness of the CA decision in a labor case taken under Rule 65 of the Rules of Court, we examine the CA decision in the context that it determined the presence or the absence of grave abuse of discretion in the NLRC decision before it and not on the basis of whether the NLRC decision, on the merits of the case, was correct.

Otherwise stated, we proceed from the premise that the CA undertook a Rule 65 review, not a review on appeal, of the NLRC decision challenged before it. Within this narrow scope of our Rule 45 review, the question that we ask is: Did the CA correctly determine whether the NLRC committed grave abuse of discretion in ruling on the case?<sup>23</sup>

In addition, the Court's jurisdiction in a Rule 45 petition for review on *certiorari* is limited to resolving only questions of law.

The present petition essentially raises the question – whether Alberto's medical expenses and sickness allowance should be deducted from his disability benefits. This is a question of law that falls well within the Court's power in a Rule 45 petition. Underlying this question of deductibility is another legal question of whether these benefits – medical expenses, sickness allowance and disability benefits – are separate and distinct from one another.

---

<sup>23</sup>

*Montoya v. Transmed Manila Corp./Mr. Ellena, et al.*, 613 Phil. 696, 707 (2009).

A complete determination of this petition's legal issues, however, requires resolution of the intimately related but largely factual issue of whether the respondents had already paid Alberto his medical expenses and sickness allowance. Since this is a question of fact, it is generally not within the scope of our Rule 45 jurisdiction except to the extent necessary to determine *whether the CA correctly affirmed, for lack of grave abuse of discretion, the NLRC decision that ordered the deduction from the LA's total monetary award the sickness allowance and the expenses the respondents incurred for Alberto's medical treatment.*

In the present case, we see no reason to disturb the NLRC and CA's uniform factual finding on the issue of payment of sickness allowance and medical expenses. This factual conclusion, however, totally does not support the NLRC's legal conclusion, ordering the deduction of the medical expenses from the total monetary award. As our subsequent discussion will show, the NLRC's action is nothing short of grave abuse of discretion.

***The seafarer is entitled to medical treatment at cost to the employer apart from disability benefits and sickness allowance***

The employment of seafarers and its incidents are governed by the contracts they sign every time they are hired or rehired. These contracts have the force of law between the parties as long as their stipulations are not contrary to law, morals, public order or public policy.<sup>24</sup> Every seaman and the vessel owner (directly or represented by a local manning agency) are required to execute the POEA-SEC as a condition *sine qua non* to the seafarer's deployment for overseas work.<sup>25</sup> While the seafarers and their employers are governed by their mutual agreements, the POEA rules and regulations require that the POEA-SEC, which contains the standard terms and conditions of the seafarers' employment in foreign ocean-going vessels, be integrated in every seafarer's contract.<sup>26</sup>

In the present case, Section 20-B of the 2000 POEA-SEC<sup>27</sup> (the governing POEA-SEC at the time the respondents employed Alberto in 2003) is the applicable provision. Under this section, the employers assume

---

<sup>24</sup> *Wallem Maritime Services, Inc. v. Tanawan*, G.R. No. 160444, August 29, 2012, 679 SCRA 255, 265.

<sup>25</sup> *Ibid.*, citing *Coastal Safeway Marine Services, Inc. v. Delgado*, G.R. No. 168210, June 17, 2008, 554 SCRA 590, 596.

<sup>26</sup> *Ibid.*

<sup>27</sup> POEA Memorandum Circular No. 09, Series of 2000. Note the POEA Memorandum Circular No. 10, Series of 2010 that the POEA issued amending for the purpose the 2000 POEA-SEC.

several kinds of liabilities to the seafarer for any work-related illness or injury that the seafarer may have suffered during the term of the contract. It reads in full:

## SECTION 20. COMPENSATION AND BENEFITS

X X X X

### B. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

The **liabilities** of the employer **when the seafarer suffers work-related injury or illness during the term of his contract** are as follows:

1. The employer shall continue to pay the seafarer his wages during the time he is on board the vessel;
2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or to be repatriated.  
**However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.**
3. **Upon sign-off from the vessel for medical treatment, the seafarer is entitled to sickness allowance equivalent to his basic wage until** he is declared fit to work or the degree of permanent disability has been assessed by the company-designated physician but in no case shall this period exceed one hundred twenty (120) days.

For this purpose, the seafarer shall submit himself to a post-employment medical examination by a company-designated physician within three working days upon his return except when he is physically incapacitated to do so, in which case, a written notice to the agency within the same period is deemed as compliance. Failure of the seafarer to comply with the mandatory reporting requirement shall result in his forfeiture of the right to claim the above benefits.

If a doctor appointed by the seafarer disagrees with the assessment, a third doctor may be agreed jointly between the employer and the seafarer. The third doctor's decision shall be final and binding on both parties.

4. Those illnesses not listed in Section 32 of this Contract are disputably presumed as work related.



5. Upon sign-off of the seafarer from the vessel for medical treatment, the employer shall bear the full cost of repatriation in the event the seafarer is declared (1) fit for repatriation; or (2) fit to work but the employer is unable to find employment for the seafarer on board his former vessel or another vessel of the employer despite earnest efforts.

6. In case of **permanent total or partial disability of the seafarer caused by either injury or illness the seafarer shall be compensated** in accordance with the schedule of benefits enumerated in Section 32 of his Contract. Computation of his benefits arising from an illness or disease shall be governed by the rates and the rules of compensation applicable at the time the illness or disease was contracted. [emphases and underscore ours]

In reading these provisions, the Court observes the evident intent of the POEA-SEC to treat these liabilities of the employer separately and distinctly from one another by treating the different items of liability under separate paragraphs. These individual paragraphs, in turn, show the bases of each liability that are unique from the others. This formulation is in keeping with the POEA's mandate under Executive Order No. 247 to "secure the best terms and conditions of employment of Filipino contract workers and ensure compliance therewith" and to "promote and protect the well-being of Filipino workers overseas."

Accordingly, Section 20-B (2), **paragraph 2**, of the POEA-SEC imposes on the employer the liability to provide, at its cost, for the **medical treatment of the repatriated seafarer for the illness or injury that he suffered on board** the vessel until the seafarer is declared fit to work or the degree of his disability is finally determined by the company-designated physician. This liability for medical expenses is conditioned upon the seafarer's compliance with his own obligation to report to the company-designated physician within three (3) days from his arrival in the country for diagnosis and treatment.<sup>28</sup> The medical treatment is aimed at the speedy recovery of the seafarer and the restoration of his previous healthy working condition.

Since the seafarer is repatriated to the country to undergo treatment, his inability to perform his sea duties would normally result in depriving him of compensation income. To address this contingency, Section 20-B (3), **paragraph 1**, of the POEA-SEC imposes on the employer the obligation to provide the seafarer with **sickness allowance that is equivalent to his basic wage** until the seafarer is declared fit to work or the degree of his permanent disability is determined by the company-designated physician. The period

---

<sup>28</sup>

Section 20(B)(3), 2000 POEA-SEC.

for the declaration should be made within the period of 120 days or 240 days, as the case may be.

Once a finding of permanent (total or partial) disability is made either within the 120-day period or the 240-day period,<sup>29</sup> Section 20-B (6) of the POEA-SEC requires the employer to pay the seafarer **disability benefits for his permanent total or partial disability** caused by the work-related illness or injury. In practical terms, a finding of permanent disability means a permanent reduction of the earning power of a seafarer to perform future sea or on board duties;<sup>30</sup> permanent disability benefits look to the future as a means to alleviate the seafarer's financial condition based on the level of injury or illness he incurred or contracted.

The separate treatment of, and the distinct considerations in, these three kinds of liabilities under the POEA-SEC can only mean that the POEA-SEC intended to make the employer liable for each of these three kinds of liabilities. In other words, employers must: (1) pay the seafarer sickness allowance equivalent to his basic wage in addition to the medical treatment that they must provide the seafarer with at their cost; *and* (2) compensate the seafarer for his permanent total or partial disability as finally determined by the company-designated physician.<sup>31</sup>

Significantly, too, while Section 20 of the POEA-SEC did not expressly state that the employer's liabilities are cumulative in nature – so as to hold the employer liable for the sickness allowance, medical expenses *and* disability benefits – it does not also state that the compensation and benefits are alternative or that the grant of one bars the grant of the others.

Under this setup, the Court must be guided by the principle that as a labor contract, the POEA-SEC is imbued with public interest. Accordingly, its provisions must be construed fairly, reasonably and liberally in favor of the seafarer in the pursuit of his employment on board ocean-going vessels. After all, the constitutional policy, which we here uphold and emphasize in

---

<sup>29</sup> If the maximum 240-day medical treatment period expires without a declaration of the existence of a permanent disability (or fitness to work), permanent disability is deemed to exist (*Vergara v. Hammonia Maritime Services, Inc., et al.*, 588 Phil. 895, 913 [2008]). The 120-day period of temporary total disability may be extended up to a maximum of 240 days if no declaration is made (that the seafarer is fit to work or that his temporary disability is permanent) because the seafarer requires further medical attention.

<sup>30</sup> See The Labor Code with Comments and Cases, Vol. I, 6<sup>th</sup> ed., 2007, Cesario Alvero Azucena, p. 521.

<sup>31</sup> If the maximum 240-day medical treatment period expires without a declaration of the existence of a permanent disability (or fitness to work), permanent disability is deemed to exist (*Vergara v. Hammonia Maritime Services, Inc., et al.*, *supra* note 29, at 913). In this case, the employer is liable to pay permanent disability benefits.

construing as we do these POEA-SEC provisions, accords and guarantees full protection to labor, both local and overseas.<sup>32</sup>

Notably, POEA Memorandum Circular No. 10, Series of 2010 (or the Amended Standard Terms and Conditions Governing the Overseas Employment of Filipino Seafarers On-Board Ocean-Going Ships)<sup>33</sup> makes more explicit the POEA-SEC's intent we earlier discussed. As matters stand, the pertinent POEA-SEC provisions now expressly and clearly state that, in addition to the obligation of the employers to provide the seafarer with the needed medical attention at their cost, they shall likewise provide the latter sickness allowance equivalent to his basic wage.<sup>34</sup> It also expressly states that the disability benefits to which the seafarer may be entitled shall be based solely on the listed disability gradings without regard to the duration of the seafarer's medical treatment or the period with which he was given sickness allowance.<sup>35</sup> Without doubt, medical expenses, sickness allowance and disability benefits are separate and distinct from one another.

<sup>32</sup> See CONSTITUTION, Article XIII, Section 3.

<sup>33</sup> Dated October 26, 2010 and issued pursuant to POEA Governing Board Resolution No. 09, Series of 2010.

<sup>34</sup> Section 20-A (3), paragraph 1, in relation to Section 20-A (2), of the 2010 POEA-SEC. It provides:

SECTION 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

x x x x

2. If the injury or illness requires medical and/or dental treatment in a foreign port, the employer shall be liable for the full cost of such medical, serious dental, surgical and hospital treatment as well as board and lodging until the seafarer is declared fit to work or repatriated. **However, if after repatriation, the seafarer still requires medical attention arising from said injury or illness, he shall be so provided at cost to the employer until such time he is declared fit or the degree of his disability has been established by the company-designated physician.**

3. **In addition to the above obligation of the employer to provide medical attention, the seafarer shall also receive sickness allowance from his employer in an amount equivalent to his basic wage computed from the time he signed off until he is declared fit to work or the degree of his disability has been assessed by the company-designated physician.** The period within which the seafarer shall be entitled to his sickness allowance shall not exceed 120 days. [emphasis and underscore supplied]

<sup>35</sup> Section 20-A (6), paragraph 2, of the 2010 POEA-SEC. It reads:

SECTION 20. COMPENSATION AND BENEFITS

A. COMPENSATION AND BENEFITS FOR INJURY OR ILLNESS

The liabilities of the employer when the seafarer suffers work-related injury or illness during the term of his contract are as follows:

x x x x

6. In case of **permanent total or partial disability of the seafarer caused by either injury or illness, the seafarer shall be compensated** in accordance with the schedule of benefits enumerated under Section 32 of the Contract. x x x  
The disability shall be **based solely on the disability gradings provided under Section 32 of this Contract, and shall not be measured or determined by the number of days a seafarer is under treatment or the number of days in which sickness allowance is paid.** [emphases and underscore ours]

Employers are liable to provide these compensation and benefits, subject to the satisfaction of the requisite degree of proof.

*Since the sickness allowance was already paid, it should be deleted from the monetary award*

In the May 31, 2005 decision, the LA awarded Alberto the total monetary award of US\$68,886.40, consisting of US\$60,000.00 as permanent and total disability benefits, US\$2,624.00 as sickness allowance for 120 days and US\$6,262.40 as attorney's fees. The LA **denied Alberto's prayer for reimbursement of medical expenses** and for damages.

On the other hand, the NLRC affirmed this LA's ruling, but ordered the deduction, from the total monetary award, of the medical expenses and sickness allowance. In ordering the deduction, the NLRC pointed to the certification dated April 12, 2004 that Alberto executed, and which he did not dispute, acknowledging receipt in full of his sickness allowance and of the respondents' full payment of his medical expenses.

The CA upheld the NLRC's findings on the respondents' full payment of these benefits; it also upheld the deduction of these benefits from the peso equivalent of the total monetary award.

The Court finds no compelling reason to overturn the NLRC and the CA's factual finding that the respondents have fully paid Alberto's sickness allowance. In this regard, we agree with the CA that the NLRC committed no grave abuse of discretion in ordering the deletion of the sickness allowance benefit in the amount of ₱144,318.03 from the peso equivalent of the amount awarded to Alberto. The LA's grant of sickness allowance despite its full payment is clearly contrary to the provisions of the POEA-SEC; its ruling inequitably resulted in a double payment to Alberto at the respondents' expense.

*Alberto's medical expenses that were paid by the respondents should not be deducted from the total monetary award*

Similarly, we are bound by the NLRC and the CA's factual finding that the respondents fully paid Alberto's medical expenses. However, unlike the deletion of sickness allowance benefits, we find that the CA legally erred

in not finding that the NLRC committed grave abuse of discretion in ordering the deduction of the medical expenses paid by the respondents from the total monetary award. The NLRC's action is whimsical and arbitrary for clear lack of factual, legal and jurisprudential basis.<sup>36</sup>

As earlier stated, the LA denied for lack of basis Alberto's prayer for reimbursement of medical expenses. The total monetary award of US\$68,886.40 consisted only of the disability benefits, sickness allowance and attorney's fees. In view of the NLRC's ruling that ordered the deletion of the sickness allowance from the total monetary award, Alberto was effectively left with only the disability benefits and the 10% attorney's fees as his monetary award.

In this regard, the NLRC had no reason, both in fact and in law, to order the deduction from the total monetary award (US\$68,886.40) the amount of ₱1,928,841.27 incurred (and which the respondents had already paid in full) for Alberto's medical treatment.

As a matter of fact, the LA did not award Alberto any amount as reimbursement for his medical expenses which the NLRC could arguably consider as double reimbursement or payment resulting in "unjust enrichment" on Alberto's part. As a matter of law, the benefit of medical treatment at the employer's expense is, as earlier discussed, separate and distinct from the disability benefits and sickness allowance to which the seafarer is additionally entitled.

Accordingly, any amount that the respondents may have expended for Alberto's medical treatment should not be deducted from the monetary award that consisted only of the disability benefits and attorney's fees. By ordering the deduction from the total monetary award the amount of ₱1,928,841.27 as Alberto's medical expenses, the NLRC treated the employer's liability to pay medical expenses *as part of* the permanent disability benefits to which Alberto is entitled. The NLRC reached its conclusion even if the POEA-SEC treats these two kinds of liabilities distinctly and even if the bases for their payment are different. This clearly smacks of grave abuse of discretion amounting to lack and excess of jurisdiction. Grave abuse of discretion was patent when the NLRC acted

---

<sup>36</sup> See the following cases where the Court awarded the seafarer sickness allowance in addition to medical treatment to be provided by the employers at their cost: *C.F. Sharp Crew Management, Inc. v. Taok*, G.R. No. 193679, July 18, 2012, 677 SCRA 296; *Varorient Shipping Co., Inc. v. Flores*, G.R. No. 161934, October 6, 2010, 632 SCRA 274; *De Jesus v. National Labor Relations Commission*, 557 Phil. 260 (2007); and *OSM Shipping Phil., Inc. v. Dela Cruz*, 490 Phil. 392 (2005).

contrary to the facts – that the LA did not award Alberto medical expenses – and the provisions of the law - in this case, the POEA-SEC.


Accordingly, the CA legally erred in affirming the NLRC resolution.


**WHEREFORE**, in light of these considerations, we hereby **GRANT in PART** the petition. We **AFFIRM** the decision dated May 31, 2012 and the resolution dated October 23, 2012 of the Court of Appeals in CA-G.R. SP No. 96533 in so far as they affirmed: (1) the award of permanent total disability benefits and 10% attorney's fees in favor of Alberto B. Javier; and (2) the deduction of the sickness allowance in the amount of US\$2,624.00 from the total monetary award of US\$68,886.40. We **REVERSE and SET ASIDE** the portion of the resolution dated March 10, 2006 of the National Labor Relations Commission that ordered the deduction from the total monetary award of US\$68,886.40 the amount of ₱1,928,841.27 as medical expenses.

**SO ORDERED.**


  
**ARTURO D. BRION**  
Associate Justice

**WE CONCUR:**

  
**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson

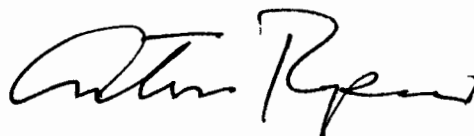
  
**MARIANO C. DEL CASTILLO**  
Associate Justice

  
**JOSE PORTUGAL PEREZ**  
Associate Justice

  
**ESTELA M. PERLAS-BERNABE**  
Associate Justice

## ATTESTATION

I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**ANTONIO T. CARPIO**  
Associate Justice  
Chairperson, Second Division

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.



**MARIA LOURDES P. A. SERENO**  
Chief Justice