



namely political and security community, economic community, and socio-cultural community that are closely intertwined and mutually reinforcing for the purpose of ensuring durable peace, stability, and shared prosperity in the region.

One of its vision which highly relates to the ASSA's vision is nurturing our human potentials to the fullest, so that all individuals can participate meaningfully in a competitive world in a manner that gives paramount importance to their welfare and dignity.

The above vision reflects the ASSA's mission focused on poverty eradication and human development. It is prominently linked with the economic and security pillars of the ASEAN Community. Social inequities can threaten economic development and in turn undermine political regimes. Economic instability can exacerbate poverty, unemployment, hunger, illness and disease. Failure to address these critical and persistent social issues can further cause both economic and political dislocations.

I believe that this 30th ASSA Board Meeting will be able to affirm our strong commitment to enhance the quality of the

ASSA CHAIR'S STATEMENT

Welcome to the 30th ASSA Board Meeting here in Vientiane, Lao PDR. Welcome to the forum, which provides us an opportunity to revisit our commitment to the promotion of active social security programs in the South-East Asia region.

The last 29th ASSA Board Meeting held in Bali showed us that the shifting from twice-a-year meeting to annual meeting had increased the quality, both in terms of

effectiveness and quality of best practices sharing among members in the region.

Looking back to the global crisis and its impact to our continued pursuit of economic growth and development in each country of the region, it is undeniable that social security programs we run are playing more and more pivotal role. I would like to link this condition to the vision of ASEAN Community in the region. The ASEAN Community is purposefully

cooperation and to play more prominent roles in accelerating the establishment of the ASEAN Community.

I would like to encourage all members to have more meaningful and to give particular attention to activities that are best achieved through regional cooperation in order to enhance and strengthen the resolve to give social security more positive impacts to every aspect of our members' lives.

Elvyn G. Masassy
Chairman



Asean Social
Security Association

SECRETARY GENERAL'S MESSAGE



Chair, Distinguished Board Members, and all delegates,
It is my pleasure to bring to all delegates the greetings of the Association and of its membership from all 9 countries. Our long-term relationship and solid partnership has evolved over two decades in the promotion and development of social security systems in the region.

Ladies and Gentlemen, the Chairman's statement has outlined the important challenges the world, and in particular countries in ASEAN region, are facing including the financial crisis, economic imbalances and increasing social divides and inequalities. I believe that particularly in this difficult context, ASSA can play a role at the heart of social, environmental and economic progress in ASEAN context.

Last year, we have started the newly annual ASSA Board Meeting format. It was a surprise that we received good responses from neighboring organization of COMWEL – Korea and international organizations in the field like the ILO and also ISSA. We found many promising cooperation both in sharing and technical cooperation with all respective organizations in the region and Asia and the Pacific.

Today, we are encouraged by the progress that has been made. All of us may assess what role ASSA has been doing to its members' system and to what extent it is heading. I believe that this partnership will continue growing into a new era, as all members have all the potential to strengthen our collaborative efforts through a new process of joint work planning and implementation. All of the cooperation will benefit all members to create innovations in social security policy and administration.

Chair, Distinguished Board Members, and all delegates
It is not only our long-standing relationship that makes us continue to work together. It is above all our common values and our shared objectives that provide the rationale for the recent strengthening of our joint efforts. Have a meaningful and productive meeting to all members.

Agus Supriyadi
Secretary General

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THE UTILIZATION IP ADDRESS OF NfV

TO SUPPORT CENSUS BENEFICIARIES SYSTEM



After shifting the whole social security system of veterans from Ministry of Social Affairs, Veterans and Youth Rehabilitation (MoSVY) to operated under National Fund for Veterans (NFV), NFV started to census the beneficiaries to make sure the transparency and effectiveness of data management system. NFV created a software program and set up some equipment to carry out this project.

Mr. Hem Bora, Executive Director of NFV said that "with the census project, we have duties to collect the relevant data of beneficiaries and set up new Identity (ID) Number for them. e confronted with the duplicate of ID number and it made the flow-work more slowly which effect to reach target on time".

With advice of Government Information Technology Expert, NFV decided to use Public IP Address for sharing and transferring information. According to

this system, we can census from any place without duplicate ID number. With Public IP Address, we can be used both sending and receiving the data. Public IP Address is the wireless long distance network. We can access to the system of program when we are online. In order to ensure the security of census data system, we make the strong contract with the online provider and create the strong password for logging in to the system.

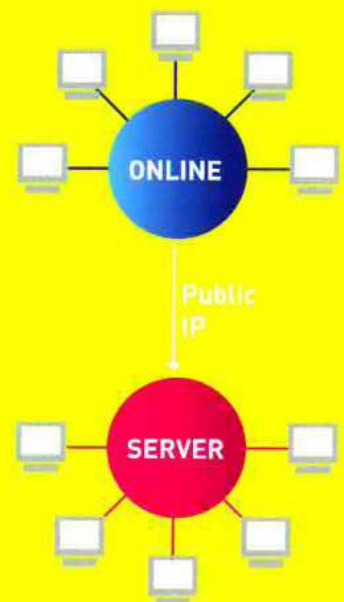


Illustration of Server and Computer



THE COOPERATION OF NFV WITH COMMERCIAL BANKS TO PROVIDE PENSION BENEFITS

With the aims to assure the timely delivery the pension benefit to retirees, invalidities, disabilities and survivors, the board of director and executive director of NFV establish the cooperation with commercial banks to provide these benefits that so far the pension benefits delivery was released by cash from hand to hand.

We have tied up with three banks to operate and ensure the convenience system for delivery benefits in according to the regulation of Ministry of Economy and Finance. One is the National Bank of Cambodia (the central bank) and two others are commercial banks.

We was signed the memorandum of understanding with the Canadia Bank Plc on 03rd February 2012 and ACLEDA Bank Plc on 04th May 2012. The Canadia Bank has ensured to provide the beneficiaries who located in Phnom Penh. The ACLEDA Bank Plc has ensured to provide the beneficiaries who located throughout 23 provinces.

"The project has been implemented step by step after census the beneficiaries. The beneficiaries can withdraw their pension from banks with free of charge. In addition, they can get interest from the deposit with these banks",

said Executive director of NFV Mr. Hem Bora.



The MoU signing between NFV and Canadia Bank with highly preside of His Excellency PhD Ith Sam Heng Minister of Ministry of Social Affairs, Veterans and Youth Rehabilitation and Mr. So Victor representative of Ministry of Economy and Finance. Mr. Hem Bora Executive Director of NFV (left) and Mr. Lor Chee Leng Executive Director of Canadia Bank (right).



The MoU signing between NFV and ACLEDA Bank with highly preside of His Excellency PhD Ith Sam Heng Minister of Ministry of Social Affairs, Veterans and Youth Rehabilitation and Mr. Mey Vann representative of Ministry of Economy and Finance. Mr. Hem Bora Executive Director of NFV (left) and Dr. In Channy Executive Director of ACLEDA Bank (right).

In Singapore, participation in the Central Provident Fund (CPF) scheme is compulsory under the law for all employed Singaporeans and Permanent Residents (including those in part-time, temporary and full-time employment), and their employers. For the self-employed, only contribution to their Medisave Account (which provides for the accumulation of healthcare savings) is mandatory.

A key success factor for CPF is an effective and efficient collection system. Under the CPF system, employers are responsible for collecting the employee's share of the CPF contributions and paying them promptly together with their share to CPF Board every month. CPF Board enables employers to submit the contributions electronically through various convenient electronic platforms.

To date, more than 70% of the employers, equivalent to about 100,000 employers, make use of electronic submission for CPF contributions.

ENSURING PROMPT AND CORRECT PAYMENT

As any delay or non-payment could adversely affect members who need CPF for their housing and healthcare needs, and the steady accumulation of members' CPF savings for their retirement needs, a multi-prong approach is adopted to ensure prompt and correct payment of the monthly contributions. This includes education and outreach to both employers and employees.

Employers have a grace period of 14 days to pay CPF contributions after the end of the month in which CPF contributions are due. To remind employers to pay CPF contributions on time, CPF Board sends a monthly email reminder to employers using



Caption: "I Know My Employment Rights, I Do It Right" is a campaign to educate workers on their employment rights under the CPF Act and Employment Act.

SINGAPORE EXPERIENCE IN CPF COLLECTION

e-submission to pay CPF contributions. If CPF contributions are not paid on time, employers would be sent a formal reminder to pay the outstanding CPF contributions, and charged late payment interest accordingly.

A key success factor for cpf is an effective and efficient collection system.

To ensure that CPF contributions are paid correctly, CPF Board conducts regular audits on employers. It also investigates feedback from employees and whistle-blowers on cases of non-payment or underpayment of CPF contributions. Employers who do not pay their CPF contributions may be taken to court and if convicted, shall be liable to a fine of up to \$10,000, or to imprisonment, or both Education and Publicity

Since November 2012, MOM and CPF Board have stepped up onsite inspections on employers. These enhanced efforts

complement the "WorkRight" publicity campaign launched in September 2012.

The campaign emphasises the partnership between employees and employers with the tagline "I Know My Employment Rights, I Do It Right". It comprises a series of print, TV and radio advertisements, media stories, roadshows, etc. to educate workers on their employment rights under the CPF Act and Employment Act (EA), as well as to educate employers on their legal obligations. The campaign also promoted a hotline which allowed employees and members of the public to report on CPF Act or EA non-compliance.

To this end, CPF Board's efforts have paid off. As at end of 2012, 128,373 employers paid CPF contributions for their employees. The amount of contributions collected and credited into CPF members' accounts during the year amounted to \$26.05 billion. The average default rate for employers who failed to pay CPF contributions on time in 2012 was just 0.57%.



GLOBAL PRIVATE EQUITY SUMMIT 2013:

PROMOTING PRIVATE EQUITY INVESTMENTS IN MALAYSIA AND SOUTHEAST ASIA



Investing in private equity does not come without a set of challenges. Lack of knowledge in private equity and limited data on benchmark performance among fund managers are some of the reasons hampering the development of this asset class investment.

For this purpose, the Employees Provident Fund (EPF) led the way in promoting private equity investments in Malaysia and South East Asia by hosting the EPF Global Private Equity Summit 2013 on March 25, officiated by EPF Chairman Tan Sri Samsudin Osman and attended by Chief Executive Officer Tan Sri Azlan Zainol.

The two-day event, held for the first time by EPF and attended by 250 international and local participants,

highlighted among others, the sizeable amount of private equities investment available in the region.

the summit should offer a good platform for investors, industry experts as well as key decision makers to share knowledge, expertise and best practices on the industry, not only to address the challenges but also to draw capital into the region.

Tan Sri Samsudin said the summit should offer a good platform for investors, industry experts as well as key decision makers to share knowledge, expertise and best practices on the industry, not only to address the challenges but also to draw capital into the region.

The EPF chairman said although the Fund had been expanding its involvement

in private equity, investing both directly and via fund managers, it still required further enhancement.

"While we have been increasing the allocation for private equity at an average of 50 per cent per annum over the past four years, the numbers still represent less than 1 per cent of total assets under management."

Tan Sri Samsudin added that the EPF would always be on a lookout for investment partners, both locally and regionally, and continue to inject capital into the private equity market.

He, however, gave assurance that the EPF's pursuit to intensify investments in the private equity market would not overshadow "our prudent investment policy to ensure that our members' savings continue to be safeguarded".

Among the prominent speakers at the event were CIMB Group Chief Executive Officer Dato' Nazir Razak, David M. Rubenstein (Co-Chief Executive Officer and co-founder of Carlyle Group), H.S.H Prince Max von Und Zu Liechtenstein (LGT Group Chief Executive Officer), Jim Hildenbrandt (Managing Director of Bain Capital Partners, LLC, Hong Kong), Scott Voss (HarbourVest Partners, LLC, Managing Director) and Tim Dattels (TPG Capital senior partner).

Papers which were presented during the summit include Private equity are: make or break; Private equity as a catalyst of change; Private equity outlook for Southeast Asia; Private equity as a source of returns and a driver of social change; Credit versus Equity as growth capital and intricacies of doing business in Southeast Asia.





MENTOR PROGRAMME

Tabung Amanah Pekerja (TAP) through its partnership with Ministry of Education has conducted a programme in March this year called "Mentor – Perancangan Kewangan 2013".

The programme is one of TAP's initiative in effort to encourage awareness amongst students regarding the importance of financial planning from the aspects of income, savings, expenditures and loans from a number of perspectives. In general, TAP hopes that through such programme, the participants would be able to appreciate the importance of continuous learning in order to become an asset to the nation in the future.

Participants are challenged physically and mentally on their understanding of financial planning in four different stages, namely: as a student, working life, married life, in a family and in a retirement situation.

A total of 12 schools were involved in the programme whom were mentored by four financial planners from various financial institutions such as Tabung Amanah Islam Brunei Berhad (TAIB), Bank Islam Brunei Darussalam (BIBD) and Royal Bank of Canada (RBC). These mentors were selected based on their knowledge on providing financial planning assistance to the public and its importance.

The competition was divided into 3 sessions. The first session was in a form of a debate where participants had to understand issues such as 'the issue of needs and wants in spending', 'social media as a bad influence for over spending', 'Women are better at financial management than men' and 'debt ensues troublesome'.

The second session was in a form of a 'financial explore' where participants are exposed to the reality of life in which participants are faced with issues of having to plan their finances efficiently. Participants are challenged physically and mentally on their understanding of financial planning in four different stages, namely: as a student, working life, married life, in a family and in a retirement situation.

In the last session, the top four schools are required to carry out a presentation with the theme 'Menjaga Masyarakat Berhemat' in Malay. In the end, Sekolah Menengah Berakas came

out as champion. Followed by St. Andrew's School, Sekolah Menengah Awang Semaun and Science College Paduka Seri Begawan Sultan respectively.

The Guest of Honor for the prize presentation ceremony was Yang Mulia Tuan Haji Mohammad 'Abdoh bin Dato Seri Setia Haji Abdul Salam, Permanent Secretary at the Prime Minister's Office in his capacity as Deputy Chairperson of Tabung Amanah Pekerja Board. Also present was Acting Director of School Departments, Ministry of Education and principals of the participating schools. The winner of the competition each had a TAIB account created for them, a trophy and participation certificate.



INDONESIAN SOCIAL SECURITY REFORM

JAMSOSTEK AS THE BRIDGE FOR THE INDONESIAN WORKERS WELFARE

The dynamic of Indonesia's development has brought challenges and demands toward the solutions of social issues that have not been solved yet. One of those issues is the establishment of a national social security system for all of the Indonesian people. The provision of social security for all of the people in Indonesia has already been mandated by the 1945 Indonesian Constitution article 28 act 3 and article 34 act 2. Moreover, the respected issue was also stated in the 1948 United Nations Declaration of Human Rights and was emphasized in 1952 ILO Convention number 102.

The efforts of the Indonesian government in providing social security to all of the people in Indonesia have already been started since 1934. Those efforts have gradually given the results of the establishments of PT Jamsostek (Persero) which provides social security for formal workers, PT Askes (Persero) which provides health benefit for all of the Indonesian civil servants, PT Taspen (Persero) which covers also the Indonesian civil servants but only provides them with pension benefit and PT

Asabri which provides social security for the Indonesian military and police. Other than those social security schemes which have already been mentioned, there are also income subsidy and health benefit which are provided by the government for the unfortunate population of Indonesia. The management of all schemes is supported by several Indonesian Republic laws.

So many social security schemes and covering different targets, but the question is, how about the coverage of those schemes? Have they reached what we call universal coverage? Absolutely not yet!

From the five common problems in social security which are (1) ageing population, (2) economic crisis, (3) benefit degradation, (4) low coverage and (5) benefit inadequacy, what Indonesia has are the last two common problems (Fig. 1).

Considering all of those facts, the government stated that Indonesia needs to reform its national social security system in order to ensure the social protection to all of the Indonesian people. In response to that statement, in 2004, Indonesian

government enacted the Indonesian Republic Law number 40 on National Social Security System (Sistem Jaminan Sosial Nasional/SJSN). That respected law was the starting point of Indonesian national social security system reform.

The implementation of SJSN in Indonesia is not as easy as it seems. SJSN implementation involves the respected institution transformation in three crucial aspects which are:

1

Political aspect. Social security is multi sectoral which requires long term political commitment.

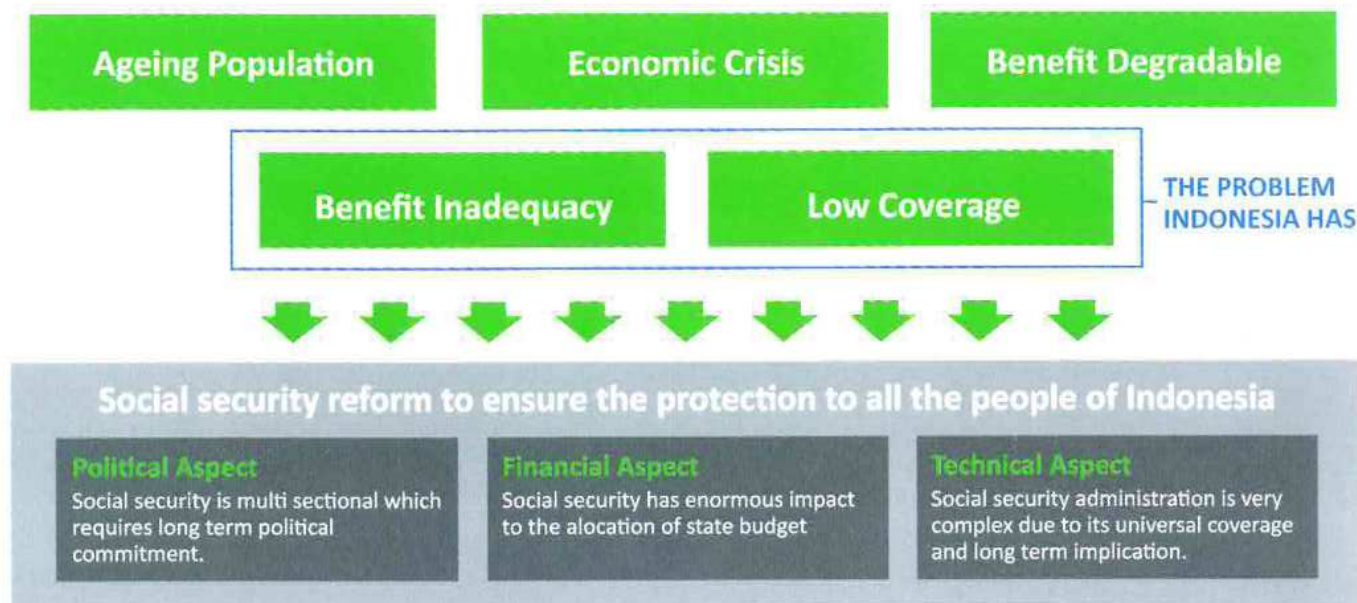
2

Fiscal aspect. Social security has enormous impact to the allocation of state budget.

3

Technical aspect. Social security administration is very complex due to its universal coverage and long term implication.

Common Problems in Social Security (Fig. 1)



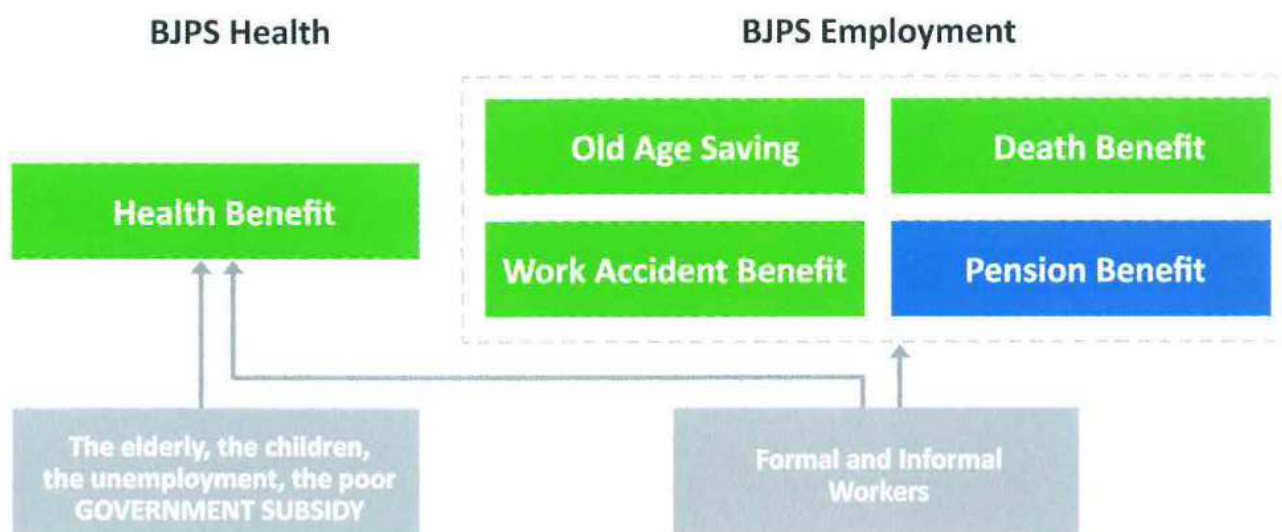
Seven years afterwards, in 2011, the Indonesian Government mandated the management of its national social security system to only two National Administering Bodies of Social Security (Badan Penyelenggaran Jaminan Sosial/BPJS) by the enactment of the Indonesian Law number 24. Under the respected law, the transformation of Indonesian social security would be (Fig. 2):

1
PT Askes (Persero) which currently covers the health benefit for Indonesian civil servants will be transformed into the National Administering Body of Social Security for Health (BPJS Health) which provides health benefit that covers all of the Indonesian citizens.

2
PT Jamsostek (Persero) which currently

only provides the old age saving, death benefit, health benefit and work accident benefit for the formal sector will be transformed into the National Administering Body of Social Security for Employment (BPJS Employment) which covers all formal and informal workers and provide them with the old age saving, death benefit, work accident benefit and pension benefit.

Indonesian Social Security System (Fig. 2)





The Implication of the Social Security Reform Mandate

There are five implications that must be faced by PT Jamsostek (Persero) regarding the national social security reform, which are :

1

The changes of the current institution status from state own enterprise to public entity which directly will report to the President of Indonesia.

2

The coverage of BPJS Employment (currently PT Jamsostek (Persero)) will be all Indonesian workers in formal and

informal sector. At this moment, the coverage of PT Jamsostek (Persero) is only 12 million workers. Later on, when BPJS Employment is fully operated, it has to cover 117 million Indonesian workers (Central Statistic Bureau, 2012).

3

BPJS employment has to provide also pension benefit to its members which something that PT Jamsostek (Persero) has not yet had.

4

BPJS employment will no longer provide health benefit to its members. The consequence of this implication, PT

Jamsostek (Persero) has to hand over its health benefit to BPJS Health.

5

There will be changes in the financial treatment principles which are (a) segregation between administrators' asset and members' asset and (b) changes in financial report.

Overall, the implication of this national social security reform will require every employer to deal administratively to two BPJS (BPJS Health and BPJS Employment) and each worker will be served by two BPJS.

What Has Been Done by PT Jamsostek (Persero) So Far?

A new vision as BPJS Employment has already been set. It is stated that PT Jamsostek (Persero) wants to be:



WORLD CLASS
Social Security Administrator

Trusted, Friendly, **EXCELS** in
SERVICES & OPERATIONS

A change on company's orientation from product centric to customer centric has already been established. The approach regarding the acquisition of new members from legal driven is changed to need driven. In short, so to speak, even though Jamsostek is a monopoly program, but the members have the right to get the best services. Those are the new fundamental paradigms.

To ensure the new vision will be achieved and to elaborate the transformation processes, PT Jamsostek (Persero) has determined 3 (three) transformation stages in order to (1) establish the base of sustainable growth and (2) maintain excellent performance. Those stages are:

1. Re-consolidation in 2012

This stage was established in order to gain trust from all stakeholders. At this stage, PT Jamsostek (Persero) had participated in the establishment of regulations and also gave advices in the process; reviewed our technical operations especially in the areas of membership, services, IT, finance, investment, human resource and Good Corporate Governance; massive socialization to internal and external stakeholders.

PT Jamsostek (Persero) has held several events to socialize these changes. Internally, there are regular meetings informing, reporting and evaluating the transformation progress which are attended by the president directors, the board of directors and vice presidents. Externally, PT Jamsostek (Persero) is continuing held some events in several cities around Indonesia to get closer to the society. So far, it has several times held Jamsostek Goes to Society, Jamsostek Goes to Campus, Jamsostek Goes to Factory, Jams Session (TV talk show), Jams Info (radio talk show) and Customer Gathering.

2. Fit-in infrastructure in 2013

This stage was established in order to build a strong base as a fundamental to be BPJS Employment. Some strategic initiatives have already been initiated in the areas of membership, services, IT, human capital, finance, investment and Good Corporate Governance.

So far in the membership area, PT Jamsostek (Persero) has initiated the integration of its membership database with the national population data in order to establish Single Identity Number for its members. The development of smart card

to replace the old membership card is still in progress. To help the members to easier contacting PT Jamsostek (Persero), currently the expansion of distribution channel is still continuing. That means more access points, more channel options for the members to contact PT Jamsostek (Persero). At the moment, aside from expanding the physical branch offices and supporting branch offices, PT Jamsostek (Persero) is having a pilot project with one of the biggest government bank in Indonesia. In the pilot project, 500 branch offices of the respected bank are functioning as PT Jamsostek (Persero) branch offices. They serve Jamsostek's members in terms of registering, contribution payments and pay the claims. The successful of this pilot project is not in any doubt of any parties that involve in it. Therefore, more thousands of access points with more partners will eventually come about at the soonest. Collaboration is the heart of this channel expansion, PT Jamsostek (Persero) cannot do it alone.

In the services area, PT Jamsostek (Persero) has been developing its programs and the benefit for the members. PT Jamsostek (Persero) is establishing the Return To Work (RTW) as an expansion of Work Accident Benefit Program. Currently, it also developing the service blue print in order to improve and standardized the services that will be delivered to the members all over Indonesia. Likewise, in the area of investment and finance, currently the development of total benefit and financial system development is in progress.

The improvement of the IT capacity is one of the strategic initiatives in IT area. For this initiative, one of the so many efforts that PT Jamsostek (Persero) has been doing is collaborating with the biggest government telecommunication enterprise. The goal is to build a strong foundation towards e-channel. This means e-registration, e-payment and e-claim. Furthermore, there are also IT governance, DSS, MIS and CRM implementations.

In the area of human capital, there has been organization restructuring and has been implemented since April 2013. Internalization of corporate culture, new values and work ethic as the impacts of new corporate vision establishment are in progress.

There are also some initiatives that have been executed in other areas. To adjust to the new corporate vision, PT Jamsostek (Persero) has been redefining its business process, improving its quality management system, adjusting its long term business plan, redefining the risk management function and improving its maturity level.

In alignment with the transformation, there has been rebranding project in progress and also a development of modern office implementations.

3. Sustainability of total benefit and service in 2014 and forward.

For this stage, PT Jamsostek (Persero) will maintain aggressive growth, benefit harmonization and service excellence by initiating (1) an increase in market share through value chain; (2) sustainable total benefit implementation; (3) operational excellence and (4) development in e-registration, e-payment and e-claim.

Those stages of transformation will bring the Indonesian national social security system to a new era. A new era of e-channel (e-registration, e-payment, e-claim), friendlier services, more modern system, trustable public entity which are excellence in services and operational.

The transformation is not negotiable. On 1st January 2014, the status of PT Jamsostek (Persero) will be officially changed to public entity from state own enterprise and it has to be fully operational on 1st July 2015. And start from July 2015, PT Jamsostek (Persero) will be the new bridge for the Indonesian workers welfare.



New Era of Social Security in Indonesia

E-registration

E-payment

E-claim

Friendly

Modern

Trusted

Excellence Service

Excellence Operation



WORLD CLASS
Social Security Organization

ASSA BOARD MEETING 2012

Nusa Dua, Bali, Indonesia

WELCOME DINNER



BOARD MEETING





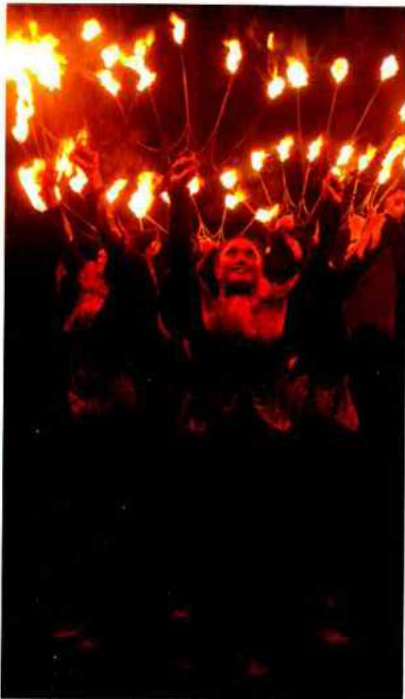
Turnover of ASSA Chairmanship to Mr. Elvyn G Masassya



Turnover of ASSA's Secretary General to Mr. Agus Supriyadi



FAREWELL DINNER





WORKSHOP RETURN TO WORK (RTW) 2013

Shangri-La Hotel, Jakarta, Indonesia

In regard of Social Security Reform in Indonesia, PT. Jamsostek (Persero) has been developing its program in all aspects, particularly in Work Accident Program that will put much concern on Return To Work Program. One of the milestone that has been a part of its development process is by conducting International Workshop on Return To Work, held in Shangri-La Hotel, Jakarta on April 25 – 26, 2013. Resources in this workshop involve important stakeholders who are engaged in Rehabilitation and Return To Work Society e.g. Rehabilitation International (RI), National Institute of Disability Management and Research (NIDMAR), International Disability Management Standards Council (IDMSC) and is collaborating with other international organization e.g. German Social Accident Insurance (DGUV), Austrian Social Insurance for Occupational Risks (AUVA), Korean – Compensation and Welfare Service (COMWEL) and also, is completed with ILO Asia Pacific.

Comprehensive collaboration among related stakeholder emerge with broaden Work Accident Program paradigm that could be utilized as one of fundamental base in Return To Work Program that is planned to be launched on January 2014 as one of Work Accident Program of PT. Jamsostek (Persero). Initial partnership among PT. Jamsostek (Persero), DGUV, COMWEL has been made due to design of Case Management, the key element in Return To Work Program.





SSO PREPARES FOR THE UPCOMING ASEAN COMMUNITY 2015

ASEAN Community in 2015 will produce changes for South – East Asian Region and, of course, for social security system of ASEAN nations. In responding to this, SSO emphasizes the importance of preparing social security policy and administration for the upcoming ASEAN Community 2015 (AC). We are; therefore, in preparation for many projects which are divided into three different levels: organizational, national and international level to create the readiness for the AC 2015. What we have done so far for the first two levels are as follows:

1. Organizational level

The SSO ran an effective brainstorming meeting in order to get ideas of operational officers providing social security services for insured persons throughout the country for more efficient development. The meeting was held in Bangkok on 18 March 2013 at Cho Phraya Park Hotel, and it was done quite well. SSO gained fruitful ideas and approaches which served executives as the input for the forming of responding policy for AC.

2. National level

We held a thoughts forum on “Forming Social Security Strategy for ASEAN

Community” on 26 August 2013 at Rama Garden Hotel, Bangkok. This forum was presided by Pol. Capt.Chalerm Ubumrung, Minister of Labour. In doing this, we invited academics, representatives from public and private organizations and relevant parties to share points of views and impacts on social security system arising from AC as well as to give a better understanding to various sectors that get involved with social security issues.

SSO emphasizes the importance of preparing social security policy and administration for the upcoming ASEAN Community 2015 (AC).

In part of International level, SSO is now on preparation for international conference to strengthen social security system towards ASEAN Community 2015 as well as to raise awareness of social security organizations to enhance protection to ASEAN labor. So the representatives from social security

organizations in ASEAN countries and other regions as well as international organizations such as ILO, ISSA will be invited to exchange knowledge and experience. The conference will be held





**SOCIAL
SECURITY
SYSTEM**
**NAGPUPUGAY
SA MIYEMBRO,
BILIB
KAMI
SA'YO**

SSS: NAGPUPUGAY SA MIYEMBRO, BILIB KAMI SA 'YO!

INTRODUCTION

On September 1, 2013, the Social Security System celebrated its 56th Anniversary with the theme, "SSS: Nagpupugay sa Miyembro, Bilib Kami sa 'Yo!" The theme turns the spotlight not on the social security institution, but on the all-important stakeholders: its Members.

Indeed, the SSS would not have made it beyond the half-century mark, were it not for the continuing support of its members. Members who toil in their jobs or professions with the goal of bettering themselves and their families. Members who develop businesses that generate employment and build up the economy. Members who risk life and limb for economic gain. These are the members of SSS... and we say to each one of them: Bilib Kami sa 'Yo!

SSS PERFORMANCE

Membership and Service Network. As of June 2013, there are over 30 million members registered with the SSS. Of the total membership, 22.2 million are private sector employees (including household helpers), 7.8 million are self-employed workers and voluntary members (SEVM), including 870,739 registered OFW-members. Lastly, registered employers totaled 871,642.

To service the needs of these members, the SSS has 200 local branch offices, (including service offices based in shopping malls and in town/city halls) and 16 representative offices based overseas.

Financial Performance. In the first six months of 2013, the SSS posted net revenue of P21.67 billion, a 16-percent increase from the P18.69 billion that it earned in the same period 2012. This net revenue was fueled by growth in contribution collections, accompanied by tighter monitoring of operating expenses and prudent management of benefit payments.

Total SSS revenues from January to June 2013 jumped by 5.7 percent to P68.69 billion from P65.0 billion in the same period 2012. Contribution collections in the first half of 2013 rose by nine percent to P50.84 billion, although Investments and other income saw a slight 2.6 percent drop to P17.85 billion due to low interest rates and reduced opportunities in the equities market.

In comparison, total SSS expenditures grew by only 1.5 percent, from P46.32 billion in the first half of 2012 to P47.01 billion in the first six months of 2013. Of that amount, Benefit Releases accounted for P43.46 billion, up by 1.6 percent from the P42.75 billion paid out in January to June 2012. The other component of expenditures – Operating Expenses – recorded a drop of 0.4 percent to P3.55 billion in 2013, from P3.56 billion in 2012 due to prudent spending.

The surplus of contribution collections over benefit payments, which is an indicator of SSS' financial health, stood at P7.38 billion for the first half of 2013. In comparison, the surplus between contributions and benefits in the same period of 2012 amounted to only P3.93 billion. Thus, the SSS continues to be in a healthy financial condition.



FINANCIAL HIGHLIGHTS 2012 VS 2013

(in Million Pesos) January to June

CONTRIBUTION COLLECTIONS



INVESTMENT & OTHER INCOME



BENEFIT PAYMENTS



OPERATING EXPENSES



NET REVENUE



SSS CORPORATE PRIORITIES

The SSS Membership currently stands at 30 million. However, with the country's labor force is now reaching 40 million, and annually rising, there is still much for SSS to do to increase social security coverage, not just among the formally-employed sector, but also among the ever-expanding informal sector. Thus, the SSS develops new and varied strategies to meet its membership coverage targets and to get these members actively contributing for their own social security protection.

Below are the four major corporate priorities that SSS has laid out for 2013, and the programs being implemented to realize them.

#01

Improving Coverage and Collection

In recent years, the SSS has identified and segmented its member-markets, giving due priority to those that face greater vulnerabilities and thus, need social security protection the most. Alongside this strategy of market segmentation, the SSS also conducted a direct, operations-driven communication and public relations campaign focusing on the value of SSS membership and SSS benefit programs.

A. Informal Sector

Cognizant of the growing informal sector (IS) as an economic contributor and employment generator, the SSS deemed it urgent and necessary to extend social security coverage to them. But to do so would require new approaches to reaching out to the IS; approaches that recognize the irregularity of their incomes and differences in the nature of their businesses; approaches that partner with organized informal sector groups (ISGs) so that there are identified and shared responsibilities; and approaches that allowed for "wholesale" social security coverage instead of SSS going after individual IS workers on a piecemeal basis.

Towards this end, the SSS developed three programs that meet these requirements: 1) the **AlkanSSSy** Program for the self-employed in the services sector; 2) the **Servicing Partner Agent (SPA) Agreement** for cooperatives and micro-finance institutions; and 3) the **Subsidy Program** for farmers and workers in the agricultural sector. Each of these initiatives take into consideration the income and employment limitations of informal sector workers and their challenges in obtaining affordable social security coverage.

Under the **AlkanSSSy Program**, the SSS has successfully partnered with 166 ISGs covering 14,903 members, as of June 2013. Majority of the ISGs are tricycle operators and drivers association (TODA), followed by market vendors, trisikad operators and drivers, jail inmates, farmers and fisherfolk. As assistance to the ISGs in acquiring their own AlkanSSSy unit, the Social Security Commission recently approved a **Fund Assistance Program** that ISGs can tap to fabricate and install their AlkanSSSy unit.

Under the **SPA Agreement**, the SSS has so far accredited eight associations, mostly cooperatives, either as collecting partners or servicing partners. For both kinds of partner agreements, the SSS pays them a set service fee for every successfully completed SSS collection or service transaction for their members. Close to 4,000 IS workers have been signed up with SSS through their cooperatives and associations.

Finally, under the **Subsidy Program** for farmers, the SSS is partnering with agriculture-oriented government agencies to provide subsidies for the social security contributions of some 45,000 participating farmers. These include the National Irrigation Association, the National Food Authority, and the Department of Agriculture – Agricultural Training Institute.

B. Professional Groups

Not all self-employed individuals belong to the informal sector, there is a great number belonging to self-employed professions that



rightfully fall under mandatory SS coverage. The SSS has intensified coverage of these professionals by going through their associations. Last May 2013, the SSS signed a partnership with the Philippine Institute of Civil Engineers (Quezon City Chapter).

C. Overseas Filipino Workers (OFWs)

The SSS continues to reach out to OFWs, realizing their physical and financial vulnerability as they earn a living overseas, often without social security coverage. Management deployed additional personnel overseas to better penetrate the OFW Market in the Middle East, Asia and Europe.

The SSS also entered into new bilateral Social Security Agreements (SSAs) with OFW-host countries. From March to May 2013, the SSS conducted exploratory talks on proposed bilateral Social Security Agreements (SSAs) with OFW-host countries, particularly Germany, the Netherlands, Japan and China. It sealed two new bilateral SSAs in 2012 with Denmark, then with Portugal.

D. Household Helpers

As early as September 1993, the SSS had already made the registration and coverage of householders mandatory. However, the enactment into law on January 18, 2013 of Republic Act No. 10361, more popularly known as the Kasambahay Law, strengthened the mandate to provide social protection to household workers by requiring their membership and contributions in Philhealth and Pag-IBIG, aside from SSS.

As of end-June 2013, the SSS had close to 80,000 actively paying and newly registered Household Helpers. During the month of June when SSS devoted four Saturdays for their registration, almost 11,000 householders and 8,000 Household Employers registered for membership. Total contribution collections from householders and their employers amounted to P144.19 million from January to June 2013, a 32-percent increase from the P109.5 million collected from them in the same period 2012. This huge jump can be attributed to the passage of the Kasambahay Law.

#02

Enhancing Service Delivery

One of the most important mandates of SSS is to provide fast and accurate services to members. Thus, it is always looking for ways to make member-transactions easier, faster and smoother. In 2013, SSS continues to enhance its various member service centers and went into partnership with mall operators to provide more off-site offices that can meet the needs of members beyond regular office hours.

A. Service Offices (SO)

Offsite SOs help reduce the number of people transacting in SSS branches as members now have another venue for their SSS transactions. Many of these SOs are based in major shopping malls, while others are located in public service areas in municipal or town halls. The mall-based SOs are generally open from Tuesdays to Saturdays from 10 am to 7 pm, while SOs in municipal and city

halls are open during weekdays, from 8 am to 5 pm.

These SOs accept salary loan applications, maternity notifications and requests for change in data record, as well as provide web registration assistance and resetting of passwords. SOs also issue SSS forms, social security numbers and employer ID numbers, and members can check their posted contributions, loan balance, salary loan eligibility, and the status of their benefit claims and Unified Multipurpose Identification (UMID) card applications. Plans are afoot to further improve selected SOs by providing them with info kiosks, ID data capture machines, and other facilities.

The fast growth in the number of SOs is testament to the soundness of this strategic move towards more partnerships with mall operators and local government units (LGUs). The spaces for SOs are provided to SSS rent-free as mall operators also benefit from the increased foot traffic, while LGUs receive positive feedback from their transacting constituents.

As of August this year, 15 new SOs have been opened, bringing the total to 54 SOs nationwide, 22 of them mall-based and the rest located in municipal and city halls.

B. Electronic and Self-Service Transactions

One of the most important mandates of SSS is to provide fast, accessible and accurate service and information to its members wherever they may be. There are five main information and communication channels through which members can reach and transact with SSS, namely: the SSS Website, Call Center, Text-SSS, E-Mail, and the SSS Facebook Page. These electronic and self-service facilities also aim to empower members to access their social security records, get information, and monitor their contributions and benefits on their own time and at their own convenience.

SSS Website. Functionalities have been vastly improved to allow individual members and employers to perform transactions online, submit reports, and access records. Today, transactions and collection reports – such as salary loan applications, maternity notifications, employment report (SS Form R1-A), contributions collection list (SS Form R-3), and loans collection list (SS Form ML-2) – can be submitted online.

Text-SSS. From January to June 2013 alone, 64,881 members registered for the Text-SSS service. This brings the current total of registered users to 377,939. Text-SSS allows users to use their mobile phones in checking on SSS contributions, loan balances, benefit eligibility, application requirements and status of benefit claims. Members can also inquire on SSS branch locations, as well as send feedback on SSS programs and services.

Electronic banking transactions. More and more, the SSS is moving towards electronic banking, particularly the payment of short-term benefits directly through members' bank accounts. Employers with more than 10 employees are now required to register their account through which SSS will transfer reimbursements for sickness and maternity payments. The SSS is also working with major banks to give members the option to use their SSS-issued UMID cards as an ATM card for withdrawing their SSS loans and benefits.

C. Branch Service Enhancements

Automated Telling Systems have been installed in 94 branches since the start of the year, providing SSS tellers with validation data and controls to ensure correct payment information. This computer-based system eliminates the occurrence of “unpostables” and facilitates “within-the-day” posting of payments for contributions.

Meanwhile, 55 branches nationwide have installed Physical Examination (PE) Centers manned by SSS doctors and furnished with an examination table, basic medical equipment and supplies. The PE Centers, which are set up in curtained-off areas in the branches, offer members privacy and comfort during physical examinations and interviews for their sickness and disability claims. The PE Centers also provide check-ups and other medical services to SSS employees and their dependents.

Ten (10) Centralized Processing Centers (CPC) were established at the start of this year with the mandate to centralize, streamline and expedite the processing of benefit claim applications. Branches in the National Capital Region have three assigned CPCs, the same with Luzon-based branches, while Visayas and Mindanao branches each have four CPCs handling the processing of their benefit claims. To expedite the work of CPCs, the Member Services Sections of branches have been authorized to make simple corrections of member/employer data, and process Salary Loan applications.

D. ISO 9001-2008 Certification

After receiving its ISO 9001-2008 Certification in 2011, the SSS continued to improve on its registration and coverage processes to ensure continuing compliance to quality management systems (QMS), especially in the Diliman Branch. As a result, SSS passed the second surveillance audit. The ISO QMS for registration and coverage will soon be replicated in four other branches – Butuan, Bacolod, Pasig and La Union.

#03

Rationalizing Benefits

The SSS continues to find ways to improve on its benefits, as well as to rationalize the payment of benefits to protect the fund from unauthorized disbursements.

A. EC Funeral Benefits

The Employees Compensation Commission (ECC) has endorsed to the Office of President for the approval of an increase in the amount of EC Funeral Grant, from the current P3,000 to P10,000. An increase in the EC pensions for work-related disabilities and deaths were also proposed, awaiting President Benigno Aquino III's approval.

B. Annual Confirmation of Pensioners (ACOP)

The ACOP Program continues to clean up the database of pensioners to weed out the non-eligible ones, prevent the unnecessary release of pensions, and recover pensions paid out to those proven no longer eligible. As of June 2013, a total of 3,883 accounts amounting to P10.4 million monthly pensions were totally cancelled, while 117,960 accounts amounting to P308.5 million monthly pensions remain suspended. These suspended pension accounts can still be resumed, but only upon the pensioners' compliance with ACOP requirements.

#04

Working on The SSS Reform Agenda

The SSS Reform Agenda has been in the works for several years now, and the SSS continues to push for its approval and implementation to prevent further erosion of its fund life. Stakeholders' Fora and Quarterly Dialogues with Labor are held periodically to raise awareness of the need to institute reforms as soon as possible. The Reform Agenda Report has also been formally submitted to the Office of the President in Malacanang, awaiting His Excellency's approval.



EXPERIENCE SHARING BETWEEN VSS AND THAI SSO

Dr. Do Van Sinh, Deputy Director General of Vietnam Social Security (VSS) received a delegation of Social Security Office (SSO), Thailand led by Mrs. Dussadee Aumaranurak, Deputy Secretary General of Thai SSO in Hanoi on July 24th, 2013.

This visit was an important opportunity for both agencies to discuss about social security policies and organizational systems in Vietnam and Thailand. The participants had more information about challenges in the implementation process of social insurance and health insurance schemes such as expanding membership coverage and preserving social insurance funds.

Another visit by SSO delegates to VSS Headquarters in Hanoi was on September 10th, 2013. During the meeting, SSO headed by Mr. Vallop Kingchansilp, member of SSO Committee, Employers' Representative held talks with VSS representatives headed by Mr. Nguyen Vinh Quang, Director of International Cooperation Department.

In this connection, particular topics of both sides' interest were general preparation of VSS for ASEAN Community in 2015; main activities in providing social security protection for Vietnamese migrant workers to other ASEAN countries and for ASEAN migrant workers to Vietnam; existing and future international cooperation on social security of VSS with other countries as well as challenges for and trend in VSS development.

Through exchange programs, VSS and SSO gained useful experience from each other in building and implementing social security policies in Vietnam and Thailand. This cooperation has promoted the development of social security systems in the two countries and in ASEAN Community as well.





VSS PAYS PENSION VIA VIETNAMPOST'S NETWORK

Vietnam Social Security (VSS) and Vietnam Post (VNPost) signed a service contract of membership management and monthly pension payment via the VNPost system on June 6th, 2013 in Hanoi. H.E Nguyen Bac Son, Minister for Information and Communication, H.E Le Bach Hong, Vice Minister - Director General of Vietnam Social Security attended the signing ceremony.

According to the contract, VNPost shall deliver monthly old-age pension and other social insurance benefits. VNPost also provides membership management services and other related procedures.

The contract applied on a nation-wide scale requires VNPost to carry out the following activities:

- Organizing an efficient membership management and benefits payment network at grassroots level for each local area and easily accessing to VSS members;
- Providing safe and comfortable facilities for membership management and benefits payment process;
- Ensuring a qualified and experienced workforce to carry out the services;
- Paying benefits in time and bringing along none of inconvenience for beneficiaries;
- Strictly managing VSS beneficiaries based on the list given by VSS and immediately informing social security offices of any changes;
- Cooperating to raise people's awareness and instructing them to implement correctly regulations of social insurance benefits management and payments.

Addressing the meeting, H.E Le Bach Hong, Vice Minister - Director General of Vietnam Social Security said: "The contract marked an important innovative step of social insurance benefits payment so as to modernize and professionalize the payment process and to ensure the beneficiaries' rights". He also expressed

his hope that VNPost would direct its local post offices throughout the country to carry out the contract efficiently.

Nguyen Bac Son, Minister for Information and Communication said that public administrative reform is a matter of great concern of the Party and Government of Vietnam. The Government issued many general administrative innovation programs until 2020, which focus on improvement of services quality by socialization. "Old-age pension and social insurance benefits payment through the VNPost system is one of the practical and effective actions to implement administrative reform programs of the Government", he said.

The Minister strongly believed that the cooperative ties between Vietnam Post and Vietnam Social Security would be strengthened by carrying out the contract towards the development of a "user-friendly, transparent, accountable and the people oriented" administrative system.

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