

ASSA Recognition Award

CATEGORY	:	Continuous Improvement Recognition Award
ORGANISATION	:	National Fund for Veterans (NFV), Cambodia
CONTACT PERSON	:	Name: Nix Dipaul; Assistant Executive Director of NFV Email: dipaulnix@gmail.com
NAME OF PROJECT	:	Yearly Minimum Pension Indexation
OBJECTIVE AND NATURE OF PROJECT	:	The Yearly Minimum Pension Indexation was a project launched since 2015 with the vision to stand by to our core value of upholding and enhancing the living conditions of the veterans and their family members by providing them with emotional and material support to help them lead stable lives in accordance to the nation economic growth. Consequently, it has always been our root cause to always maintain our pension increment to meet with our institutional goal to support a better livelihood of the veterans and their dependents. Furthermore, the project was also intended to lessen the disparity between pensions in various levels through this indexation. Over the past few years, we have seen a noticeable gap between the lowest and the highest pensions, and with our principle of “leaving no one behind”; consequently, we initiated this project to help reduce the differences.

**WHY IT
SHOULD BE
RECOGNISED**

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This regular minimum pension indexation project truly reflects our core commitment and objective to adhere to the best interests of our veterans. We have successfully fulfilled objectives set to accomplish within this project.

Through the means of implementing project as a national policy, we have achieved:

- poverty reduction within the veterans in line with the government policy
- a better living standard and livelihood of the veterans, and establish a social safety net
- enhancement in social security benefit for the benefit of veterans and the families of veterans to uphold the roles of veterans to be worthy of the good deeds they had done for the cause of the nation

Moreover, from each year to another, we have also progressed to balance the pension discrepancy by shorten the gap between the highest and the lowest pension.

Through the initiative of our yearly indexation of the minimum pension, we have made a substantial 137% increase for a period of 6 years, which is an average of 11.9% increase each year. Our minimum pension is currently at KHR 640,000 (\$160US) while in 2015, it was only at KHR 270,000 (\$67.5US).

**SUMMARY OF
THE PROJECT**

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Because of the nature of our scheme with the mixture of both retired police officers and armies together, there would be a lot of inconsistency between the pension levels of each beneficiary. We have shaped many social security reforms to reduce the pension gap and this project was one of them as well.

Many discussions and actuarial calculations have been made in order to come up with an actual rate of how much of each year rate should be indexed and from which level to which. The 3 fundamental variables are:

- Inflation rate: our yearly average increase has been around 11.9% while the inflation rate in Cambodia has remained around 3% only.
- Economics growth: Cambodian economy has enjoyed a stable and remarkable growth of around 7% in the last decade
- Pension Gap: statistical data from our system to address the gap in accordance to our yearly goal to scale down the differences

All in all, this is a progressing project which we aim to review every year to promote well-being of our veterans in every cycle of their lives. Through each phase from employment to retirement, NFV, with the technical support from Ministry of Social Affairs, Veterans and Youth Rehabilitation and financial support from Ministry of Economy and Finance, will always be there to support and promote their welfare and prosperity with timely, reliable, efficiency and effective benefits and assistances.