



PORTABILITY OF SOCIAL SECURITY FOR MIGRANT WORKERS: *The Philippine SSS Experience*

Presented by:

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9 December 2020 • 37th ASSA Board Meeting

Outline of Presentation

1

PHL Labor Migration: Statistics & Responses

2

Extending PHL SSS Coverage to Filipino Migrants

3

Establishing Social Security Agreements of PHL

**FILIPINO MIGRANTS referred to as
“OVERSEAS FILIPINO WORKERS (or OFWs)”**

1. PHL LABOR MIGRATION: STATISTICS & RESPONSES



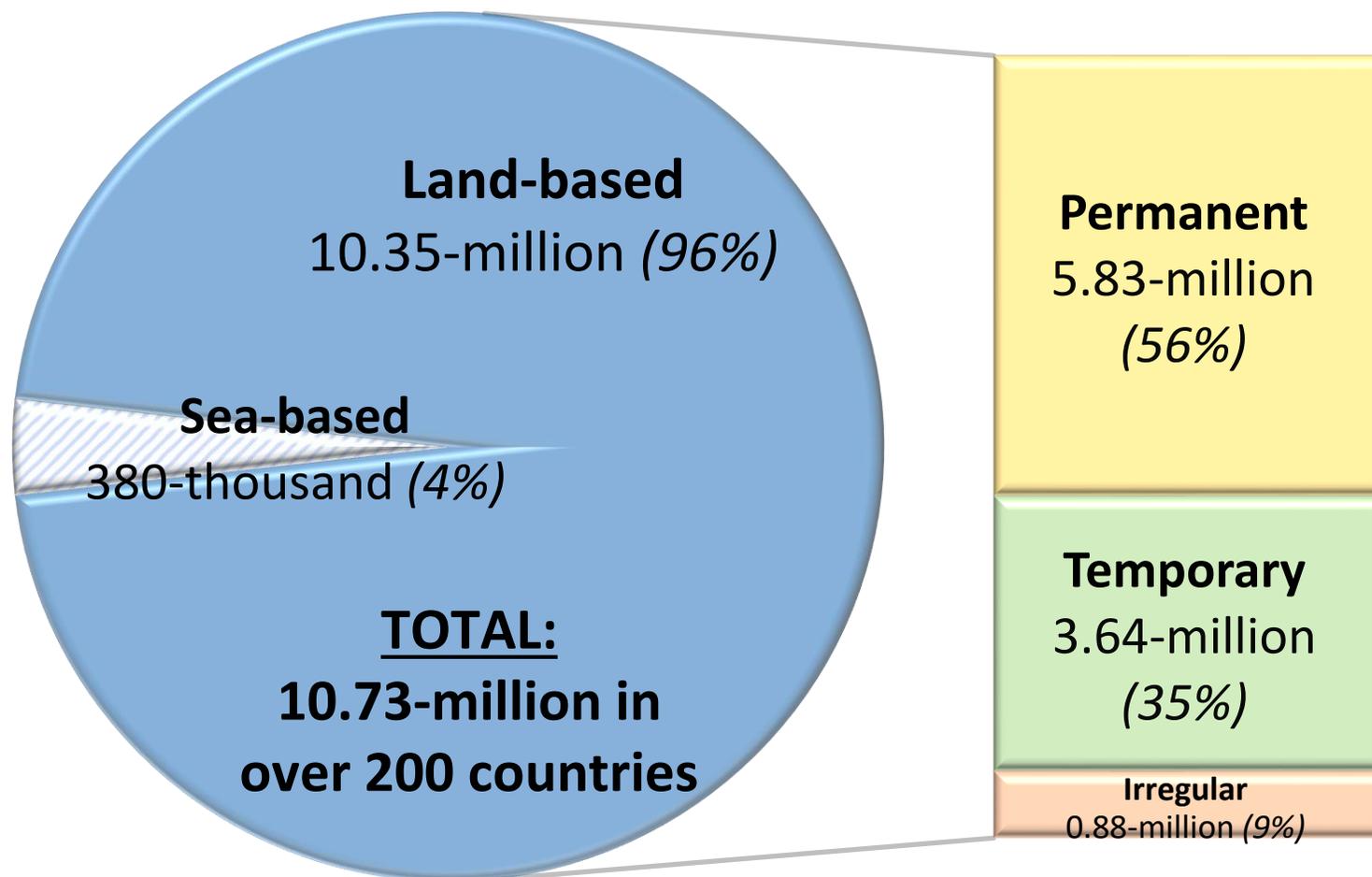
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State of PHL Labor Migration

Stock Estimate of Overseas Filipinos



PHL as 8th top sending country with largest migrant population & 4th top recipient of remittances

State of PHL Labor Migration

Issues of Migrants on Social Security



Reality of large-scale migration

- ▶ **Temporary migrants: Exclusion from coverage under host countries' schemes**
 - Hence, no access to benefits, especially for long-term needs such as in retirement (pensions)
- ▶ **Permanent migrants: Difficulty to become eligible to full pension entitlement**
 - Long residency or service requirement (usually, 20-40 yrs)
 - Reduced amount or modified benefit, w/ strict conditions

Constitutional duty of the State to provide protection to labor, whether local or overseas

SSS' Response to Migration

Two-Pronged Approach

In collaboration with Dept. of Foreign Affairs (DFA) & Dept. of Labor & Employment (DOLE)

1. FORGING BILATERAL SOCIAL SECURITY AGREEMENTS

Focus: Permanent type

Start: Early 1980s with adoption of standards under ILO Conventions ratified by PHL

Purpose: **Portability arrangements**

2. EXTENDING SSS COVERAGE TO FILIPINO MIGRANTS

Focus: Temporary & irregular types

Start: 1988 for sea-based workers & 1995 for land-based; 1998 for SSS foreign representative offices

Purpose: **Access & eligibility to benefits**

2. EXTENDING PHL SSS COVERAGE TO FILIPINO MIGRANTS



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PHL Mandate on Social Security

Republic Act No. 11199 (Social Security Act of 2018)

Effective March 2019:

An act rationalizing & expanding the powers & duties of the Social Security Commission ***to ensure the long-term viability of the SSS***, repealing RA 1161, as amended by RA 8282 (Social Security Act of 1997)



Anchored on the value of “Work, Save, Invest & Prosper”

PHL Mandate on Social Security

Provisions of RA 11199 on Filipino Migrants

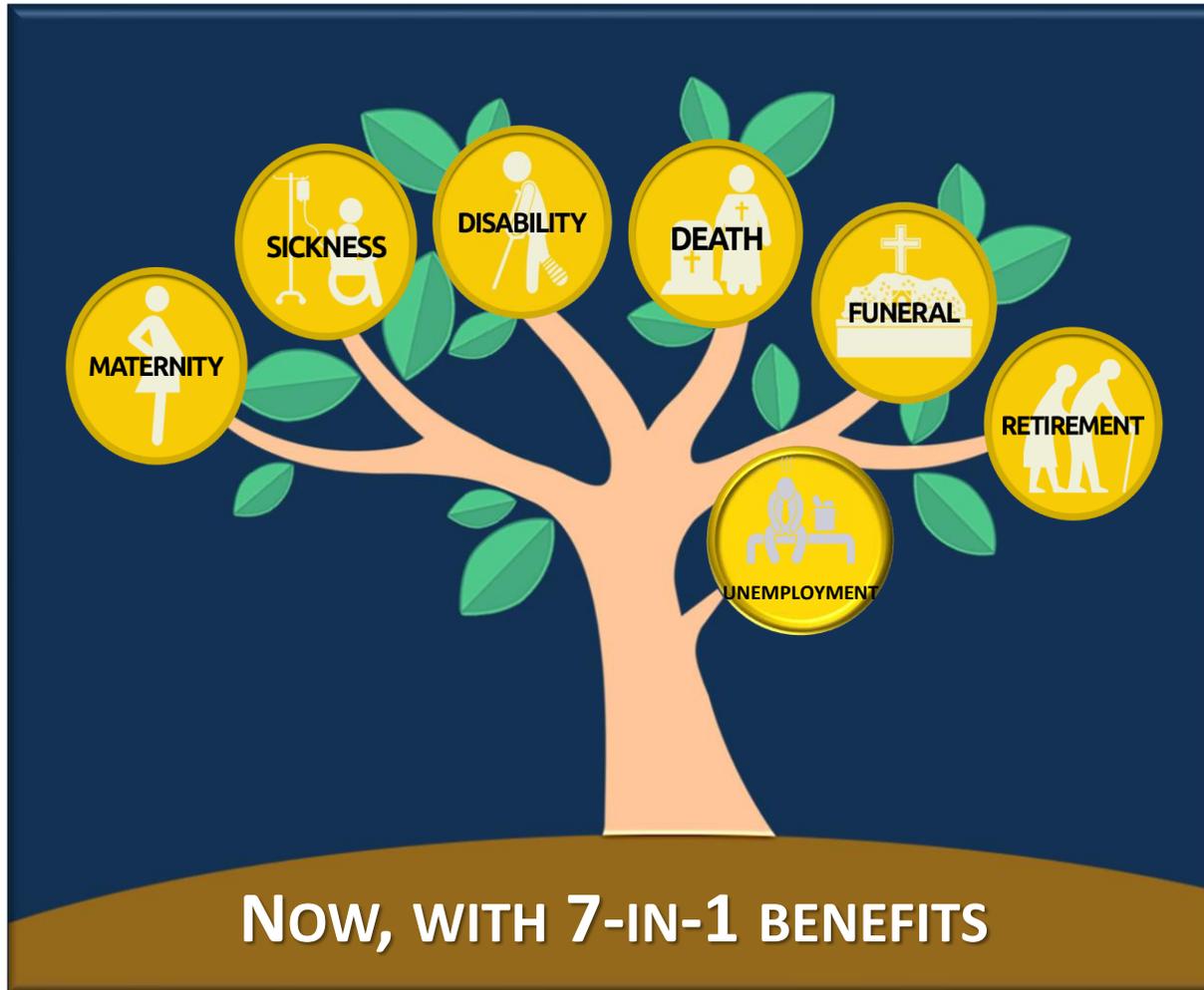
Compulsory coverage: sea-based & land-based OFWs (temporary)



DFA, DOLE & SSS shall ensure compulsory coverage of OFWs through *bilateral social security & labor agreements & other measures for enforcement*

Voluntary coverage: permanent Filipino migrants

Summary of PHL SSS Benefits

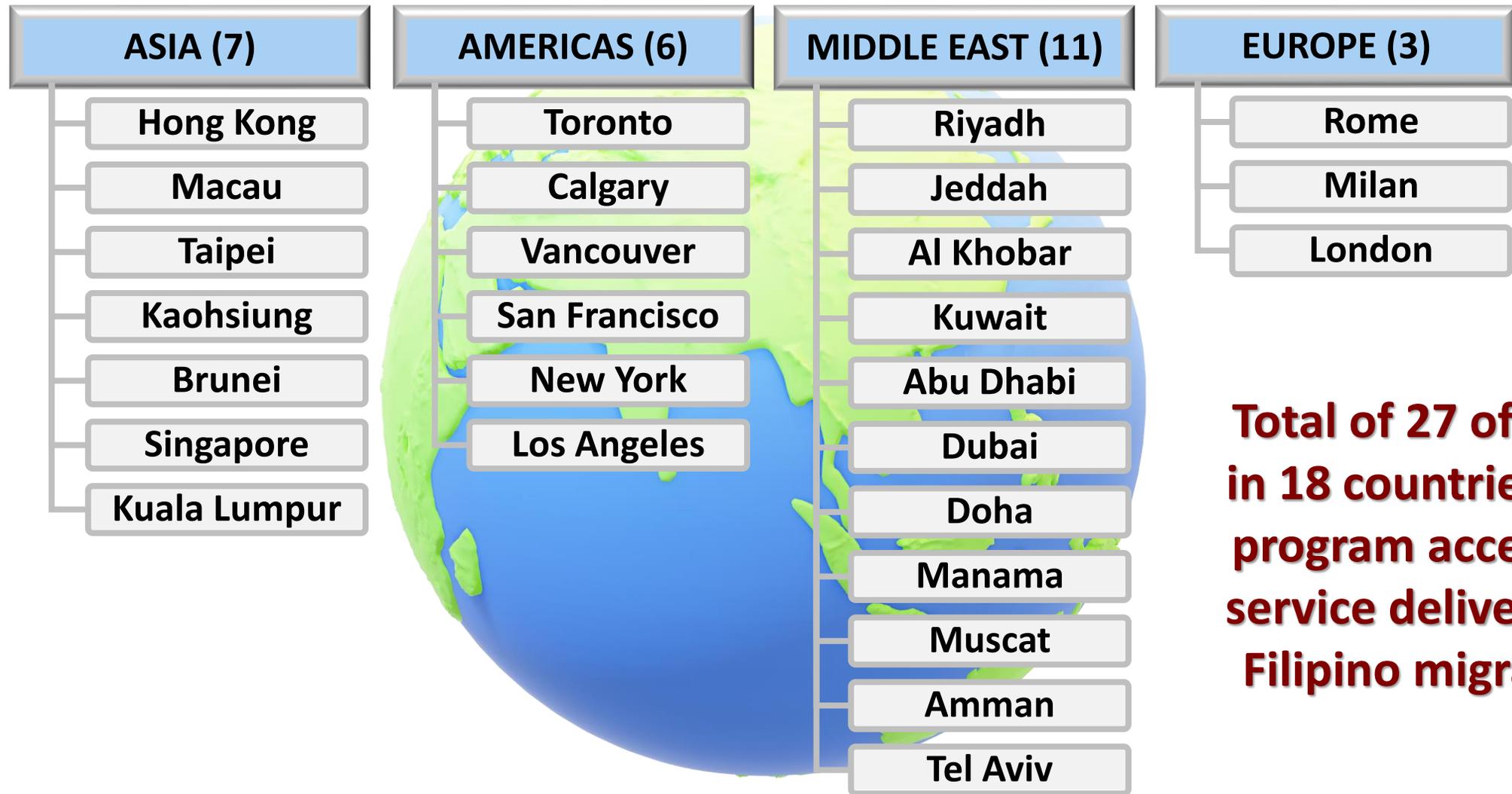


All benefit provisions under the new law applicable to OFWs, subject to qualifying conditions

- Monthly pensions for long-term
- Cash allowances for short-term
- Loan privileges for urgent cash needs

Same contribution covering all contingencies, under defined-benefit scheme same as local workers in PHL

Network of PHL SSS Foreign Representative Offices



**Total of 27 offices
in 18 countries for
program access &
service delivery to
Filipino migrants**

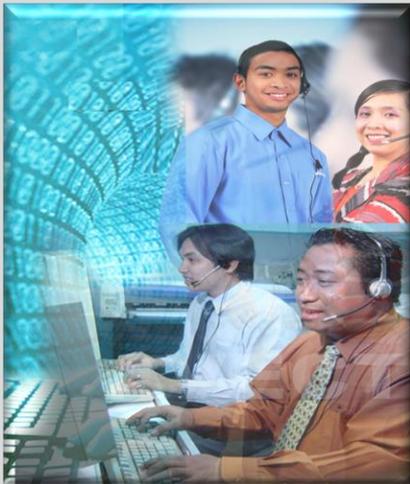
Other Information & Service Channels of PHL SSS



SS# issuance through the web



Accredited overseas e-payment centers



Dedicated contact unit (OFW-CSS)



Social media presence



Online & mobile portal for record access, contribution payment, filing of applications & bank account enrollment



Country-team approach

3. ESTABLISHING SOCIAL SECURITY AGREEMENTS OF PHL



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Bilateral Social Security Agreements (SSAs)

Main Objectives



International agreement to ensure protection of social security rights through portability arrangements

- ▶ Coordinates social security schemes of 2 countries (bilateral) for all covered persons who have worked, lived &/or paid contributions therein
- ▶ Removes territory- & nationality-based restrictions in benefit & service access, especially relating to pensions
- ▶ Resolves issues on dual mandatory coverage

Bilateral Social Security Agreements (SSAs)

Salient Provisions

1. Equality of treatment

Entitlement of a covered person to social security coverage under same conditions as nationals of receiving country

2. Export of benefits

Continuous receipt of benefits wherever a covered person decides to reside: sending country, receiving country or even in a third State

3. Totalization of insurance periods

Combining creditable periods (residency or contribution service) earned by a covered person in both countries to determine benefit eligibility & pro-rated computation

4. Mutual admin assistance

Coordination among country liaison offices countries to extend assistance to covered persons & implement SSA

Bilateral Social Security Agreements (SSAs)

Process of Establishment

1. Conduct of exploratory meetings

Presents features of country scheme

Shares profile of covered persons

Discloses preferences on SSA provisions

May not yet commit to proceed

2. Conduct of formal negotiations

Prior: Prepares & submits draft SSA to other Party for review

Initial: Clarifies each SSA clause & decides on specific wordings

Succeeding/Ending: Finalizes SSA for interim concurrence

3. Signing & ratification of the Agreement

Schedules SSA signing through diplomatic channels

Complies with own country's SSA ratification requirements

Holds meetings of liaison offices on implementing guidelines

4. Entry into force & implementation (country notification)

Bilateral Social Security Agreements (SSAs)

Key Implementation Activities



- 1. Receipt, processing & monitoring of SSA transactions of covered persons**
 - ▶ Applications for benefits
 - ▶ Requests for information on creditable periods or current benefit pay-outs
 - ▶ Issuance of applicable certificates of coverage
- 2. Compilation of annual data on SSA benefits & submission of reports on SSA activities to the counterpart country office**

Challenges Encountered in PH Bilateral SSAs

External factors

Incompatibility of PHL SSS program with social security scheme of host country: Social insurance vs. provident fund

Non-coverage of foreign nationals under social security laws of host country: Reciprocity & equality of treatment not satisfied

Country-specific requirements for SSA negotiation: e.g., current active membership in sending country at least 50% of labor force

Lengthy process of negotiation & securing consent: usually due to ongoing/planned pension reforms in other country

Status of PH Bilateral SSAs



In-force agreements (effectivity date): 14

1. Austria (1982)
2. UK & N. Ireland (1989)
3. Spain (1989)
4. France (1994)
5. Canada (1997)
6. Quebec (1998)
7. Netherlands (admin SSA, 2001)
7. Switzerland (2004)
8. Belgium (2005)
9. Denmark (2015)
10. Portugal (2017)
11. Germany (2018)
12. Japan (2018)
13. Sweden (2019)
14. Luxembourg (2020)

Note: Agreement with Korea signed in Nov 2019 (ongoing ratification)



End of Presentation. Thank you.