



34<sup>th</sup> ASSA Board Meeting  
ASEAN SOCIAL SECURITY ASSOCIATION



**Ministry of Labour, Immigration and Population  
Social Security Board**

**Financial Sustainment of Social Security Funds and  
Retirement Security by Social Security Board**

**Presented**

**by**

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## Part-I

# About Us (Social Security Board, Myanmar)

- ❖ Population of Myanmar
- ❖ About Social Security Board , Myanmar



# Population of Myanmar

<b>54 827 697</b>	<b>Current population</b>
<b>27 017 977</b>	Current male population (49.3%)
<b>27 809 719</b>	Current female population (50.7%)
<b>618 848</b>	Births this year
<b>279 907</b>	Deaths this year
<b>-61 071</b>	Net migration this year
<b>277 871</b>	Population growth this year
<b>2.3</b>	Fertility rate, total (live births per woman)
<b>67.7/63.6</b>	Life expectancy at birth (females/males, years)
<b>49</b>	Total dependency ratio (Pop. aged 0-14 & 65+ per 100 pop. 15-64)



# Ministry of Labour, Immigration and Population

## Labour Affair

- ❑ Office of the Union Minister
- ❑ Department of Labour
- ❑ Social Security Board
- ❑ Factories and General Labour Laws Inspection Department
- ❑ Department of Labour Relation



## Background of Social Security Scheme

- ❖ Social Security Scheme has been implemented since 1956 in accord with the Social Security Act (1954).
- ❖ Social Security Board (SSB) was set up in 1955.
- ❖ The Act was effective in 13 States and Regions, covering 110 townships (except Chin State )
- ❖ According to Social Security Act (1954), there are two insurance systems.
  1. **General insurance system**
  2. **Employment injury insurance system**
- ❖ It covered only 1.07% of total population.

Source: Health System Review, Health Systems in Transition  
Vol. 4 , No. 3, 2014, The Republic  
of the Union of Myanmar



# Social Security Law (2012)

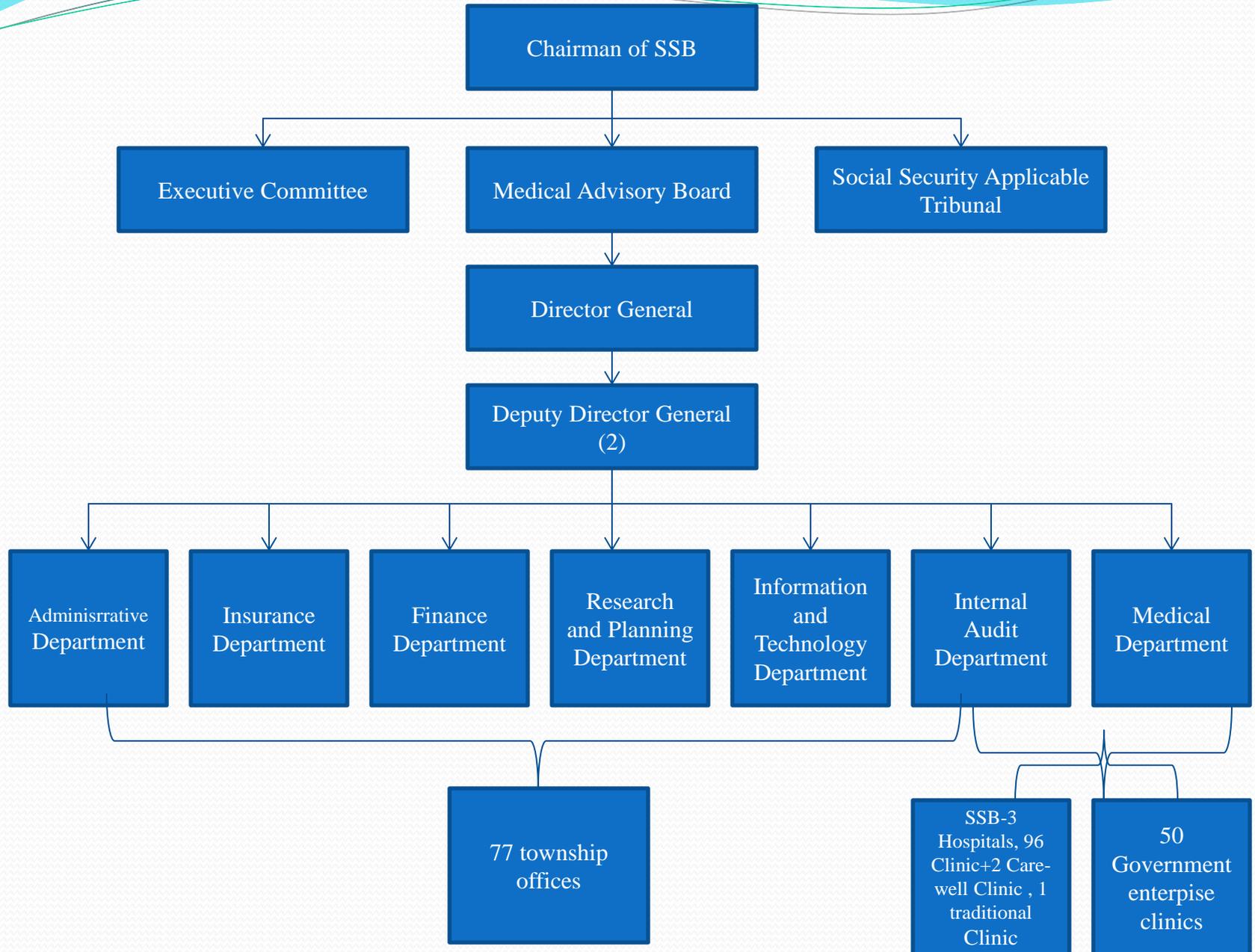
- **The Social Security Law (2012)** was promulgated on ( **31-8-2012**) to implement the social security scheme to be inline with the International Practices.
- The Law came into force on (**1-4-2014**).
- **Social Security Rules** have been issued on (**2-4-2014**) by the Minister for the Ministry of Labour, Employment and Social Security.



# Social Security Board and Executive Committee

- **Social Security Board** was formed with **28 members** since 19-6-2013.
- **13- member Social Security Executive Committee** was formed to provide close supervision to the implementation of social security projects.
- **Medical Advisory Board** consisting of **24 members** was formed on 26 December 2013 for improved free medical treatment for insured workers.
- **Appellate tribunals** consisting 3 members have being formed in Yangon, Mandalay, Sagaing and Pago Regions.

# Structure of SSB





# Social Security Board

■ Divisions of Social Security Head Office	-	7
■ Region/State Social Security Office	-	15
■ Township Social Security Office	-	77
■ <b>District Social Security Office</b> ( in the future )	-	<b>38</b>
■ Social Security Clinics	-	96
■ Social Security Board-Care Well Clinic	-	2
■ Traditional Clinic	-	1
■ large employers' clinics	-	<b>55</b>
■ Yangon Workers' Hospital	-	250 Bedded
■ Mandalay Workers' Hospital	-	150 Bedded
■ Htan Tabin Workers' Hospital	-	100 Bedded



# Vision of Social Security Board

- To expand the Social Security Scheme to be able the whole nation for covering.



# Objectives of the Scheme

- Causing to support the development of the State's economy through the increase of production **to enjoy more security in health care of workers.**
- Causing **to enjoy the effective benefits**, employment facing with sickness, maternity, employment injury, unemployment, old age, death
- Causing **to obtain the support for social life of worker and his family** when he cannot work.
- Causing the Social Security Scheme **to be the scheme which can cover the whole nation.**



# Insurance Systems under the Law (2012)

- According to Social Security Law (2012), there comprise (6) insurance systems .
  - Social and Health Insurance System
  - Family Assistance Insurance System
  - Employment Injury Insurance System
  - Invalidity Benefit, Superannuation Benefit and Survivor's Benefit Insurance System
  - Unemployment Insurance System
  - Other Social Security System (Housing plan)



# Contribution Rate for Each Insurance System

Insurance systems		Contribution Rate		
		Employer	Employee	Total
1	<b>Health and Social Care Insurance System</b>	<b>2%</b>	<b>2%</b>	<b>4%</b>
2	<b>Family Assistance Insurance System</b>	-	-	-
3	<b>Employment Injury Benefit Insurance System</b>	<b>1%</b>	<b>0</b>	<b>1%</b>
	<b>Total</b>	<b>3%</b>	<b>2%</b>	<b>5%</b>
4	<b>Invalidity Benefit, Superannuation Benefit and Survivors' Benefit Insurance System</b>	<b>3%</b>	<b>3%</b>	<b>6%</b>
5	<b>Unemployment Benefit Insurance System</b>	<b>1%</b>	<b>1%</b>	<b>2%</b>
6	<b>Other Social Security System (Housing Plan)</b>	<b>0</b>	<b>25%</b>	<b>25%</b>
	<b>Total</b>	<b>7%</b>	<b>31%</b>	<b>38%</b>



# Implementing Insurance Systems

- Three insurance systems have been implementing under the Social Security Law (2012).
  - (1) **Health and Social Care Insurance System**
  - (2) **Family Assistance Insurance System**
  - (3) **Employment Injury Benefit Insurance System**
- The provisions under the new Law shall be applied for both the compulsory and voluntary registration.



# Applicable Establishments

According to **section 11(a) of the Social Security Law, 2012:**

1. Industries which carry out business whether or not they utilize mechanical power or a certain kind of power, businesses of manufacturing, repairing and servicing, or engineering businesses, factories, warehouses and establishments;
2. Government departments, Government organization and regional administrative organizations which carry out business;
3. Development organizations;
4. Financial organizations;
5. Companies, associations, organizations and their subordinate departments and branch offices which carry out business;
6. Shops, commercial establishments, public entertaining establishments;
7. Government departments and government organizations which carry out business or transport businesses owned by regional administrative body, and transport businesses carried out with the permission of such department, body or in joint venture with such department or body;



# Applicable Establishments (Continued)

8. Constructions carried out for a period of one year and above under employment agreement;
9. Businesses carried out with foreign investment or citizen investment or joint ventured businesses;
10. Businesses relating to mining and gem contained in any existing law;
11. Businesses relating to petroleum and natural gas contained in any existing law;
12. Ports and out-ports contained in any existing law;
13. Businesses and organizations carried out with freight handling workers;
14. Ministry of Labour and its subordinate departments and organizations;
15. Establishments determined by the Ministry of Labour, from time to time, that they shall be applied with the provisions of **compulsory registration** for Social Security System



# Benefits under the current implementing three insurance Systems

The following benefits are the rights of the labour under the implementing three insurance systems in line with Social Security Law, 2012,

1. the right to medical treatment for sickness
2. benefit for sickness
3. benefit for maternity
4. benefit for maternity expenses
5. benefit for miscarriage
6. benefit for adopting child under one year of age
7. benefit for paternity
8. maternity benefit for paternity



## **Benefits under the current implementing three insurance Systems (continued)**

9. the right to take medical treatment for insured worker's child up to one year after confinement
10. the right to take medical treatment for retired person who had paid total contribution for 180 months
11. benefit for Funeral expenses (up to a maximum of five times of the average wage of a month)
12. scholastic stipend for insured person who earns less than the stipulated amount of income has the children learning a full time
13. relief materials and cash assistance for encountering natural disaster
14. temporary disability benefit for employment injury
15. permanent disability benefit for employment injury
16. survivors' benefit for occupational decease



# Expansion of Coverage

- In accordance with **article 100** of the Social Security Law, insurance systems are being implemented in stages, with the coverage of workers and workplaces expected to increase over time.
- These are expected to contribute significantly to **the poverty reduction in Myanmar** with
  - **the expansion of geographical coverage,**
  - **the expansion of organisational setup and**
  - **the expansion of Social Security offices, hospitals and clinics to be able to overwhelm the whole nation.**



**Yangon Workers' Hospital has been established on 1-9-1962, upgraded on  
Hospital in September, 1998**

**13-6-1964 from 150 bedded to 200 bedded and upgraded 250 bedded**



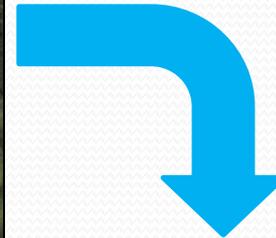


# Mandalay Workers' Hospital(150)Bedded (15-5-1990)



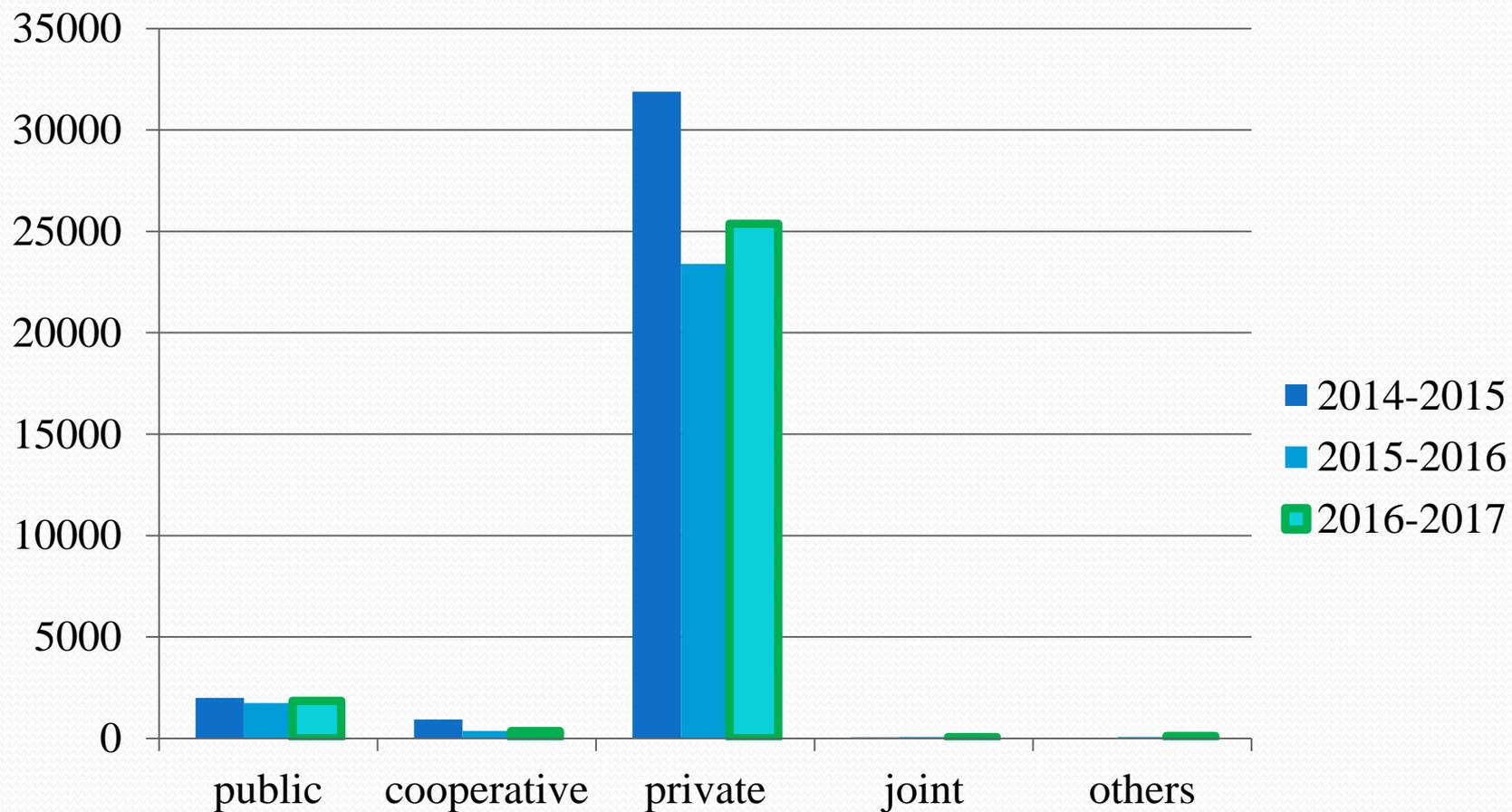


**100 bedded Tuberculosis Hospital has been established since 20-4-2003 and has been changed as Htan Tabin Workers' Hospital on 16-2-2016.**



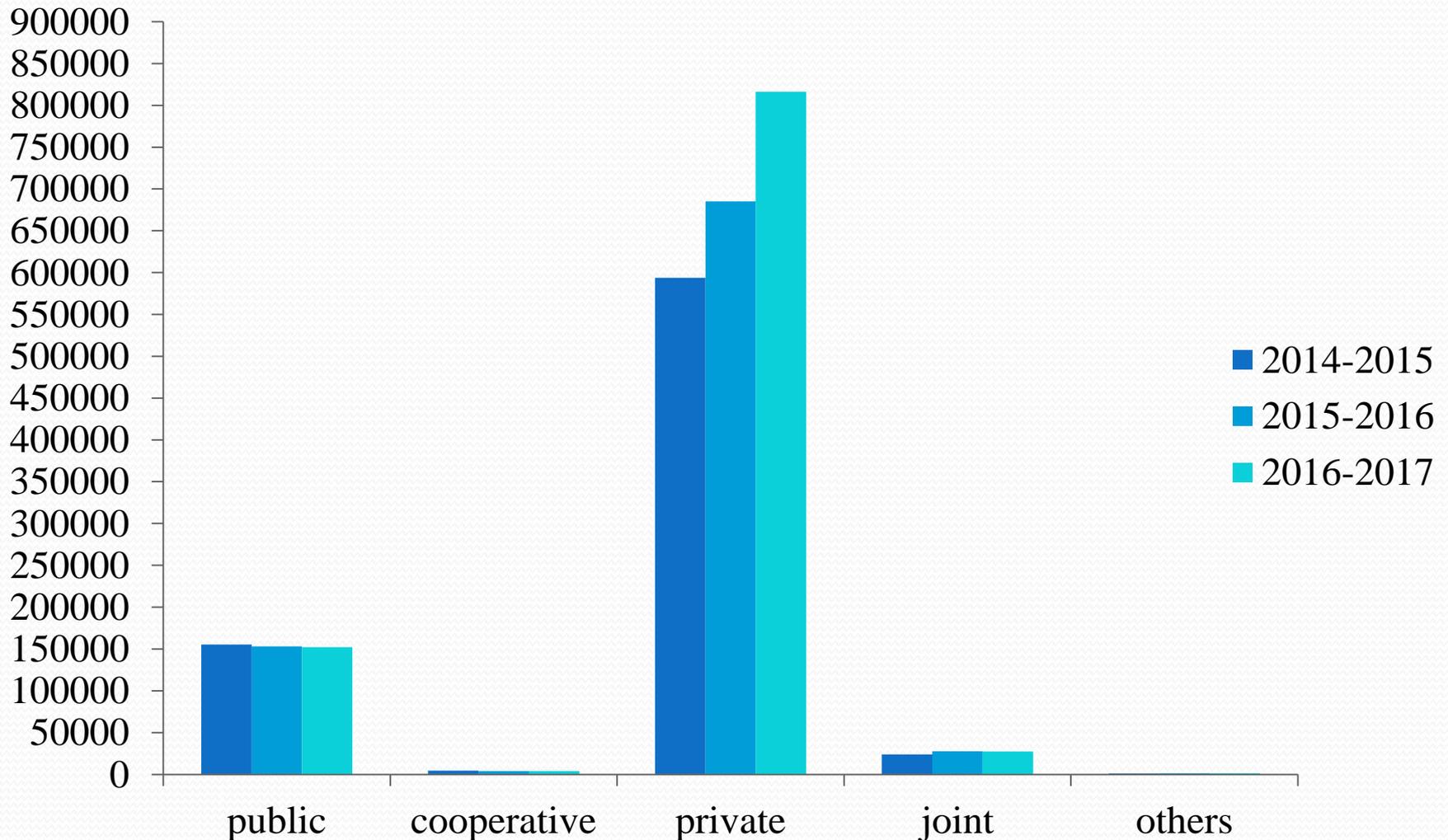


# Numbers of Establishments



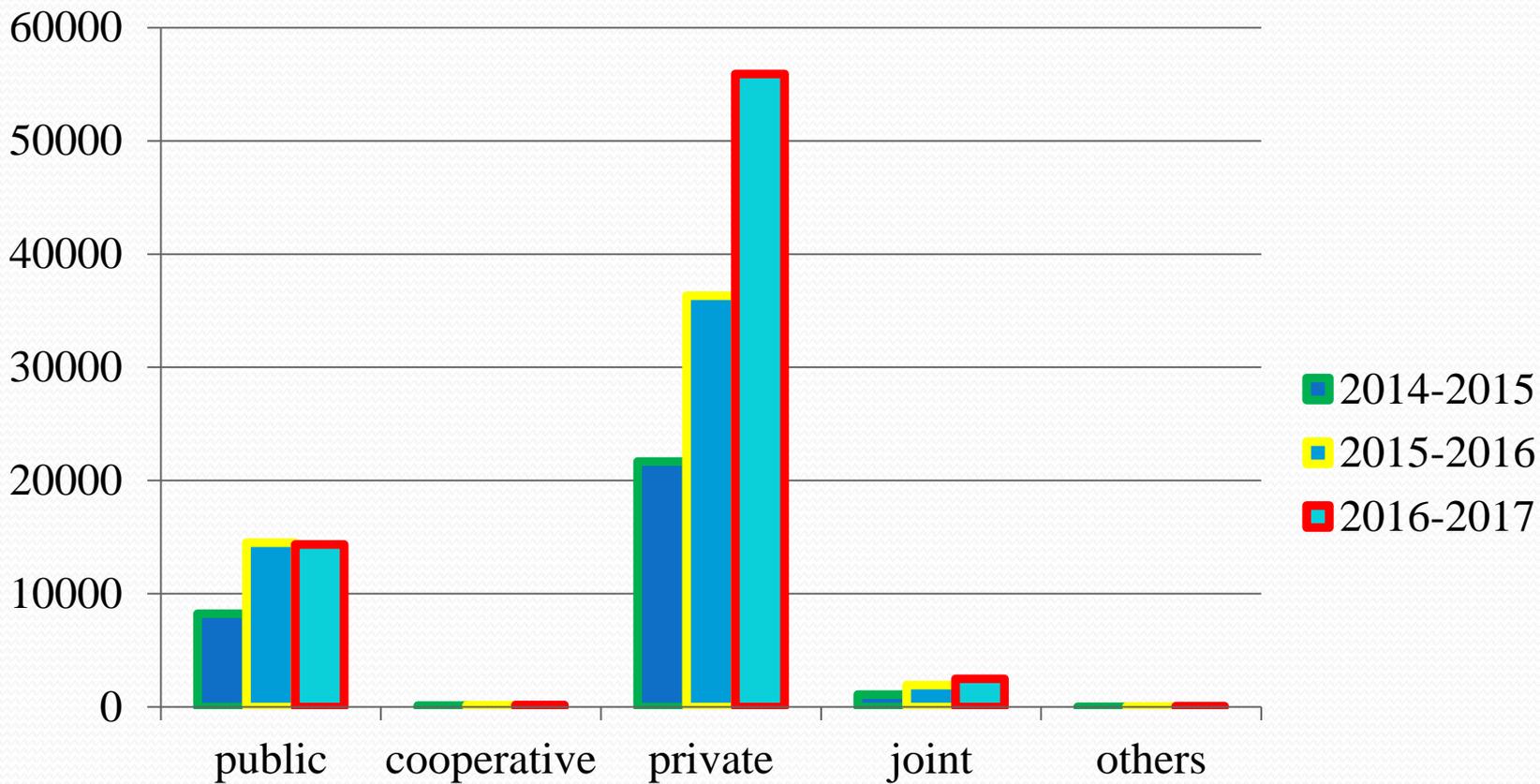


# Numbers of Insured workers



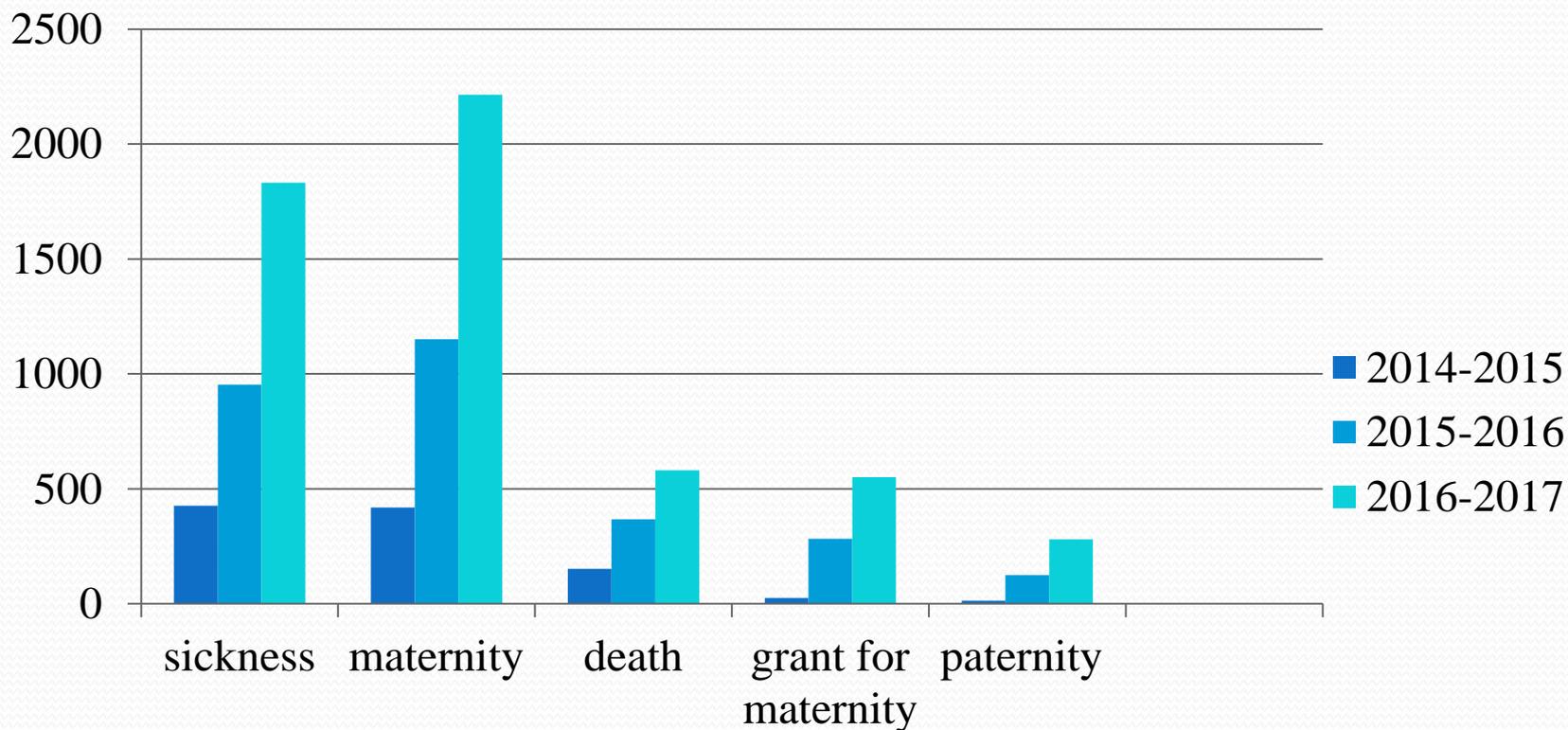


# Amount of Contribution (Kyats in Millions )



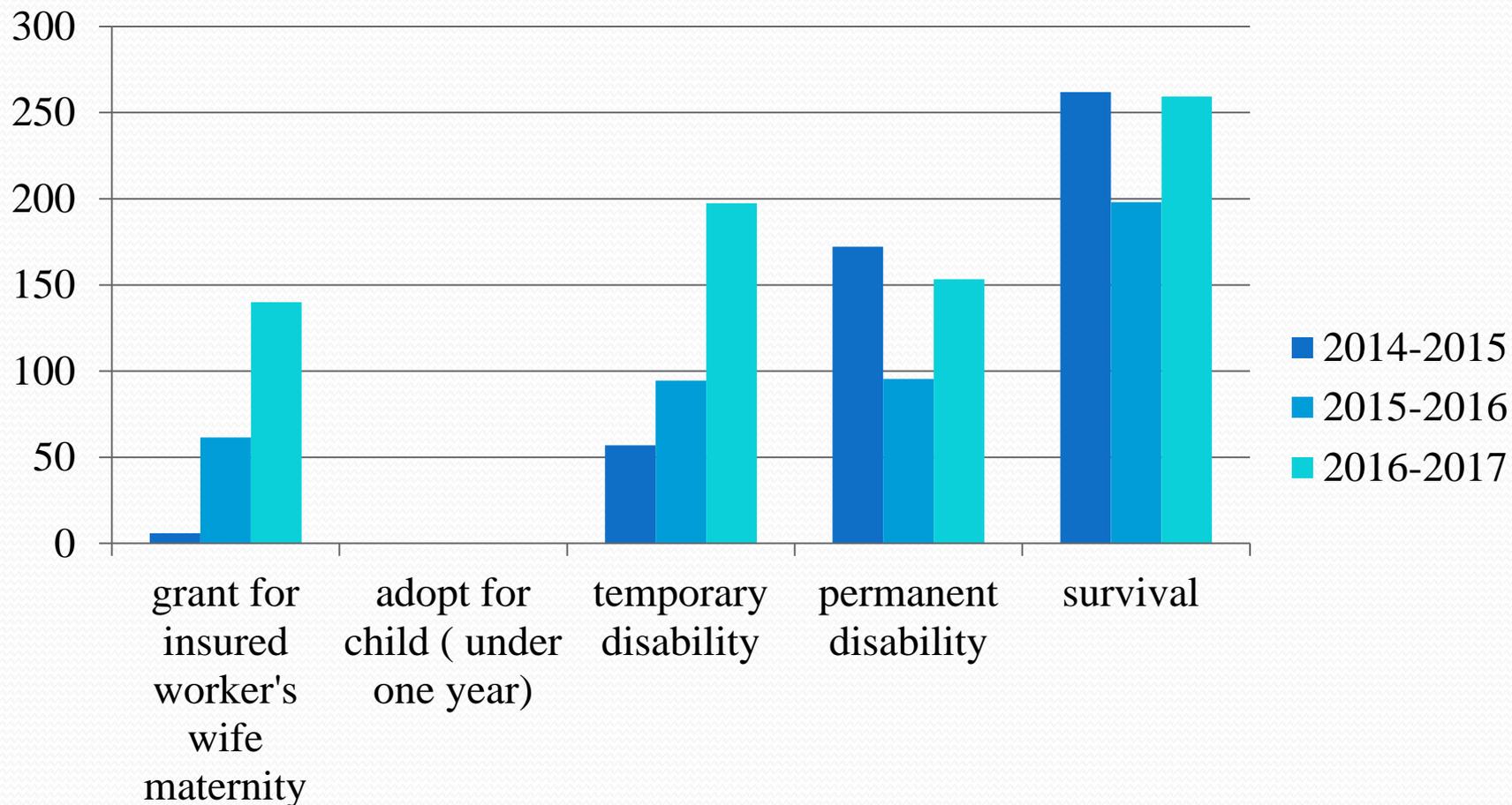


## Amount of Allowed Cash Benefit (Kyats in Million)



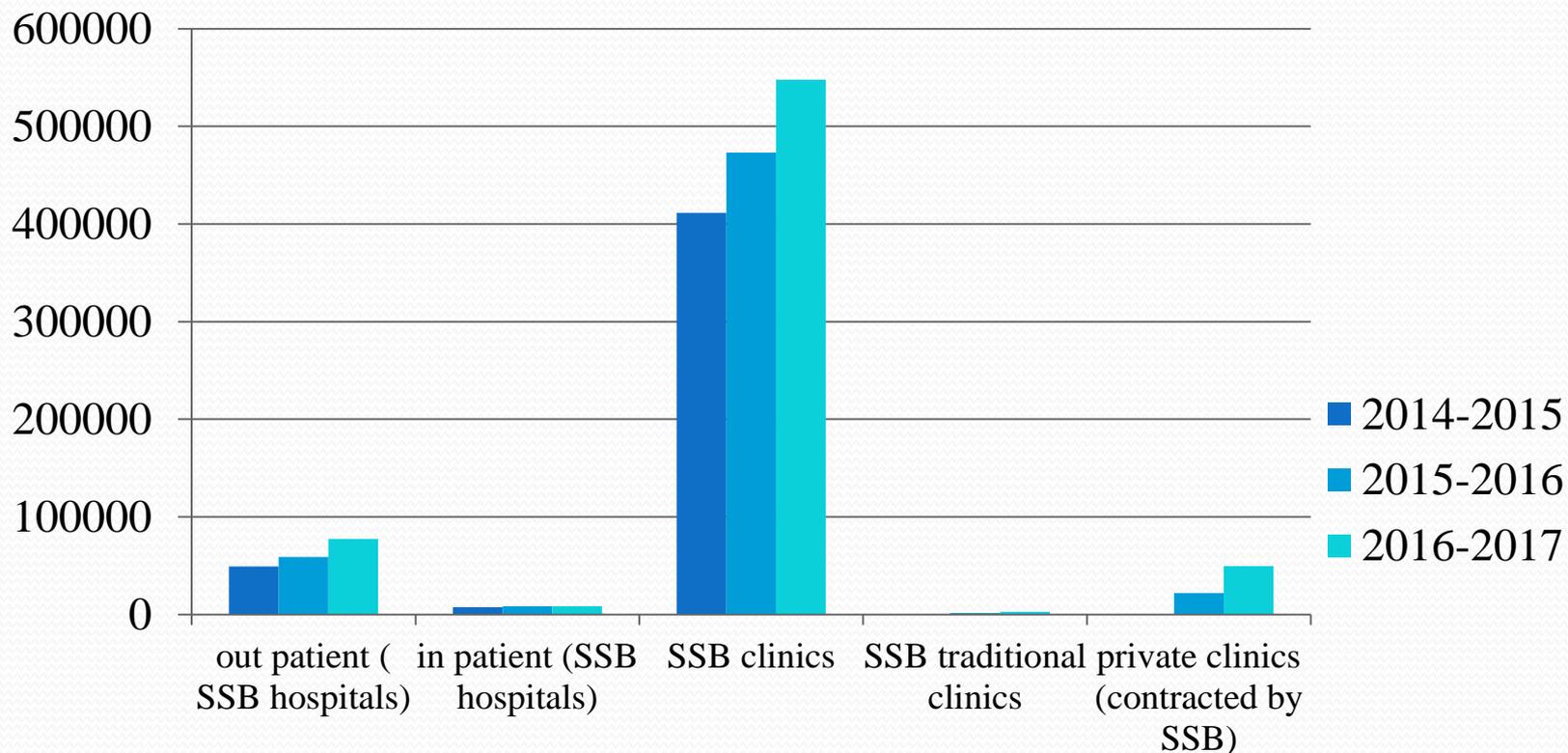


## Amount of Allowed Cash Benefit Cont: (Kyats in Million)



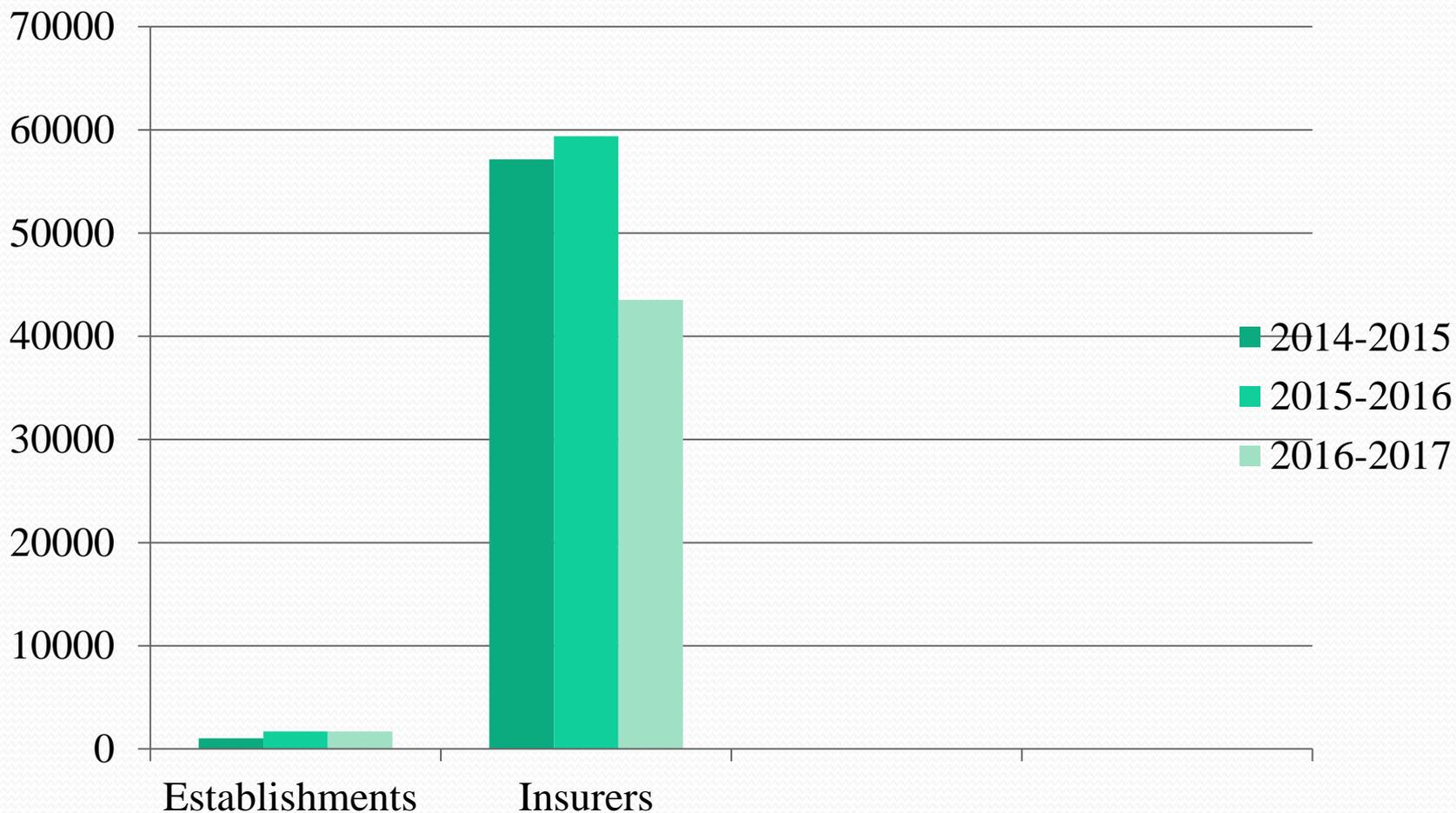


## Patients treated at SSB's hospitals and clinics



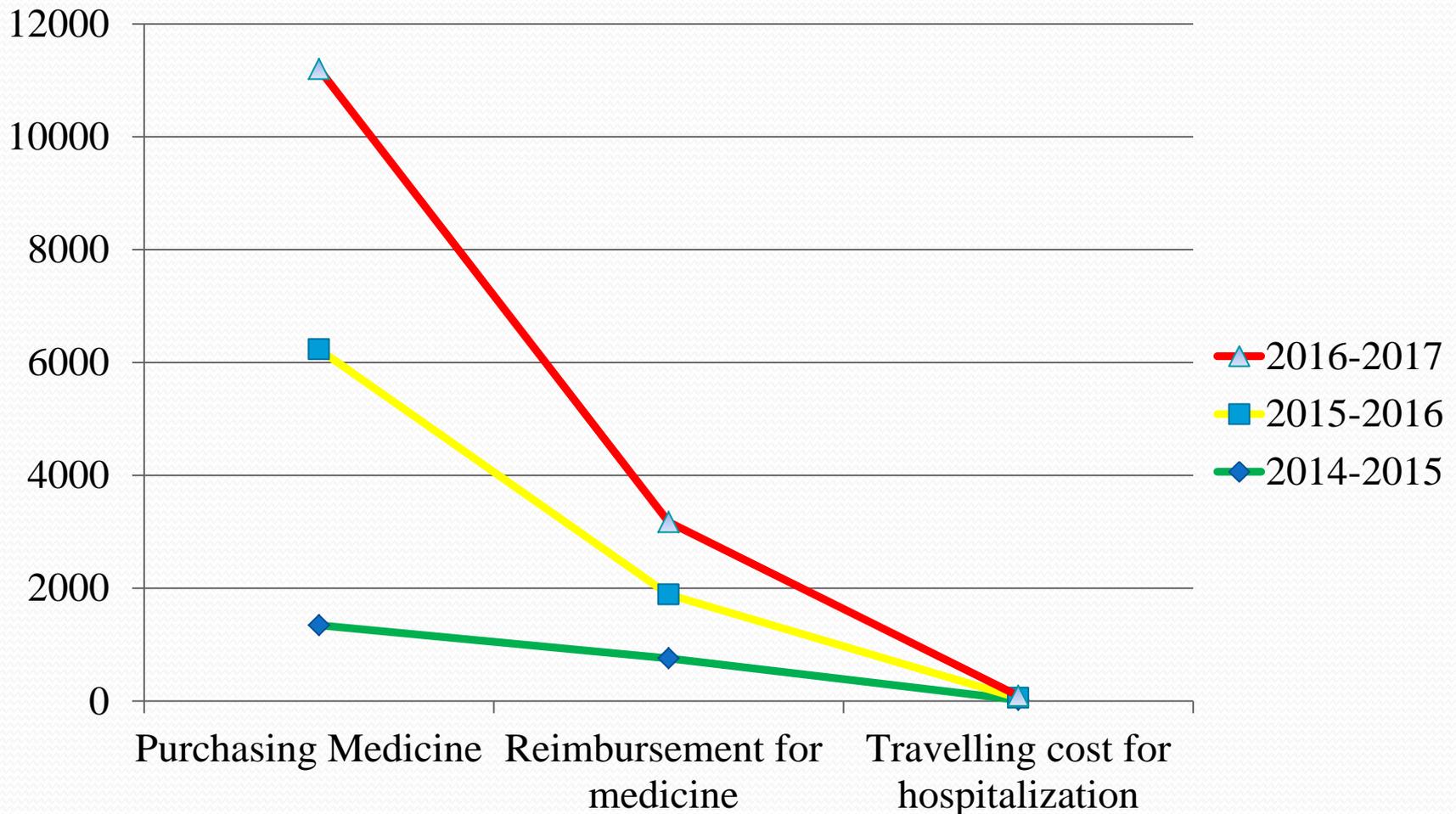


# Insurers checked up by Mobile Medical Unit





## Amount of Purchasing Medicine & Reimbursement (Kyats in Million )





# Conducting Awareness Raising

No.	Particular	2014-2015	2015-2016	2016-2017
1	No. of time	3375	2580	2528
2	Establishment	4654	2837	3478
3	Insured worker	159929	100347	175130



# Computerized System

- The Social Security Board is carrying out a **computerize system** for issuing Social Security Cards which can be read by computer to insured workers and being able **to practice e-Government system** to know easily the amount of money for cash benefits available by retired pensioners and survivors.
- Social Security Board continues to undertake for insured workers to be able to produce **smart cards which include 2D Barcode** issued **at present** as e-Smart cards which include **Micro Processor Chip** .
- e-Smart card can be used **more effectively**.



# Cooperation with International Association



In implementing the Social Security Scheme the Social Security Law, 2012 with International Standards, **SSB is collaborating with International Labour Organization (ILO).**



SSB, Myanmar is also participating as a member country in **International Social Security Association (ISSA).**



**2015**

SSB has been confirmed as **ASEAN Social Security Association (ASSA) member on 10<sup>th</sup> September**, and has joined ASSA with all-out effort.



## Part-II

# Financial Sustainment of Social Security Funds

- Financial operation system of Social Security Board
- Establishing and maintaining Funds
- Investment of Social Security Fund



# Financial operation system of Social Security Board

- Freedom to manage funds (1956-1962)
- Participated the Union Consolidated Fund Account (1962-1975)
- The State Economic Enterprises SEE Account (1975-2010)
- Heading to Autonomous Financial Management (2010-Present - day)



# Establishing Funds

**According to the Social Security Law, 2012**

**Social Security Fund** shall be established by:

- ❖ Employers' and workers' contributions
- ❖ Contributions and subsidy from the Union

Consolidated Fund granted by the Union Government

**Employment Injury Benefit Fund** shall be established by:

- ❖ Employers' contributions
- ❖ Subsidy by the Union Consolidated Fund



## Establishing Funds (Cont:)

### Other sources of SS Funds and EI Funds

- Investment income:
  - ❖ Interest from saving, deposit and loan from the Social Security Fund
  - ❖ Increased money from investments
- Defaulting fees imposed under this Law
- Money donated by well wishers from local and abroad
- Other revenues (usually marginal)



# Account of Social Security Board

## 1. The Social Security Fund

- health and social care fund;
- family assistance fund;
- invalidity benefit, superannuation benefit and survivors' benefit fund;
- unemployment benefit fund;
- Social Security Housing Plan Fund;
- other social security fund stipulated under sub-section (a) of section 15;

## 2. The Employment Injury Benefit Fund



# Increasing the Fund

According to the Social Security Rules; the amount of money not less than **60 per cent** of the saved fund shall be invested at the **State-owned bank** or at any **other bank directed by the Social Security Board as follows:**

- ❖ depositing by fixed account;
- ❖ opening savings bank account;
- ❖ buying savings certificate;
- ❖ buying Government security bond , Government treasury bond.



## Increasing the Fund(cont..)

The amount of money not more than **30 per cent** of the saved fund may be **invested** as follows:

- ❖ **investing by buying shares** of the public companies, buying **bonds**, buying **shares** from security exchange market;
- ❖ **issuing loans to the persons who have paid contribution** by specifying interest rates under the suitable terms and conditions;
- ❖ **establishing housing projects** for the insured persons;
- ❖ **carrying out other investment works**, in coordination with the relevant Ministries of the Union Government.



## Increasing the Fund(cont..)

The amount of money not more than **10 per cent** of the saved funds may be invested by establishing **owned economic enterprises.**



# Maintaining and Investing the fund

SSB has been saving the fund at the following banks;

- Myanmar Economic Bank (MEB)
- Small & Medium Industrial Development Bank (SMIDB)
- Myawaddy Bank (MWD)
- Construction & Housing Development Bank (CHDB)



## Investment of SSB (11-8-2017)

Kyats in million

No	Bank	Type	Investment Amount	Interest Rate
1	MEB	Saving Certificate	9,000.000	9%
2		Treasury Bond (2-Years)	6,710.200	8.75%
3		Fixed Deposit (1-Year)	118,857.800	9.25%
<b>Total</b>			<b>134,568.000</b>	
4	SMIDB	Fixed Deposit (1-Year)	18,447.158	10%
5	MWD	Fixed Deposit (1-Year)	11,176.103	10%
6	CHDB	Fixed Deposit (1-Year)	2,429.300	10%
<b>Grand Total</b>			<b>166,620.561</b>	



## Part-III

# Retirement Security

- Retirement Security Programs in Myanmar
- Cash Benefit for Retired Persons under Invalidity Benefit, Superannuation Benefit and Survivors' Benefit Insurance System
- Medical Treatment for Retired Persons



# Retirement Security Programs in Myanmar

No	Name of Program	Focal Ministry	Expenditure/ Financing	Benefit	Implement ing Area
1	Civil Service Pension System	Ministry of Planning and Finance	Government annual State budget	Pension benefit	Nationwide
2	Old Age Pension Program for elderly	Ministry of Social Welfare, Relief and Resettlement	Government annual State budget	Cash	Nationwide
3	Invaitidy, Superannuation and suvivor benefit insurance system	Ministry of Labour, Immigration and Population	Contribution from employer and employee (Government subsidy )	Medical treatment and cash benefit	Not yet implemented



# Number of Pensioners, Gratuity and Pension Expenditures according to the fiscal year

(Millions)

No	Fiscal Years	No of Pensioner	Pension Expenditures	Remark
1	2011-2012	546,658	136,457.230	
2	2012-2013	594,235	205,723.852	
3	2013-2014	632,220	277,462.658	
4	2014-2015	668,538	352,175.707	
5	2015-2016	691,773	558,845.825	
6	2016-2017	724,544	591,307.415	



## Social Assistance for older people by MSWRR

No	Financial year	Age group	Male	Female	Total	Cash amount (kyats)	Payment
1	2015-2016	90-100	7479	15081	22560	18000	Per person Per year
2	2016-2017	90-100	7758	15800	23558	15000	Per person Per year
3	2016-2017	100	306	817	1123	20000	Per person Per month
4	<b>2017-2018</b>	<b>90+</b>	<b>11913</b>	<b>24228</b>	<b>36141</b>	<b>10000</b>	<b>Per person Per month</b>



# Cash Benefit for Superannuation by SSB

- The age for superannuation of the insured is 60 years.
- When the insured retires for superannuation, the following benefits are entitled.

No	Period Of Contribution	Cash Benefit	Payment Method
1	paid for 180 months	15 times of an average wage of a month for the period contributed of that insured	in installment or in lump sum
2	paid for more than 180 months	the right to enjoy additional benefit contained in clause (i)	in accord with the stipulations
3	paid for 12 months and above but under 180 months	40 per cent of the contribution paid by the employer and by that insured together with interest	in accord with the stipulations
4	paid for less than 12 months	withdraw the money contributed by that insured	in lump sum



# Medical Treatment for Retired Persons by SSB

- **The insured Civil Services after retiring or the insured after receiving invalidity benefit and superannuation benefit** under sections 33 and 35 have the right to enjoy medical treatment in accord with the stipulations if it is involved with the followings:
  - I. Being a person who had paid **contribution for 180 months and above**;
  - II. Being a **holder of identity card for retirement** issued by the Township Social Security Office after retirement.



## Important project

- Thus, the social security scheme **helps reduce the social suffering on behalf of the State and the employers** in times of suffering such as **sickness, childbirth, death, workplace injuries, unemployment, old age and incapacity** with the contributions from the employers and employees together with the support from the State.
- It is an important activity in **the social protection of Myanmar** .
- It has a central role in the promotion of productivity in the country and contributes to the **improved national economic stability** through health care and social protection of workers who are the human resources.



# Challenges

- The Economic Downturn
- The Natural Disasters
- Lack of Infrastructure
- Acting both Provider and Purchaser
- Need Technical Assistance
- Need Capacity Building
- Insured population is still very small portion
- Less Awareness caused unwilling to pay contribution
- Possibly more unwilling to pay if all Schemes will enforce
- Avoid registration and reduce number of Workers
- Worker and Employer can retrieve the contribution



# Way forward

For this, the Social Security Board will need to undertake the following:

- **Upgrade the Social Security benefits** for workers already covered under social security schemes
- **Expand the Social Security schemes to cover those who are not yet covered at present** in order to upgrade the Social Security system and to improve income security and secure living conditions, contributing significantly to the poverty reduction in Myanmar
- **Establishing computerized system**
- **Implementing the strategic purchasing**



**“One for All, All for One”**



*Thank you for your  
attention.*



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