

FIRST DIVISION

[G.R. No. 154093, July 08, 2003]

**GOVERNMENT SERVICE INSURANCE SYSTEM, PETITIONER, VS.
LEO L. CADIZ, RESPONDENT.**

D E C I S I O N

YNARES-SANTIAGO, J.:

Permanent total disability does not mean a state of absolute helplessness, but means disablement of an employee to earn wages in the same kind of work, or work of similar nature, that he was trained for, or any work which a person of similar mentality and attainment could do.^[1]

Assailed in this petition for review is the decision^[2] of the Court of Appeals in CA-G.R. SP No. 63521, which set aside the decision of the Employees' Compensation Commission and granted respondent's claim for permanent total disability compensation benefits.

The undisputed facts are as follows: respondent Leo L. Cadiz was appointed as a Provincial Guard of Negros Oriental on July 1, 1968. On March 16, 1974, he entered the police service and was promoted to several ranks until he became a Police Major. In 1991, he was absorbed by the Philippine National Police (PNP), with a rank of Police Chief Inspector. On July 17, 1992, respondent's rank was adjusted to Police Chief Superintendent, the position he held until his retirement on March 19, 1999 at the age of 55.^[3]

The medical records of respondent revealed that on October 11, 1996, he suffered a heart attack and was hospitalized at the San Carlos Planters Hospital, San Carlos City. He was transferred to the Siliman University Medical Center where he was diagnosed to be suffering from "AF with CHF Class 1-E T/A Sec. to Cardio embolic Sec. to AF, Chronic CAD,"^[4] a heart ailment. Thereafter, respondent was also admitted at the Negros Oriental Provincial Hospital for chest pain, palpitation and abnormal beats - "HP., AF, CHF Class I; Hypercholesterolemia."^[5] Consequently, he applied for early retirement due to "an ailment causing [paralysis of the] left hand and [slurred] speech...rendering him unfit to discharge further his duties and responsibilities as a police officer."^[6] Dr. Silahis Rosario, a cardiologist and attending physician of respondent, testified before the National Police Commission that the latter's ailment is unstable angina and chronic atrial fibrillation, which means a chronic irregularity of the heart causing a congestive heart failure.^[7] After its own examination of respondent, the Medical and Dental Service, PNP, declared him "UNFIT FOR POLICE SERVICE".^[8] Hence, on March 19, 1999, he was retired from service and granted permanent total disability benefits.^[9]

Subsequently, respondent filed a disability claim with the GSIS, attaching to his

application his service record and PNP General Order No. 641, stating that respondent retired from the PNP due to a permanent total disability.^[10] On November 25, 1999, Dr. Gervillana B. Estrada, Medical Officer of GSIS, Dumaguete City, approved the claim and granted respondent permanent total disability benefits starting March 19, 1999, and temporary total disability benefits from October 12, 1996 to November 22, 1996.^[11]

The Medical Service Group of GSIS, Pasay City, however, directed Dr. Estrada to revise her recommendation, thus - "[k]indly revise your medical recommendation based on our criteria for granting of disability. Based on your physical examination (8/23/99) done the degree of claimant's disability, does not satisfy the criteria for PTD. We are returning these claim for re-evaluation under PD 626."^[12]

On January 29, 2000, Dr. Estrada modified her recommendation by retaining respondent's temporary total disability benefits from October 12, 1996 to November 22, 1996, but downgrading the permanent total disability benefits to compensation equivalent to 8 months permanent partial disability benefits from March 19, 1999.^[13] Respondent moved for reconsideration of the evaluation but the same was denied.

On appeal by respondent, the Employees' Compensation Commission (ECC) affirmed the findings of the GSIS. Hence, respondent filed a petition with the Court of Appeals which, on June 21, 2002, rendered a decision setting aside the decision of the ECC and granting respondent's claim for permanent total disability. The dispositive portion thereof reads:

WHEREFORE, the petition for review is GRANTED. The challenged decisions of the ECC and the GSIS are ANNULLED and SET ASIDE, and another [one is] entered declaring the petitioner to be suffering from permanent total disability. Respondent ECC is accordingly ordered to award the petitioner the full benefits corresponding to his permanent total disability. Without costs.

SO ORDERED.^[14]

On September 3, 2002, GSIS, as the agency charged with the management and administration of the trust fund of the ECC, filed the instant petition.

Is respondent entitled to permanent total disability benefits?

We rule in the affirmative. In denying respondent's claim for permanent total disability benefits, the ECC held:

Based on the ECC Schedule of Compensation, appellant was already awarded the maximum benefits commensurate to the degree of his disability. Moreover, the primary criterion set for permanent total disability in this case was not met, that is: permanent paralysis of two limbs; complete loss of sight of both eyes; brain injury resulting in incurable imbecility; and loss of two limbs at or above the ankle or wrist.

Since appellant was already awarded the maximum benefits prevailing at

the time of his compulsory retirement, he is no longer entitled to additional benefits under PD 626, as amended.^[15]

Clearly, the ECC did not state its reason for declaring that the benefits awarded by the GSIS to respondent are those that are commensurate to the degree of his disability. The fact that the latter did not lose the use of any part of his body does not justify the denial of his claim for permanent total disability. In *Government Service Insurance System v. Court of Appeals*,^[16] it was held that while permanent total disability invariably results in an employee's loss of work or inability to perform his usual work, permanent partial disability occurs when an employee loses the use of any particular anatomical part of his body which disables him to continue with his former work. Stated otherwise, the test of whether or not an employee suffers from permanent total disability is the capacity of the employee to continue performing his work notwithstanding the disability he incurred. If by reason of the injury or sickness he sustained, the employee is unable to perform his customary job for more than 120 days and he does not come within the coverage of Rule X of the Amended Rules on Employees Compensability (which, in a more detailed manner, describes what constitutes temporary total disability), then the said employee undoubtedly suffers from a permanent total disability regardless of whether or not he loses the use of any part of his body. Permanent total disability does not mean a state of absolute helplessness, but means disablement of an employee to earn wages in the same kind of work, or work of similar nature, that he was trained for, or any work which a person of similar mentality and attainment could do.^[17]

In the case at bar, respondent's entitlement to permanent total disability was established by his medical records and by the investigation of the very agency he worked for, the PNP, which found him "UNFIT FOR POLICE SERVICE".^[18] Even the initial findings of Dr. Gervillana B. Estrada, Medical Officer of the GSIS, Dumaguete City evinced that respondent is really qualified for permanent total disability benefits. Most of all, the decision of the PNP to retire him at the age of 55 for being unfit for police service is a clear indication that his heart ailment rendered him incapable of effectively and competently performing his job as a Police Chief Superintendent without serious discomfort or pain and without material injury or danger to his life.^[19] In a number of cases, ^[20] it was ruled that the early retirement of an employee due to a work-related ailment, as in the case at bar, proves that he was really disabled totally to further perform his assigned task, and to deny permanent total disability benefits when he was forced to retire would render inutile and meaningless the social justice precept guaranteed by the Constitution.

The case of *Tria v. Employees Compensation Commission*,^[21] where we denied a claim for conversion of disability benefits, is not applicable to the instant case. The claim therein, which was filed 4 years after the employee's retirement, refers to a claim for conversion of a previously granted disability benefit from permanent partial to permanent total on the ground of an alleged recurring illness. The case at bar, however, neither concerns a recurring illness previously compensated, nor a claim for additional/conversion of disability benefits, but involves a review of the ECC decision which classified respondent's early-retirement-causing disability as permanent partial instead of permanent total. As to the decisions^[22] of the Court of Appeals cited by petitioner as authorities, it must be stressed that judicial decisions which form part of our legal system are only the decisions of the Supreme Court.