



ASSA News

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From the Chairman's desk



In the 11th ASSA Board meeting in Singapore, leaders of the member institutions were continuously committed to developing the association by granting non-observer status at the ASSA for Commonwealth Department of Family and Community Services-Australia. This decision would further promote the social security and also pursue the ASSA's objectives set forth in its MOA.

As ASSA members, we are proud to highlight our achievements, and we share our valued experience and practical lessons on the way of development. We continue to work together on delivering the best services to our respective nations.

This edition of ASSA News features a report on school health insurance, the voluntary scheme managed by Vietnam Social Security. Apart from the mandatory health insurance scheme and health care program for the poor, this scheme is considered as one of the solutions leading toward the universal health insurance in Vietnam.

As usual, this issue of ASSA News brings to you updated news, information relative of social security activities in the member countries. In addition, we have added a 4-page supplement to serve as a memento of the first 5-year period of ASSA.

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ASSA 1998-2003

HIGHLIGHTS OF THE 11TH ASSA BOARD MEETING IN SINGAPORE

The 11th ASSA Board Meeting was held in Singapore from 7 to 8 March 2003. The Central Provident Fund Board of Singapore played host to the ASSA Board members, delegates, observers and guests from social security institutions in the region.

Dr. Nguyen Huy Ban, ASSA Chairman and Director General of Vietnam Social Security presided the meeting. During the meeting, the Board members discussed on admission of new members, granting observer status to Department of Family and Community Services (FaCS) Australia, and other issues related to the development of the association.



34 delegates assemble for the ASSA Board meeting on 8 March 2003 in Singapore

▪ The Pre-Board Meeting Seminar

A one-day pre board meeting seminar on the theme: "Delivery of Social Security Services in the new era" was held on 6 March 2003 by the Central Provident Fund Board of Singapore with the participation of the ASSA delegates and experts in the field. The seminar touched upon various aspects of social security service delivery.

During the seminar, Mr. Mark Anthony Sullivan, Secretary, Department of Family and Community Services (FaCS) shared with the participants on E-Government challenges and opportunities in delivery of better services to the people. Mr Goh Teck Soon, Director and Chief Information Officer of CPF Board Singapore shared the valued experiences and key success factors of CPF e-Service implementation. The participants also shared their views and discussed with Mr. Nolan Tan, CEO of Service Quality Centre Pte.Ltd and Prof. Hum Sin Hoon, National University of Singapore about the customer relationship management and the strategy management system for delivery of service excellence.



▪ Presentation of articles on Good Practices

The following new articles under "Good Practices" section of the ASSA website <http://www.asean-ssa.org> were presented in the meeting:

- "Enhancing members' savings" by Employees Provident Fund, Malaysia
- "Quality services in a paperless environment" by Social Security Organization, Malaysia
- "Text-SSS and Internet-based inquiry programs put information at members' fingertips" by Social Security System, Philippines.
- "CPF Board's accreditation with the ISO 90012000 standard for both collection of funds and customer services" by Central Provident Fund Board, Singapore.

- "eAlerts- Information at your convenience" by Central Provident Fund Board, Singapore.
- "SSO launches submitting IP's data through electronic media" by Social Security Office, Thailand.

▪ Cultural activities

On the 6th March, the ASSA delegates visited the Esplanade - Theatres on the Bay, which is located on six hectares of prime waterfront land by the Marina Bay. Esplanade's venues include the Concert Hall - a 1600-seat premier-performing venue for music, the 2000-seat Theatre, and Recital, Rehearsal, Theatre studios for rehearsals, small performances, and dance presentations. There is also the Jendela, an exhibition space for visual arts within Esplanade. In addition, Esplanade Mall - one of the Esplanade's venues comprises restaurants, art-related outlets and a performing arts library.



After the ASSA Board meeting the delegates took visit to the National Orchid Garden on the 8th March 2003. The Garden is situated on the three-hectare highest hill in the Singapore Botanic Gardens, where displays the full splendor of orchids with 60,000 orchid plants comprising over 700 species and 3,000 hybrids. This Orchid Garden is considered as the largest display of orchids in the world. The ASSA delegates also explored more about Singapore by DuckTour, the 60-minute City and Harbour tour.

THE FIFTH ASSA MEMBERS' SECRETARIAT MEETING IN HANOI

In preparation for the 12th ASSA Board Meeting, Vietnam Social Security hosted the fifth ASSA Members' Secretariat meeting in Hanoi on June 6, 2003. The meeting was attended by 16 delegates from ETF- Brunei, EPF- Malaysia, GSIS-Philippines, PhilHealth-Philippines, CPF- Singapore and VSS-Vietnam. Mr Nguyen Thanh Xuyen, Deputy General Director of Vietnam Social Security, concurrently Secretary General of the ASSA presided the meeting. The following matters were taken up and discussed during the meeting:

- Development of the ASEAN Social Security Association Application Forms
- Development of Guidelines for observer of the ASSA
- Contribution to the "Good Practices" section in ASSA Website
- Topics and the preparation of the Pre-Board Meeting Seminar in Brunei.
- Proposed dates of the 12th ASSA Board Meeting in Brunei and the possibility to celebrate the fifth anniversary of ASSA.



SCHOOL HEALTH INSURANCE SUPPORTS BETTER PRIMARY HEALTH CARE

The economic reform - "Doi Moi" has brought economically and socially fruitful outcomes to Vietnam in the last decade of the 20th century. However, beside positive signs it also places some negative effects on education and health sectors, for example, people now have to pay for the health care services that used to be free of charge previously.

In an effort to help the people overcome the cost implication placed on the people while they get sick, the Government introduced health insurance schemes in both compulsory and voluntary forms. **School Health Insurance** is one of the two schemes managed successfully by Vietnam Health Insurance (VHI). Vietnam Social Security (VSS) now succeeds VHI to run the program after the merger between the two agencies in early 2003. The aims of this voluntary scheme are:

- To assist parents in protecting their children against adverse consequences of their children's illness, especially in case of chronic or severe diseases which require long-term care or high cost such as renal failure or cancer;
- To support educational sector to develop school health programs so that it would contribute to achieve a holistic educational program at school.

At the very first start, School Health Insurance with its designed superior benefits was welcomed and supported by school children's parenthood. The superiors of the scheme are:

- Low premium (ranged from VND10,000 to VND45,000 per year, based on local economic conditions, school level);
- Comprehensive benefits (no cap) irrespective of chronic or high cost diseases;
- Multi-purposes coverage: not only for economic but also social purposes contributing effectively to the equitable health care for the people in the country.

With its above mentioned superior characters, the number of membership in this scheme steadfastly increases year by year from 300,000 in 1995 to 4.9 millions in 2003. The activities carried out by schools and the way VSS together with schools manage the program were praised by WHO's experts: "School Health Insurance is not a new concept but the use of its collected revenue to strengthen school health program is highly innovative and worthy of consideration. This has

paved the way for a formal channel to help schools in improving the health of this nation". This statement was written in a report made by Guy Carin and Jack Jones, WHO's consultants on Health in Sustainable Development and Health Education and Promotion after conducting a survey in HoChiMinh City. They highly appreciated the mechanism of transfer back 30% collected revenues to schools to use for school health purposes such as employing health workers responsible for school health program, setting up health units with simple medical equipment for first aid and primary care at school. Actually, with this funding available, schools could be able to carry out regular physical examination, health education and promotion programs such as sexually transmitted diseases, HIV/AIDS, anti-helminthes program... The Director of Education Department of Thai Nguyen was enthusiastic when he talked about School Health Insurance: "This program is really effective, especially for the mountainous and remote areas where the people's life and living conditions are still backward. Through health education program like washing hand, anti-mosquitoes measures, the school children will become active and effective propagators for their own community against bad health habits".

In addition, School Health Insurance also increasingly provides support for health promotion activities at school such as installation of water purifying system, ventilating system, lighting system, environmental hygiene, changing blackboards into green boards complied with educational conditions recommended by WHO.

It is undoubted that health education and promotion program under the School Health Insurance benefits not only the insured but also uninsured students. Because program's activities undertaken at school will provide general primary health care for all school children.

To date, there is no more argument about the scheme's effectiveness. However its implementation reveals some issues needed to be adjusted such as adding an outpatient benefit to the scheme. For standardizing the scheme nationwide, School Health Insurance should be a single program providing the basic benefit package through VSS's system. Competition among commercial insurance companies should be confined in the supplementary health insurance. Certainly, as to many people, the family based health insurance approach would be more suitable, however during the transitional period School Health Insurance is considered as an Alternative option for the country in absence of a universal scheme to protect its young generation.

SSO DEVELOPMENT TO ACHIEVE THAILAND INTERNATIONAL P.S.O

In response to the implementation of Thailand's new Public Budget Act, which calls for strategic and result-based planning by governmental agencies, all governmental agencies are to develop a public service agreement (PSA) with the Ministry of Finance. Accordingly, the Ministry of Labor has set a priority for all of its agencies, including the Social Security Office, to improve management and service delivery to the people.

The Social Security Office (SSO) sets a goal of achievement in 2005, known as VISION 2005, that it will become "a leading service organization, which satisfies the social insurance needs of the society". In order to achieve this goal, the SSO will need to have in place a good management system, an efficient nationwide information database, highly skilled personnel, and effective social security fund administration.

In order to realize VISION 2005 in line with Thailand's implementation of the International Public Sector Management System and Outcomes (P.S.O.), the SSO establishes 10 operational principles including: equality, social justice, public safety, rights and freedom, service delivery, people's satisfaction, efficiency, economization, comprehensive accuracy, happiness and life quality of the general population. PSO means, the enhancement of all public agencies in developing their standard management system to be efficiency and efficacious which will be beneficial to the people and society.

Two P.S.O., No.1101 and 1107 are relevant for SSO operation. P.S.O. 1101 is a standard on database system. It consists of 9 aspects: comprehensiveness of the database, speedy service of correctness, linkage, updating data, accountability, accessibility, inspection ability and data processing participation. The standard on service system for private sector and public (P.S.O.1107) consists of 10 standards; efficiency, quality, service accessibility, equity fairness, efficiency to serve need and satisfaction, continuity, convenience and service readiness.

Currently, three SSO provincial offices in Utharadit, Lampang, and Trang provinces have received P.S.O. 1101 and 1107 certificates. Additional 30 offices in 29 provinces are the target offices for improving its operation as per the requirements of P.S.O 1101 and 1107.

Meeting both standards by SSO will enhance the performance of the SSO's staff and thus the people who rely on SSO's service such as social security contributors and the general public. Reliable and up-to-date database will lead to speedy and cost effective services for social security contributors. The SSO hopes to meet its public contract by improving its information database system and services to ensure quality service for social security contributors and their families.

The benefits received from reaching P.S.O. On database standard for officers, employees, Insured persons and other people will enhance the office to have

GSIS picks PhilAm unit to manage P700-million fund

State employees fund Government Service Insurance System (GSIS) tapped PhilAm Asset Management, Inc. (PAMI) to manage its P700-million mutual fund.

The GSIS Kinabukasan Mutual Fund is one of the Philippine's biggest mutual funds with an estimated 8,500 shareholders.

In a signing ceremony last March 24, 2003, GSIS President and General Manager Winston F. Garcia said it has passed the baton to PAMI after the pension fund's contract with fund manager Worldwide Investment Company of the Philippines, Inc. (Winvest) expired. PAMI took over as fund manager beginning April 2003.

The Kinabukasan Mutual Fund is a balanced fund, which has placements in offshore equities, fixed-income securities and the bulk in local stocks. The minimum initial investment in the mutual fund is P1,000 for GSIS members and P5,000 for non-GSIS members.

complete database system which is correct, update and accountable. This will make good quality to the insured employees, as for benefit received from P.S.O.

GSIS SET TO OPEN P30- BILLION RETIREMENT LOAN FACILITY

In a bid to bolster and upgrade existing member benefits and services, the Government Service Insurance System Philippines (GSIS) is opening a new loan window for members starting the second half of this year with an initial funding of P30 billion. The new loan facility called the Retirement Loan Program will allow GSIS members to frontload their retirement benefits in case of need.

"This will be on top of the regular salary loan we offer to members. We recognize the value of giving members the flexibility to maximize the potential of their contributions", GSIS President and General Manager Winston F. Garcia said.

Under the loan program, employees who have completed at least 180 months of integrated contributions to the System are qualified to avail of the Retirement Loan, provided they have no outstanding and/or in default loans with the System.

In terms of the loanable amounts, members who are 60 years old and above can borrow up to 50% of their accrued retirement benefits under RA 8291, while those below 60 years of age can borrow up to 50% of their accrued separation benefits.

GSIS is expecting 60% of eligible borrowers to take advantage of the loan program.

"The Retirement Loan Program gives our members a cheaper source of credit. At 10% per annum interest rate, our members will just take advantage of this loan facility instead of advancing from their credit cards or worse, going to loan sharks for emergency cash requirements," Garcia pointed out.

To make sure that members will have sufficient take home pay for their families, the GSIS is providing members three payment options. A member may choose (1) to pay the monthly amortization, (2) pay the interest only or (3) forego monthly payments until the maturity of the loan.

The maturity of the retirement loan shall be at the end of the chosen term or his retirement/ separation from the service. outstanding balance plus interests shall be due and demandable.

EPF'S SERVICE CENTRES

In line with the vision of Employees Provident Fund (EPF) Malaysia to offer quality services to its customers, the EPF has established service centres in various locations around the country. Currently, there are 13 state and 48 branch EPF offices as well as four service centres around the country. The establishment of these centres will help reduce the need to travel far to get to the nearest EPF office.

In 2003, four new service centres have been established in Kuala Lumpur International Airport (KLIA), Kuala Selangor, Nibong Tebal and Beaufort. Services provided at these centres include obtaining and submitting benefit application forms, obtaining statement of accounts, handling enquiries and complaints, consultation and dissemination of information. The centres are opened twice a week and are manned by not more than three staff. The staff is deployed from existing state and branch offices. The centres are part of the 10 centres that will be added to the EPF's existing network for year 2003.

As these centres received good response from members, the EPF plans to establish six more centres in 2004

SSS pilots daily deposit-remittance scheme for informal sector workers

Early this year, the Social Security System Philippines (SSS) introduced on a pilot basis the daily deposit-remittance scheme for informal sector (IS) workers. The program is aimed at providing an effective solution to facilitating remittance of contributions from IS workers.

Under the scheme, a worker can deposit small amounts in his/her saving account in a participating bank even on a daily basis. The bank remits the accumulated monthly contributions to the SSS on a monthly basis through an auto-debit arrangement.

The SSS extended its self-employed program to all IS workers earning at least 1,000 pesos monthly as early as October 1995. IS workers are defined as those who have no employer other than themselves and derive income from their physical and mental efforts. In the course of implementation, however, a problem was encountered- the inability among workers to afford a one time payment of their monthly SSS contributions.

This prompted Department of Labor and Employment Secretary and ex-officio Social Security Commissioner Patricia A. Sto. Tomas to propose that the SSS embark on a daily deposit-remittance scheme for IS workers in coordination with banks.

To date, the Philippine Saving Banks and the Development Bank of the Philippines, have agreed to participate and pilot test the scheme in nine designated areas in the country.

ASSA - 5 YEARS OF DEVELOPMENT

The history of ASSA began in 1995, the heads of several social security institutions in the ASEAN region took the first bold steps and gathered together the best minds on social security protection in the Southeast Asia with the proposal to form an association, to be known as the ASEAN Social Security Association or ASSA, a regional body representing all social security organizations of ASEAN member countries. It aspired to harness and maximize all efforts to achieve a progressive and sustainable social security protection within the region.

After three years to finalize the necessary arrangements, ASSA was officially set up with the formal signing of the Memorandum of Agreement (MOA) of the formation of ASEAN Social Security Association (ASSA) at the ASSA Board Meeting held on 13 February 1998 in Bangkok, Thailand. The signing of the MOA in Thailand thus marked the birth of ASSA as the premier Social Security Association for regional cooperation in the area of social security administration in the ASEAN region. With the birth of the ASSA, some more countries in Asia - Pacific gained a voice. As a united body, ASSA provided a platform for the sharing of the various social security schemes in the different countries, thus fostering a better understanding and cooperation within the region. Today, the ASSA continues to move ahead with even greater strides and with higher aspirations in the Third Millennium.

The number of member institutions of the ASSA family has increased from seven since the time of its establishment to ten so far, representing seven ASEAN member countries. They are:

- Employees Trust Fund (ETF), Brunei admitted as a member of ASSA at the 7th ASSA Board Meeting held on 20 April 2001 in Kuala Lumpur, Malaysia
- Indonesian National Social Security Association (INSSA)
- Employees Provident Fund (EPF), Malaysia
- Social Security Organization (SOCSO), Malaysia
- Government Service Insurance System (GSIS), Philippines
- Social Security System (SSS), Philippines
- Philippine Health Insurance Corporation (PhilHealth or PHIC) - accepted as part of ASSA family at the 10th ASSA Board Meeting held on 02 August 2002 in Ho Chi Minh City, Vietnam
- Central Provident Fund (CPF) Board, Singapore
- Social Security Office (SSO), Thailand.
- Vietnam Social Security (VSS), Vietnam - admitted as a member institution of ASSA at the 2nd ASSA Board Meeting held on 12 September 1998 in Kuala Lumpur, Malaysia.

In addition, representatives of the Ministry of Labour and Social Welfare and Social Security Organization of Laos PDR also regularly attended the Meetings of the ASSA Board as an observer.

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ASSA MEMORAI



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Upon the approval of the government of Laos, ASSA looks forward to welcoming the Social Security Organization of Laos as the youngest member of the ASSA family at the 12th ASSA Board Meeting to be held in Brunei in this August.

Since its formation, a total of eleven ASSA Board Meetings were convened in its member countries and a special ASSA Board Meeting was held on 30th July 1999 in Singapore. In conjunction with the ASSA Board Meetings, the host countries attempted to organize Pre-Board Meeting Seminars with the theme focused on the issues of great concern on social security area. For instance, pension reforms, management of pension funds investment and improvement of delivery the services to the customers were some of the issues which have been discussed. Experts from the international organizations, such as the World Bank (WB), International Labour Organization (ILO), World Health Organization (WHO) and International Social Security Association (ISSA) were invited to participate in these events. By articulating our apprehensions on specific issues and problems faced by each member countries, the ASSA members were able to analyze, strategize, and make the necessary recommendations for the effective execution of our respective social security protection schemes. This exercise brought about a better understanding and greater cooperation among ASSA member institutions as well as with international organizations.

One of the objectives of the ASSA is to exchange information on social security. Soon after its formation, some publications of ASSA were produced, such as "Profile of the Social Security Schemes of ASSA Member Countries" and the biannual "ASSA News" which provide information on the latest happenings on social security development in member countries.

In the last few years, ASSA has organized various activities to promote its objective of exchanging experiences and information on social security among members, such as the various study visits among the ASSA members. One significant step for ASSA was the launch of its own ASSA Home Page on 25 September 2000, headway in our efforts to become a dynamic and ascendant social security association in the region. The close cooperation among member institutions in the development of the Website not only demonstrates our commitment to exchanging experiences and information on social security with one another, but also shows our readiness to share these experiences with the rest of the world via the Internet. The new section "Good Practice" in the ASSA Website has proved to be the most effective exercise of learning and sharing. In fact, many useful and informative articles shared by the member institutions efficiently contributed to the enhancement of social security administration of the others.

We are living in exciting times of the brightest brains and advanced technologies offering us the widest range of information. However, the real challenges for ASSA and its member institutions is to maintain the relevance of our social security schemes to our members and their families in the very fast changing socio-economic and demographic environment. As we continue to dedicate our best efforts in pursuing this goal, we will continue to make this a better world everyone.



SINGPASS – ONE PASSWORD TO ACCESS ALL SINGAPORE GOVERNMENT ONLINE SERVICES

Harnessing info-communication technology and building common infrastructures are two of the key strategies identified to achieve the vision of Singapore e-Government. **SingPass**, which stands for **Singapore Personal Access**, is developed and implemented as a single common platform to facilitate access verification to all government agencies' online services.

SingPass is a single-factor authentication system developed and administered by CPF Board. It has better security features than the former CPF PAL PIN system. With SingPass, users only require one password to transact online with different government bodies in Singapore.

Previously, CPF PAL PIN only allowed an 8-digit PIN with no alphabet. Now, users can choose to have their SingPass in all alpha, all numeric or a combination of both with a minimum of 8 to a maximum of 24 characters. All special characters on the keyboard (except space) are also acceptable. However, users are recommended to have their SingPass in a combination of alpha and numeric characters for better security.

CPF PAL PIN was only available to CPF members. However, with the introduction of SingPass, it is now available to all Singapore

residents, Employment and Dependant Pass holders who are above the age of 15.

Singaporeans and residents who do not have a SingPass or have forgotten it can apply for a new SingPass on the spot at all CPF offices, all Community Development Council (CDC) offices and selected Community Centres (CCs). They can also visit any of the Singapore Post outlets to request for a new SingPass. The password will be mailed to them within a week. Overseas CPF members who wish to request for a new SingPass can find out how to do so from CPF website. It will be mailed to them upon successful verification of their identities.

With SingPass, users can now access various government e-services at the convenience of their own homes or offices. Some popular government e-services include viewing and printing of CPF Statements, filing of income tax assessments and registration of new companies. It is secure, convenient and hassle-free.

The implementation of SingPass has brought about greater convenience in the accessibility and security of the government online services in Singapore. It is one of the key pillars to the success of the Singapore e-Government Action Plan.

EPF ESTABLISHES ONE-STOP CUSTOMER SERVICE CENTER

In line with its mission to provide customer responsive service, the EPF has established a one-stop customer service center at its Federal Territory Kuala Lumpur State Office. This center will replace EPF's service delivery in the past, which was based on functions, with each function having its own network and front end. This resulted in members and employers having to go to different counters and sometimes, different floors, to get the service they need.

The one-stop center houses 47 service counters. Each of these counters is manned by

highly trained staff who are familiar with all the services provided by the EPF. In addition, three friendly customer relations officers will greet and guide members and employers who visit the center to the appropriate counters.

The first phase of the one-stop service center involving 24 counters was operational on 17 March 2003 while the second phase and the remaining 23 counters were opened on 23 May 2003. The one-stop service counters will be introduced in phases in the Johor, Kelantan and Perak state offices.

EPF Malaysia reduces members' contribution rate

The Employees Provident Fund (EPF) will be reducing the employees' portion of the monthly contributions by 2 per cent to 9 per cent effective June 2003. The employers' portion of contribution remains at 12 per cent. With the reduction, members will now contribute at 9 per cent of the wages and employers at 12 per cent of the wages (the usual) for a period of one year from June 2003 to May 2004. The announcement on the reduction was made by the Prime Minister, Datuk Seri Dr Mahathir Mohamad during his speech on the economic stimulus package to help boost the nation's economy.

The EPF awards staff with excellent ideas to enhance productivity

The EPF Management has implemented the Windows of Excellence and Innovation Award Programme. The programme provides a new communication channel between the Management and the staff. The purpose of this programme is to enable the staff to exchange ideas with the Management to improve service and work systems to enhance EPF's productivity. The innovation award is given to staff who contributes the best ideas and suggestions under the Windows of Excellence programme. This programme was introduced in April 2002 and as at December 2002, 236 suggestions were received from the staff. Fifty per cent of the suggestions had been adopted by the Management.

EPF receives award for best customer-friendly counter service

The EPF has implemented a Customer-Friendly Counter Service programme. The purpose of this programme was to provide satisfactory customer service to EPF customers who call at its counters. The programme was first introduced at the SELANGOR EPF State office in 2002. It was proven to be a success when the state office won The Best Quality Counter Service Award for the Statutory Bodies Category in conjunction with the Selangor State Level Quality Month 2002.

EPF credits withdrawal payments into members' bank accounts

EPF continues to provide members with secure and speedy customer services. In this regard, effective 2 May 2003 members' withdrawal payment irrespective of the amount of payment is directly credited into members' bank accounts. Prior to this, this facility was only available to members with

withdrawal payments exceeding RM 5,000. Members with less than RM 5,000 were given option to either to receive their payments in the form of warrants or through crediting directly into their accounts. The purpose of this facility is to eliminate waiting periods for clearing of cheques, to avoid problems caused by the loss of cheques due to pilferage or misdelivery and to provide convenience in the withdrawal of benefits.

GSIS implements no-AMC limit

Beginning January 1, 2003, the Government Service Insurance System (GSIS) removed the ceiling on the Average Monthly Compensation (AMC), previously at the level of P16,000. The AMC is the basis, apart from years of service, in computing the Basic Monthly Pension (BMP) of a retiring GSIS member.

The new policy has afforded members the full pension benefits of the retirement scheme under Republic Act 8291, otherwise known as the GSIS Charter. RA 8291 provides that the pension of a government retiree should be 90% of his AMC for the last 36 months of his service in government.

The removal of the AMC limit resulted in the adjustment of contributions of only 5% of the 1.3 million active GSIS members. These are GSIS members earning more than P16,000 a month. The adjustment in their monthly pensions, on the other hand, will be proportionate to the increased pension benefits awaiting them upon their retirement.

Prior to the lifting of the P16,000 AMC limit, a retiree receives no more than P14,400 as monthly pension. With the removal of the AMC limit, a member will receive a pension equivalent to 90% of his actual AMC for the last three years prior to his retirement or separation from the service. Thus, if a retiree's AMC is P20,000 and he has served the government for 36 years, he will get a pension of P18,000 or 25% higher than P14,400. Since GSIS pensions are regularly adjusted with the inflation rate as index, a GSIS retiree will also receive, in no time, a pension which is equal or even higher than the last salary he received while still in active service.

With the AMC as the basis of all GSIS benefits, removing the AMC limit raised the social security protection of public servants in the Philippines to its highest, not only in terms of retirement benefits, but in the event of all contingencies such as sickness, separation from service and death.

GSIS effects innovative programs in first five months of 2003

For the Government Service Insurance System (GSIS), the first five months of 2003 could not have been more productive. Enhancements and breakthrough programs have been launched, all with the best interest of the members put first.

GSIS Bahay Ko Program - Leading the set is the *Bahay Ko* Program improvement. The housing loan window, already famous for its liberal terms, has been made even more responsive with reduced interest rates, expanded loan purposes, more liberal requirements and unlimited loanable amount, among others. Very recently, non-GSIS members have also been allowed to act as co-makers/ co-borrowers for the principal borrower who is a GSIS member. This provision made it easier for borrowing members to qualify for the amount of the loan that approximates their actual needs.

GSIS Infotext - Also in the set of the early 2003 achievements is the expanded Short Messaging System (SMS) portal. Better known as the GSIS *Infotext*, the SMS portal now services more than just salary loan related inquiries that include policy loanable amount, policy loan balance, policy loan status, retirement claim status, retirement claim tentative computation and retirement claim amount.

GSIS Scholarship Program - The GSIS Scholarship Program has likewise been enhanced to accommodate more students. Forty-two scholarship slots are now available with the System shouldering the actual cost of tuition and miscellaneous fees, including monthly stipends of grantees.

GSIS Hospitalization Support Program - The GSIS has also approved the implementation within the year of the P400- million Hospitalization Support Program. The Program aims to provide GSIS members and their dependents, as well as GSIS retirees, access to the best available medical services at affordable cost.

Under the hospitalization support program, the GSIS shall enter into a usufruct agreement with an accredited hospital for the use of medical equipment purchased by the GSIS. In turn, an eligible member shall be entitled to substantial discounts on expenses incurred for medical services and medicines dispensed while hospitalized or during consultation at a hospital accredited/ affiliated under the program.

In addition to this program, the GSIS has developed a Medical Reimbursement Insurance Plan which provides additional medical support to members.

GSIS Non-Life Products for Members - The GSIS is also now offering motor vehicles and fire insurance coverage to its members and their dependents at 20% discount from market rates. This is in recognition of the fact that the members are the beneficial owners of the GSIS and are therefore entitled to owners' discounts.

GSIS Financial Assurance Plan - Due for implementation in the second half of the year, the GSIS Financial Assurance Plan is an enhancement of the present pre-need program. The Plan is purely for fund build-up with no insurance coverage and may be considered as a savings mobilization program for members.

SSS Philippines increases contribution rate

The Social Security System (SSS) got its much-awaited reprieve on its financial lifeline as President Gloria Macapagal- Arroyo approved a one percentage point increase in its contribution rate, as recommended by the Social Security Commission.

The one percentage point increase in the SSS monthly contribution from 8.4 percent to 9.4 percent of salary, which took effect on 01 March 2003. Is shouldered solely by employers. The employee's share remain at 3.33 percent, while employers shall now bear the 6.07 percent rate (up from 5.07 percent).

For the past three years, the SSS has been sounding off the urgent need for a contribution rate increase to correct the widening imbalance caused by the contributions being outpaced by growing benefit claims. SSS president and CEO Corazon S. de la Paz has been relentless in her advocacy to increase the contribution rate in order to lengthen the actuarial life of the fund. The SSS program is funded using a scaled premium system and, as such, periodic increase in contribution rates is part and parcel of its actuarial design.

With the increase in the contribution rate, the SSS expects to net about three million pesos in added collections for the year 2003.

To complement the contribution rate increase, the SSS has taken active steps such as: (i) improving collections from defaulting employers; (ii) reviewing benefit structures to minimize over subsidies and (iii) instituting austerity and cost-cutting measures to reduce over-head costs.

SSS supports "Sulong" program for SMEs

In support of Philippine President Gloria Macapagal- Arroyo's call for government financial institutions (GFIs) and business organizations to help promote the growth and expansion of small and medium enterprises (SMEs), the SSS has put in 100 million pesos in loanable amount for the SME Unified Lending Opportunities for National Growth or "SULONG" program.

The SULONG Program simplifies and standardizes the lending procedures of participating GFIs, shorten the list of documentary requirements for SME-borrowers, creates a wider financing system for short and long-term loans, and more importantly, lowers the effective cost of borrowing through affordable interest rates and liberalized collateral requirements. Altogether, the various GFIs have made available 10 billion pesos in loans for SMEs that have proven their capability and capacity for further growth and expansion.

The SSS plays a crucial role in the country's growth as a source of capital for project such as mass housing, infrastructure, telecommunications and energy development. By being a wholesaler of funds through accredited thrift and rural banks, the SSS has assured its support for the SULONG program and its SME beneficiaries.

The Philippine Senate ratifies RP-Belgium and RP-Switzerland social security agreement

The Philippine Senate concurred on 04 March 2003 the ratification by Philippine President Gloria Macapagal-Arroyo of the 'Convention on Social security between the Republic of Philippines and the Kingdom of the Belgium' and the 'Social security agreement between the Republic of the Philippines and the Swiss Confederation'

The bilateral agreements promote the cooperation in the field of social security between the contracting parties. These provide for equality of treatment of nationals of both parties, totalization of creditable periods, export of social security benefits and administrative assistance between the designated liaison agencies.

Prior to the ratification of the two agreements, the Philippines has concluded agreement with Australia, Spain, United Kingdom, France, Canada and its independent province of Quebec and Netherlands.

SSO confirms the transparency of the social security fund management

The Social Security Office, Thailand (SSO) confirms that the management of the Social Security Fund (SSF) is transparent and recommends that the employers, employees and related persons can inspect the status of SSF at website www.sso.go.th

Dr. Pairote Sooksamrit, Secretary General of the SSO revealed that the SSO has main responsibility to manage Social Security Fund and Workmen's Compensation Fund under Social Security Act and Workmen's Compensation Act to achieve the objectives of stability and security of the fund. We have duties to provide protection and security to employees and insured persons so that they can live peacefully in the society. Therefore, it is our duty to manage SSF with prudent investment and transparency.

The Fund can be inspected at any time especially SSF which contributions are paid by 3 parties; employer, employee and government. That's the reason why SSO has to be more careful for fund management. The SSF (as of December 2002) has the accumulated fund of 163,000 million baht from 3

parties' contributions plus interests of fund investment. The said amount are divided into 2 parts, approximately 89,125 million baht is for benefit payment of 4 types of benefits namely, sickness or injury, maternity, invalidity and death collected for 12 years since 1991. This amount is obliged to pay benefits, which are income replacement and medical expense to 3,000 disabled insured persons for the whole life every month.

In 2003, the total rehabilitation expenses for insured person is adjusted up to 40,000 baht/person. The other sum of approximately 74,265 million baht is accumulated for 2 types of benefits; old-age pension and child allowance which started in 1999. This amount has to be reserved for pension payment. The pensioner will receive monthly pension for life starting in 2015. In 2002, the benefit payment was 85% of contribution.

Dr. Pairote added that if the employers, insured persons and related persons would like to know portfolio of investment they can check through SSO website at www.sso.go.th which is updated every month.

SSO held the seminar on health promotion and safety at work

One function of the SSO is to provide health care services to the insured person. It was found that a number of insured persons was sick and injured each year. Sickness and injury may cause troublesome in their life even though they are protected by the Social Security Scheme. Therefore, the SSO would like to launch the health promotion and prevention program including safety at work for the insured persons.



On 29 January 2003, the SSO, in cooperation with the Safety and Health at Work Promotion Association, held the seminar on Health Promotion and Safety at Work at Simathani Hotel, Nakhon Ratchasima, one of the large provinces in the Northeastern part of Thailand. The participants consisted of representatives from 300 enterprises, and 50 representatives from the agencies who were

responsible for health promotion and safety atwork, altogether 350 participants attended this seminar.

The objective of the seminar is to encourage the enterprises to realize the importance of health promotion in the enterprises by improvement of the policy, organization and environment that will bring about good health for their employees.

The SSO also arranged the exhibition and provided physical fitness test for the participants. The seminar included discussions on Health Promotion and Safety at Work by Dr. Chai Kritiyaphichatkul, WHO Consultant, Dr. Somkiat Chayasriwong, the adviser on efficiency, SSO and the representative of Thailand Industrial Council. The topics for group discussion were "Exercise for health", "Eating for health", "How to calm down emotional stress", "How to get rid of smoking in the workplace" and "Accident Reduction Policy of the Ministry of Labour".

The SSO believes that the Health Promotion and Safety at Work is one of the important issues that the administrators of establishments should not overlook, because the employees are partners of the organization. The investment on health promotion and safety at work can bring about work efficiency and can reduce health care cost. Moreover, this issue can also help create the good image of the organization. It is time to pay attention on good health of the employees who build up productivity for the enterprises and also for the nation.

1007 enabled the office to operate its function and provide good quality services rapidly, equally, and thoroughly. The SSO information technology has developed continuously with updating data base information. Therefore, the insured employee will receive high quality social security service for their members and society as a whole according to SSO mission.

Minister of Labour encourages hospitals in the Social Security Scheme to develop its medical service system



The Social Security Office invited hospital's representatives to participate in a seminar on development of medical service system. The objective

of the seminar is to increase efficiency and level of medical care standard of the social security system to meet satisfaction of the insured persons.

Mr. Suwat Liptapanlop, Minister of Labour, Thailand, presided over the opening Ceremony of the Seminar on the development of medical service system. The SSO has developed a medical service system for the insured persons since 1991 and has received fully cooperation from the hospital in the scheme until now. However, there are some difference in the management and method of medical service in each hospital both public and private. Therefore, the SSO issues a policy to promote the quality management system in order to upgrade quality of hospital in the scheme within the same standard level. Then, the SSO, in cooperation with the Institution on Quality Assurance and Hospital Accreditation, launched the training program to provide knowledge on hospital accreditation to hospital in the Scheme during 2001 to 2002.

To develop quality of the health care provider continuously and effectively, SSO set up this seminar to explain and provide information to the hospital in the Social Security Scheme and hospitals under the agreement of the Workmen's Compensation Fund on guidelines of hospital quality assessment in 2003.

This seminar was the beginning of the participation of hospitals as providers, to express their opinion and propose the method to develop medical service system especially medical service payment to the providers.

The main method of medical service payment of the SSO is capitation payment. That means the hospitals receive capitation payment for insured persons registered with them.

VSS takes the lead in buying education bonds

Vietnam Social Security (VSS) takes the lead in buying VND700 billion of Education Bond, which was issued by the Government in May 2003.

The issuance of 2003 education bonds with 8% annual interest rate over a 5-year period is aimed at financially supporting the Central highland provinces, mountainous and isolated areas to eliminate 3-shift a day classrooms by upgrading dilapidated schools and building the new ones.

After a two week campaign, a total amount of VND2,439,721 million of education bonds was sold out that far exceeded the VND2,000 billion set target of the Government. In purchasing nearly one-third of the bond's amount, VSS not only continuously plays an important role in developing the bond market in Vietnam but also contribute to the social development of the country in line with its vision and investment strategy.

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