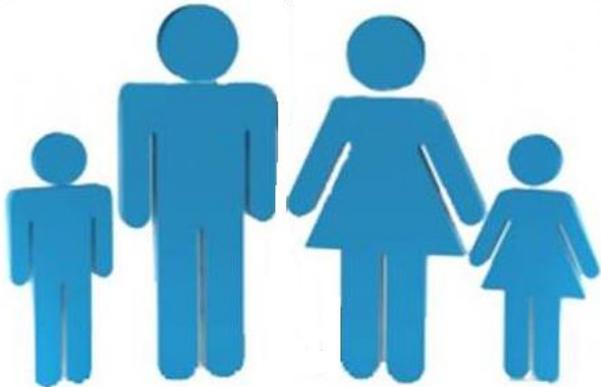




# PHILIPPINE SOCIAL INSURANCE SYSTEM



**May Catherine C. Ciriaco**  
Vice President,  
Social Security System

# Outline

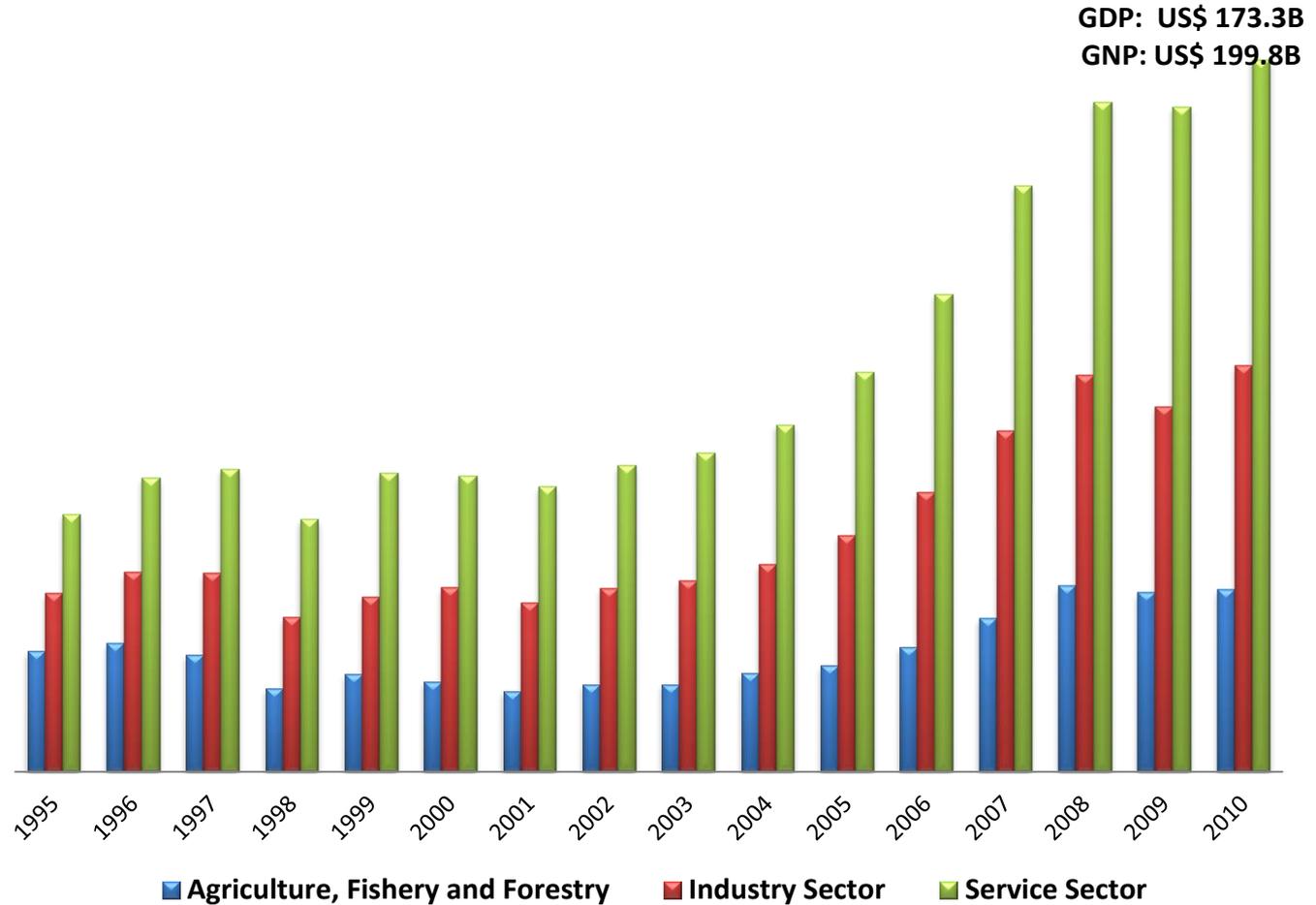
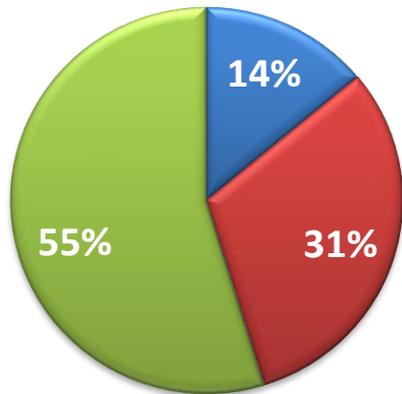
- **Profile of the Philippines**
- **Social Insurance Institutions**
- **Philippine SSS as a Social Insurance Institution**
- **Challenges**

# **Profile of the Philippines**

# Profile of the Philippines

The Philippine economy recorded its biggest growth in 2010 at 7.3%...

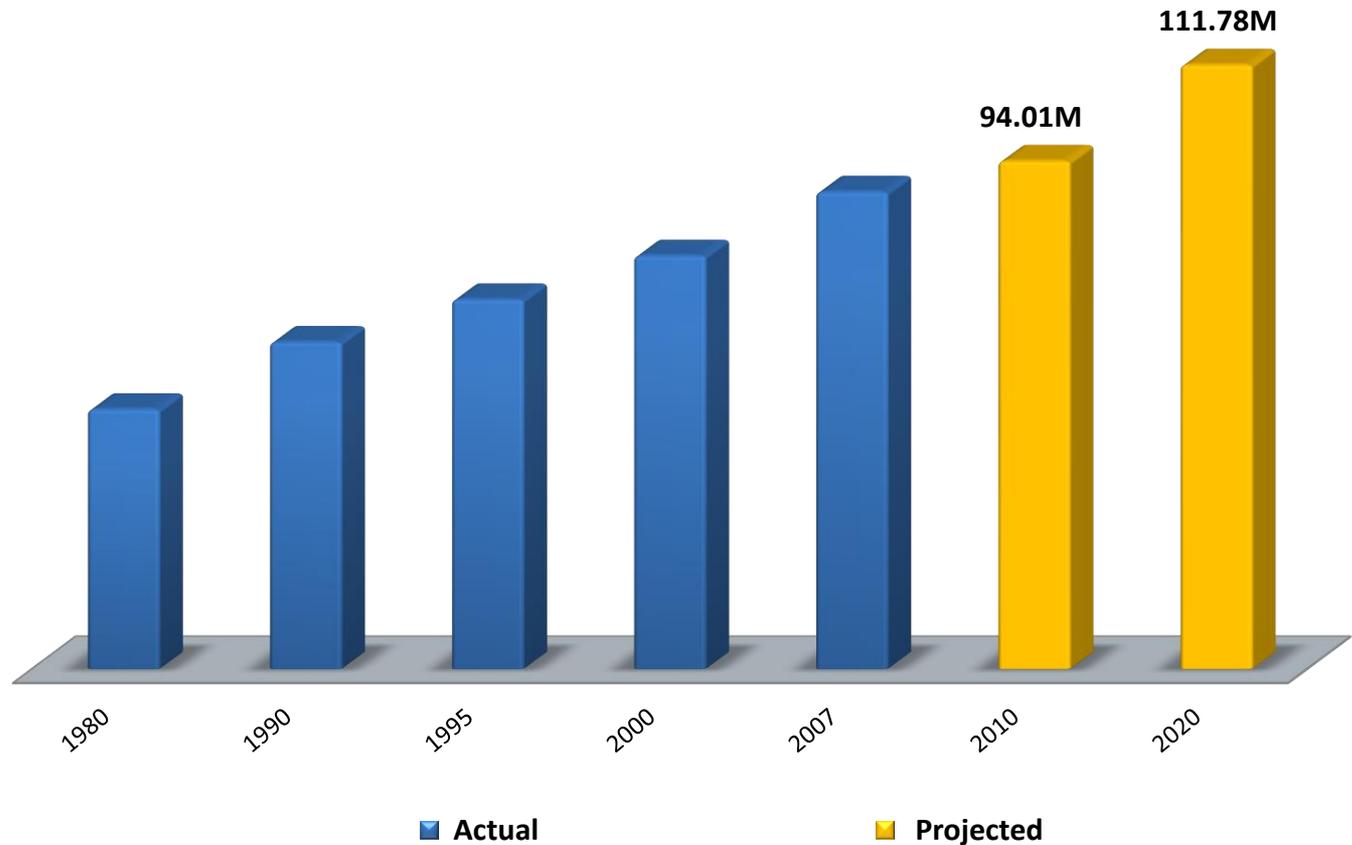
...on account of significant expansion in the industry and service sectors.



# Profile of the Philippines

Today, the population of the Philippines stands at 94.01M.

The Philippines is the 12<sup>th</sup> most populated country in the world.

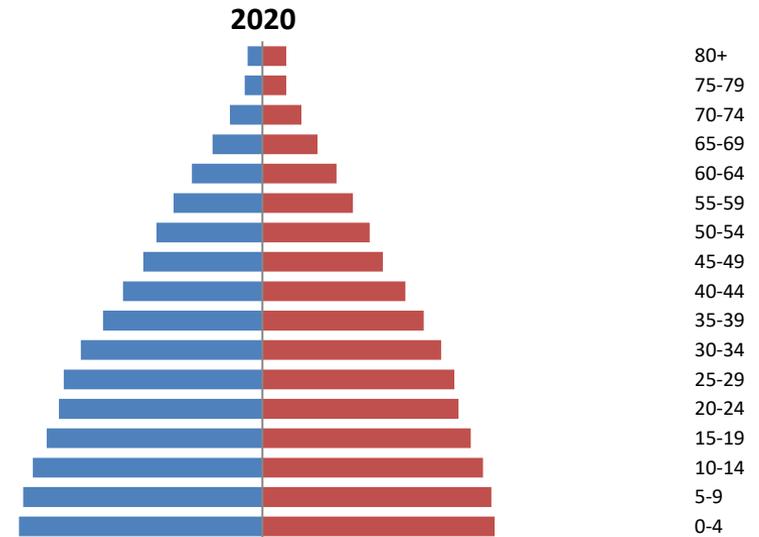
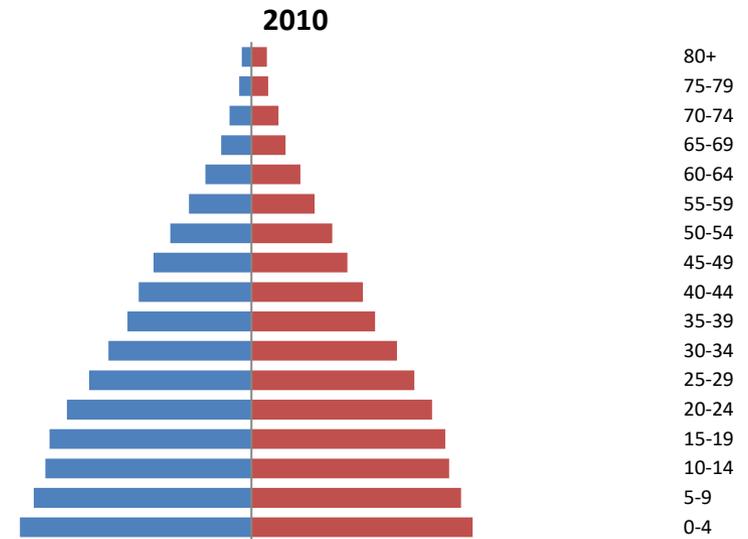
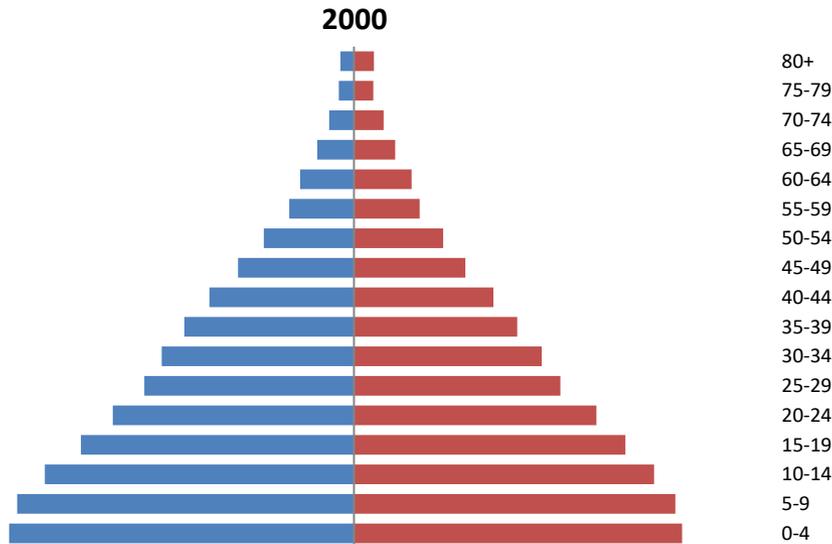


# Profile of the Philippines

Over the years, the country has kept a young population base...

...with relatively equal gender distribution among all age groups.

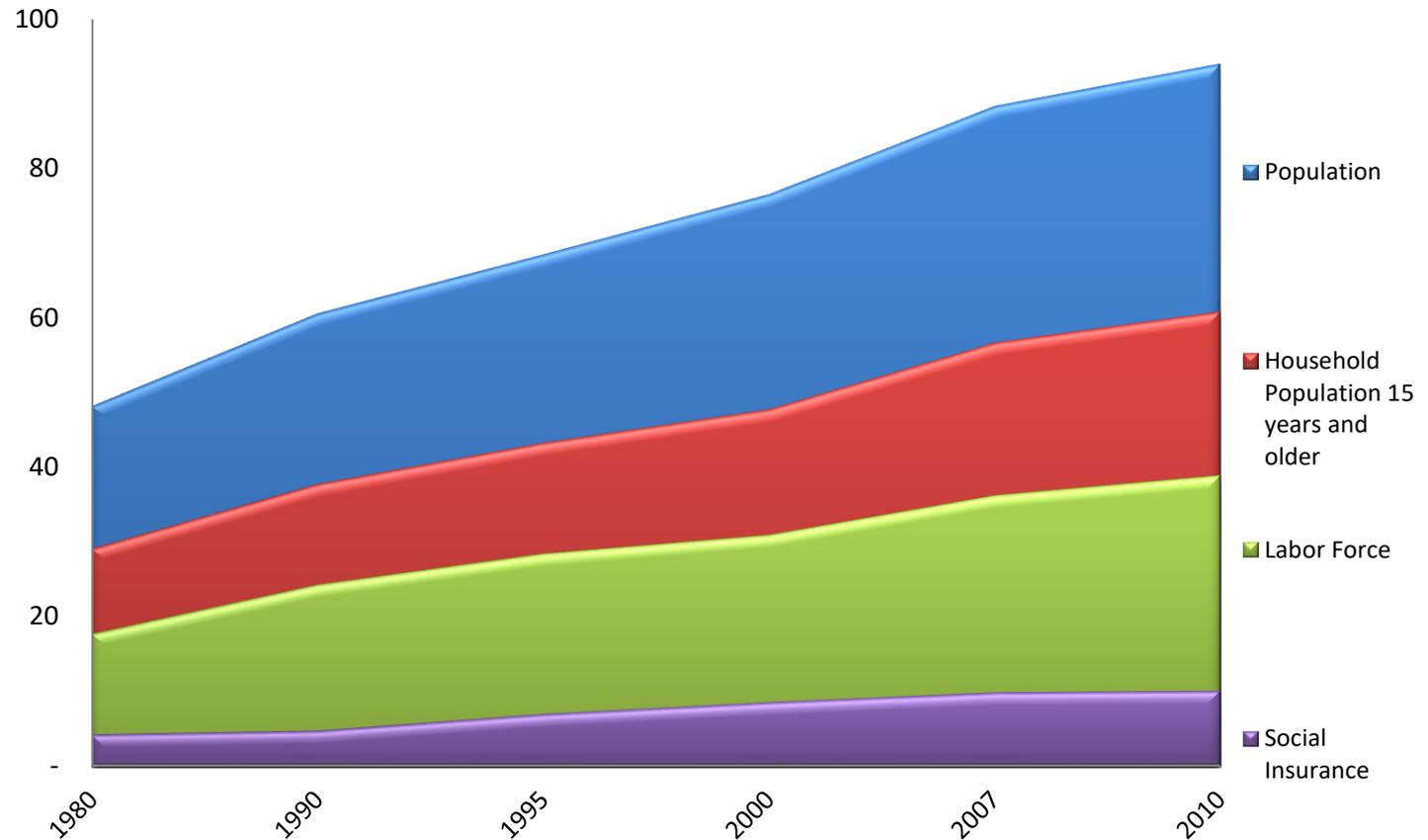
■ Male  
■ Female



# Profile of the Philippines

The country's labor force is estimated at 38.9M in 2010...

**...27 percent of which are covered by Social Insurance.**

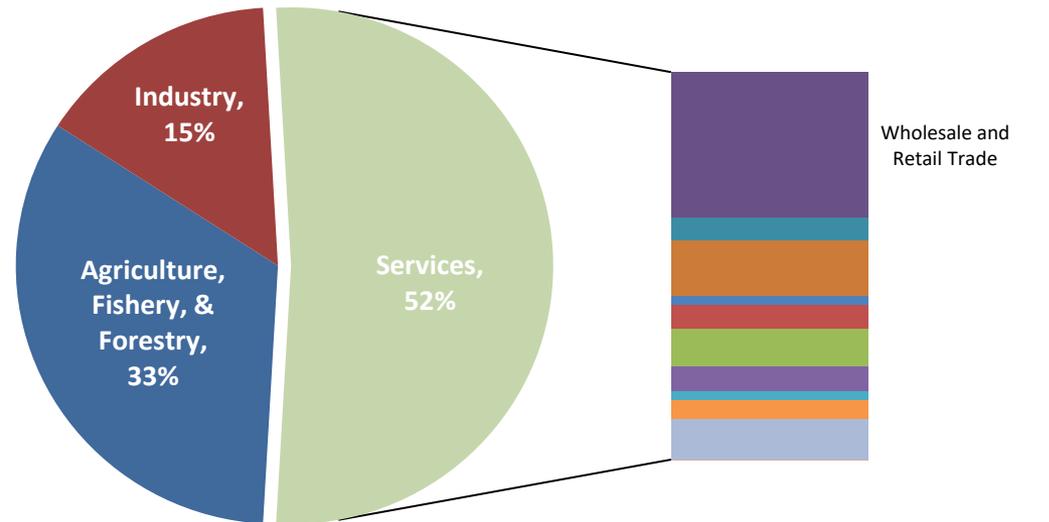


# Profile of the Philippines

The service industry accounts for half of the total employment...

...most of which are engaged in wholesale and retail trade.

...BPOs growing at 46 percent since 2006.



- Wholesale and Retail Trade
- Hotels and Restaurants
- Transport, Storage and Communications
- Financial Intermediation
- Real Estate, Renting and Business Activities
- Public Administration and Defense, Compulsory Social Security
- Education
- Health and Social Work
- Other Community, Social and Personal Service Activities
- Private Households with Employed Persons
- Extra-Territorial Organizations

# **Social Insurance Institutions**

# Social Insurance Institutions

## Social Security definition and features

**Social Security is the protection by society for members against the economic and social distress caused by contingencies such as sickness, child birth, disability, retirement and death.**

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### **Features of a Social Insurance Program:**

- **Compulsory coverage**
- **Shared contributions (employer-employee)**
- **Pooled funds**
- **Investment reserves**
- **No-needs or means-test**
- **Earnings-related benefits**

# Social Insurance Institutions

The Philippines has various public institutions performing social security and other related functions.

**Institutions mandated to administer social insurance programs in the Philippines are the SSS, GSIS, PhilHealth and ECC.**



# Social Insurance Institutions

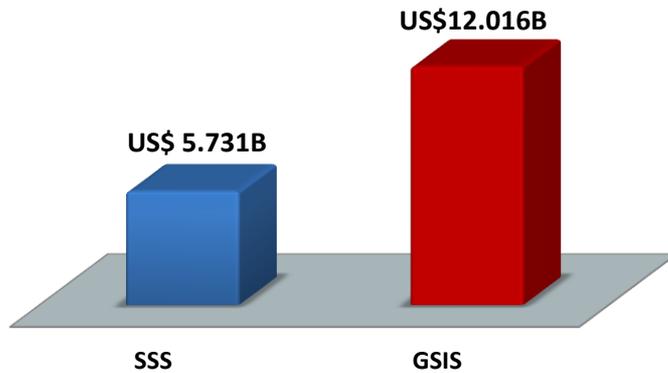
## Programs and Coverage

| <b>SOCIAL INSURANCE INSTITUTION</b>  | <b>PROGRAM</b>                              | <b>COVERED GROUP</b>                |
|--|---|-------------------------------------|
| <br>Government Service Insurance System  | Social Insurance                            | Public sector workers               |
| <br>Social Security System   | Social Insurance                            | Private sector workers              |
| <br>Philippine Health Insurance Corporation  | Healthcare                                  | Public and private sector employees |
| <br>Home Development Mutual Fund   | Provident fund and housing financing scheme | Public and private sector employees |
| <br>Employees' Compensation Commission  | Employee Compensation                       | Public and private sector employees |
| <br>Armed Forces of the Philippines (AFP) – Retirement, Separation and Benefits System | Retirement and Separation                   | Military members of the AFP         |

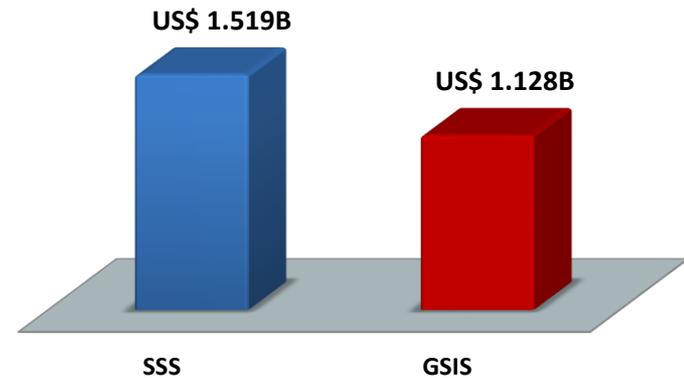
# Social Insurance Institutions

Highlights of operations of SSS and GSIS (As of December 2009)

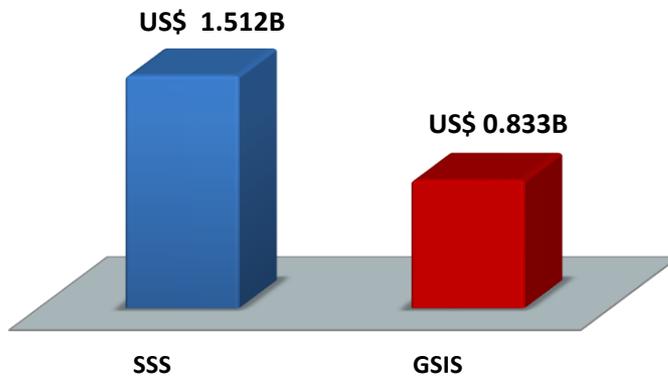
## Assets: US\$17.741B



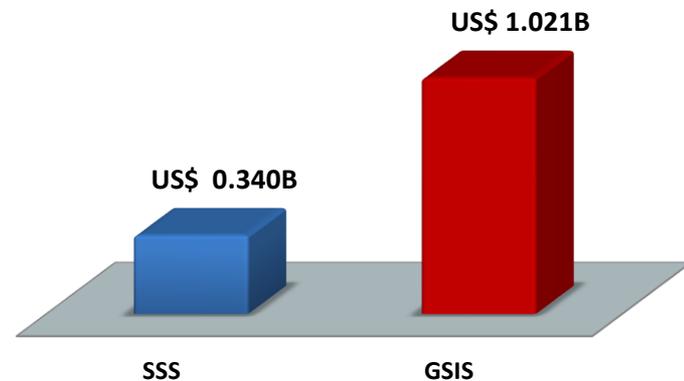
## Contributions: US\$2.647B



## Benefits: US\$2.345B



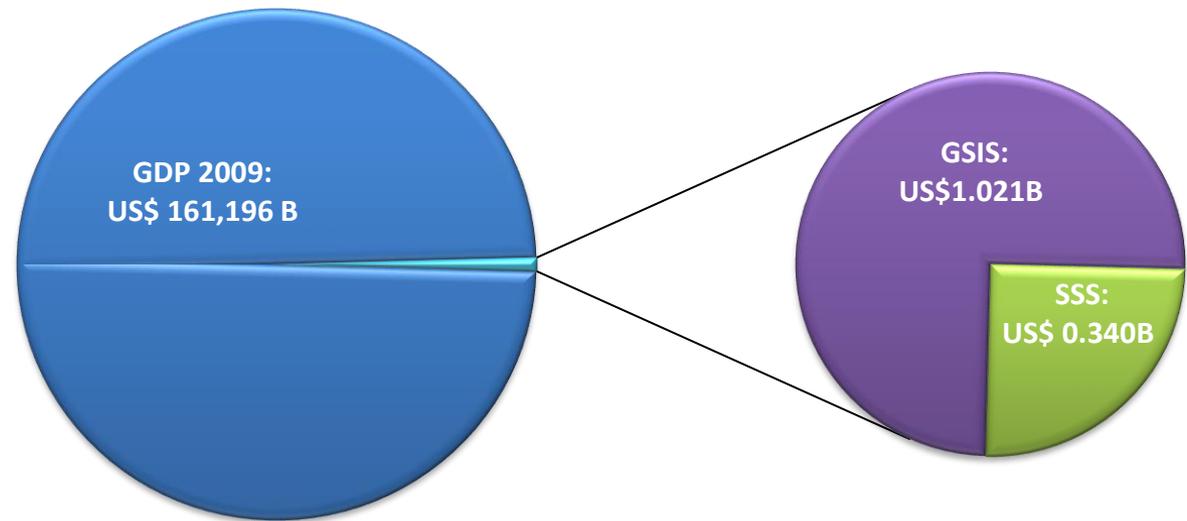
## Net Revenues: US\$1.361B



# Social Insurance Institutions

Social Insurance Institutions contribute US\$1.36B to the country's GDP.

**The combined net revenues of SSS and GSIS account for about 4 percent of the government's expenditures in 2009.**





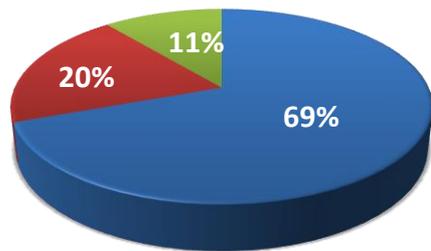
# **SSS as a Social Insurance Institution**

# SSS as a Social Insurance Institution

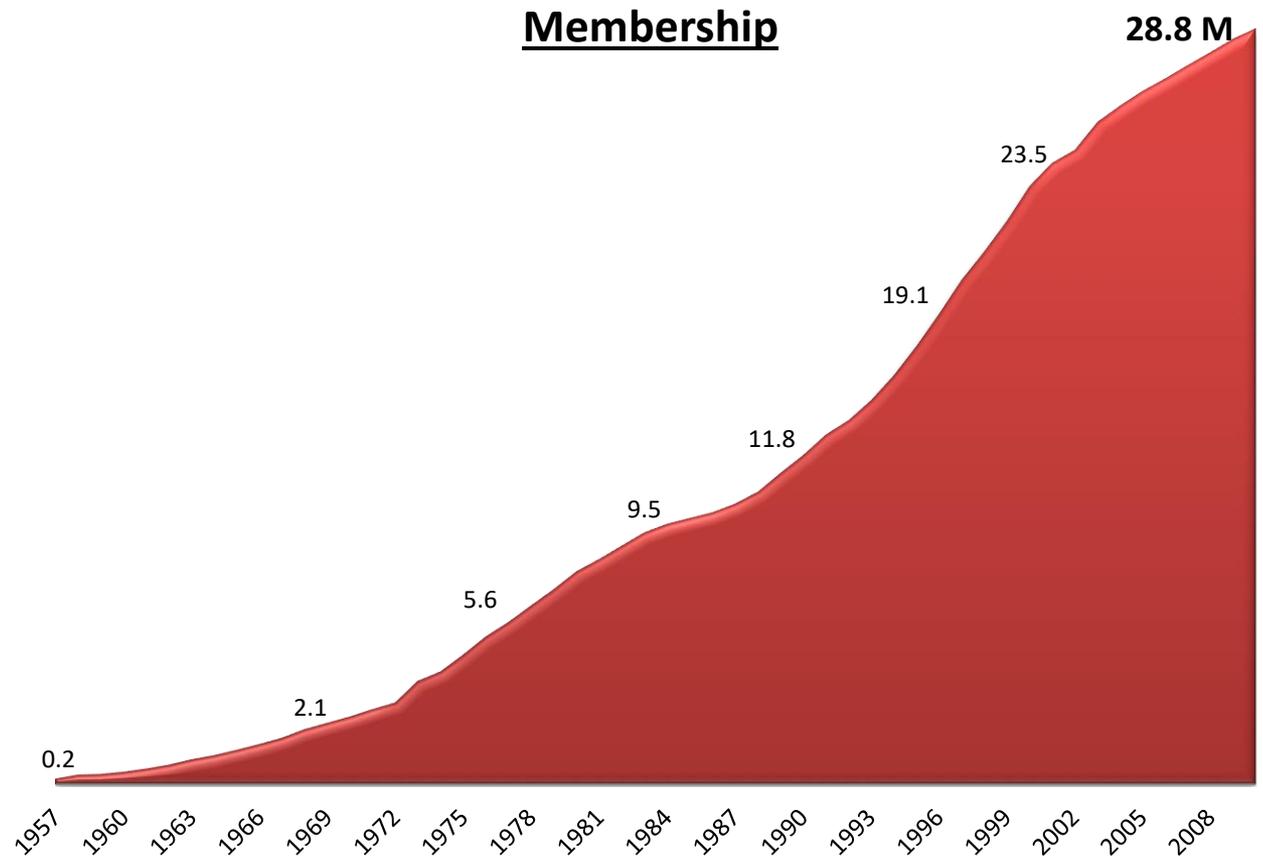


SSS has recorded growth in membership over the years.

Employed persons comprise most of the registered SSS members, followed by self-employed persons, and voluntary members.



■ Employees ■ Self-Employed ■ Voluntary

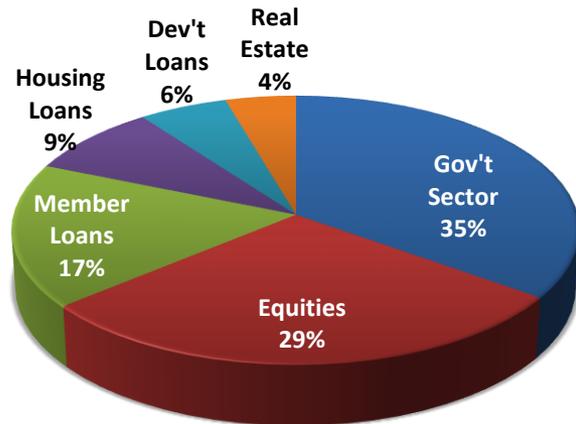


# SSS as a Social Insurance Institution

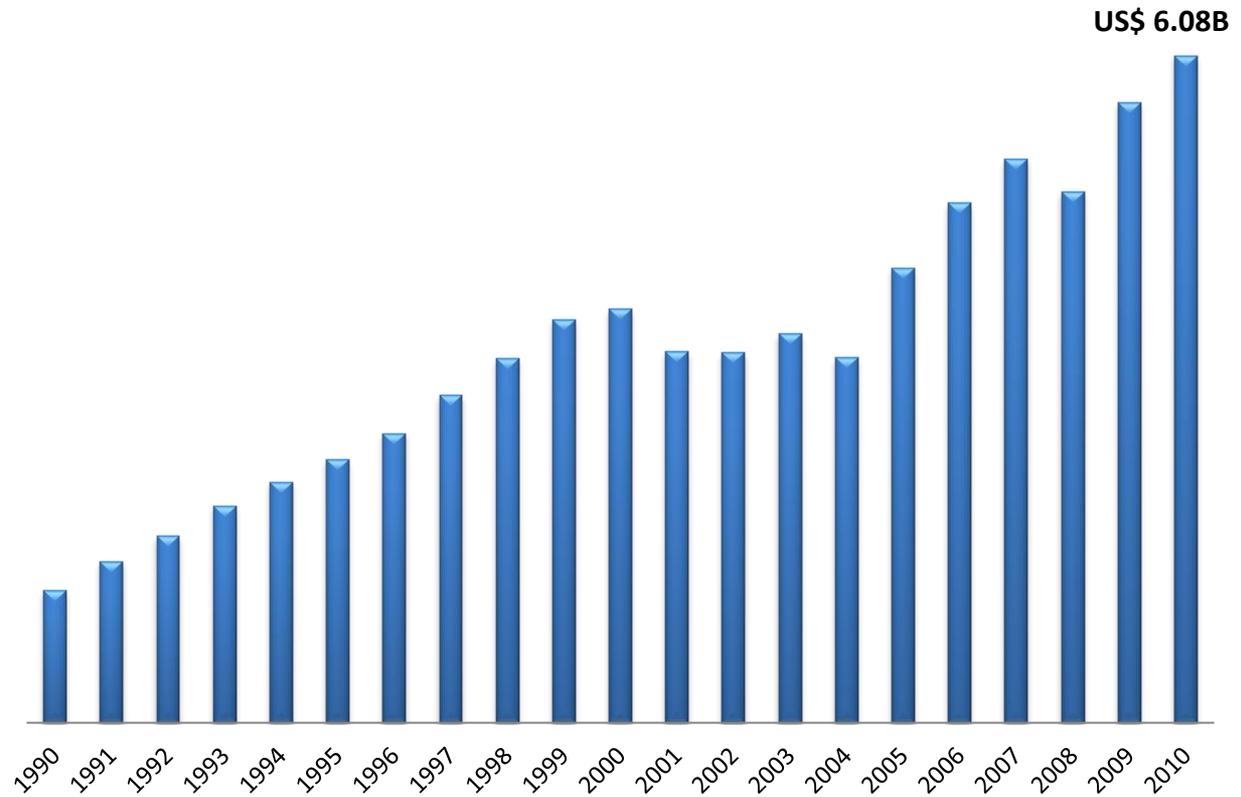


Assets as of December 2010: US\$ 6.08B.

About 84 percent of SSS assets are invested in government securities, equities and member loans.



## Assets





- **Benefits Paid: US\$1.57B to 2.48M beneficiaries**
- **Total transaction volume: 22.01M (Daily: 84,648)**
- **Total branches: 181 (Local: 168; Foreign: 13)**
- **Total workforce: 5,190**



# Challenges

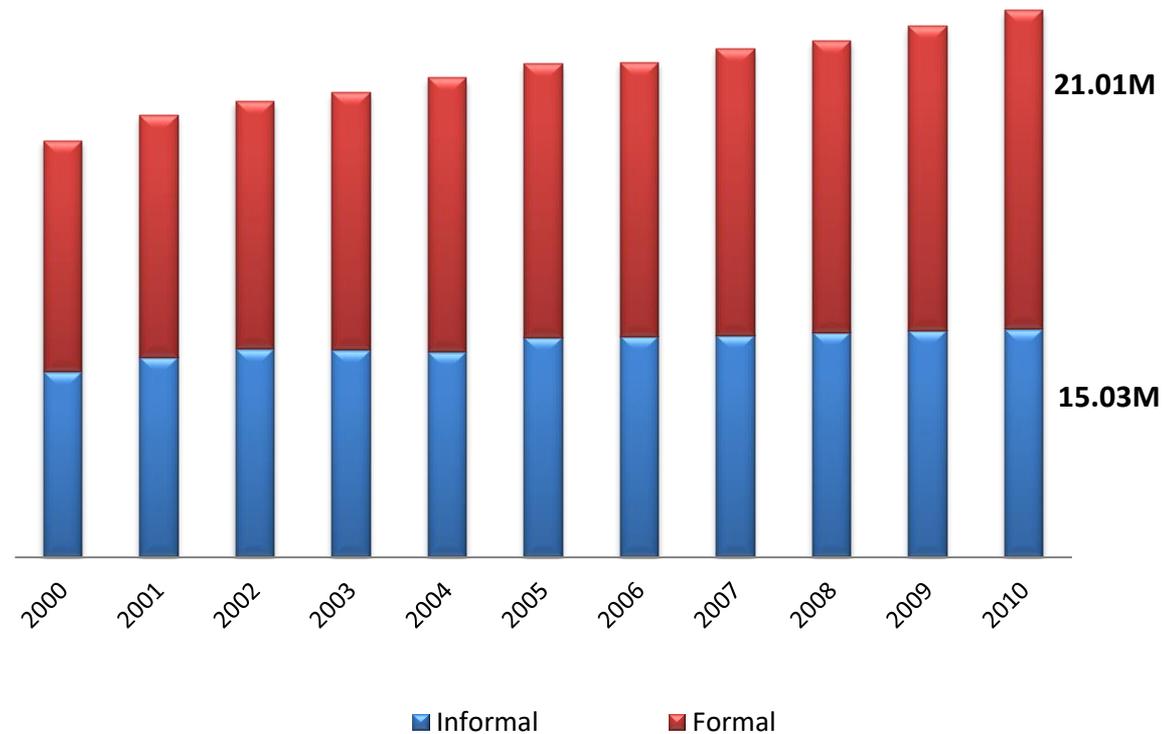
# Challenges...

## Universal Coverage



- **Social security should extend protection to the whole country.**
- **Informal sector workers continue to be a challenge.**

Profile of Employment in the Philippines



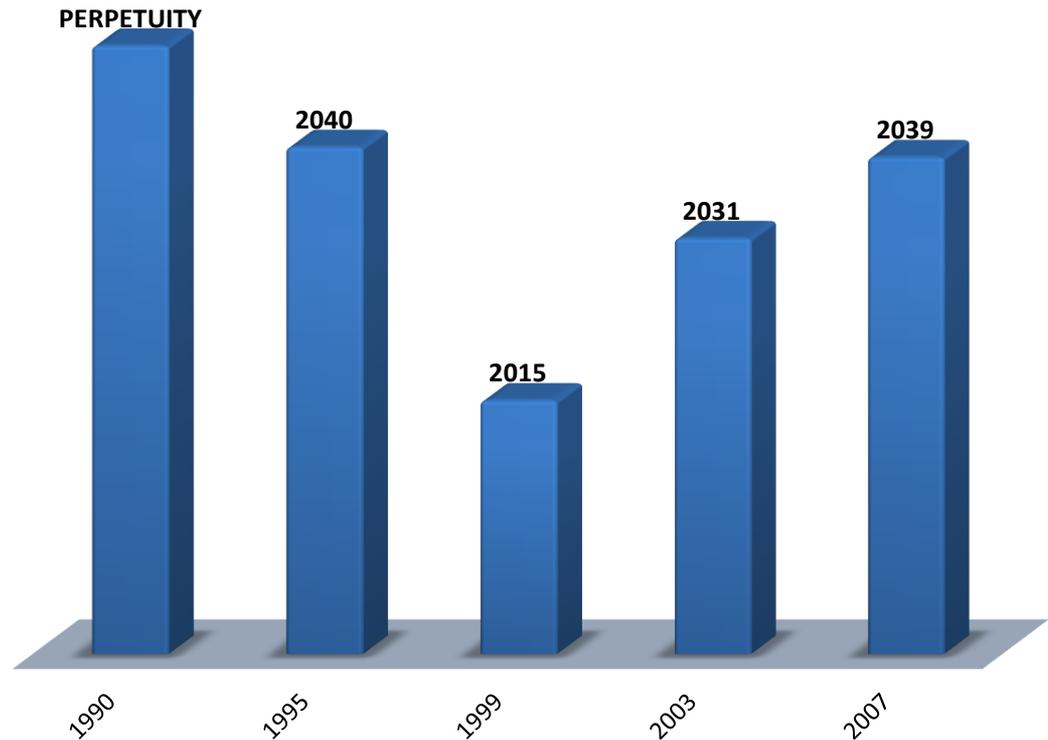
# Challenges...



## Viability vs. Meaningful Benefits

- Latest actuarial valuation show that the fund is projected to last until 2039

- Regular increase in benefits payments vs. increase in contributions payments



# Challenges...



## Customer Service (Retail vs. Wholesale)

- **Increasing transaction volumes**
- **Need to adapt to the changing technologies and demands.**





[www.sss.gov.ph](http://www.sss.gov.ph)

**Thank you.**