

## ASSA Recognition Award

- 1.1 The ASSA Recognition was first introduced by the Employees Provident Fund (EPF) of Malaysia in 2015. The purpose of the Award is to recognize ASSA member-institutions' achievements.
- 1.2 Following the approval of EPF's proposal on the ASSA Sustainability Pledge at the 41st ASSA Board Meeting in Manila, Philippines in November 2024, and the signing of the Pledge by member-institutions in Palawan, Philippines in March 2025, **the Government Service Insurance System (GSIS) of the Philippines, introduces a new award category on Sustainability - recognizing programs and initiatives that address climate risks, environmental stewardship, sustainable development, and long-term resilience.**
- 1.3 The new criteria and categories for the ASSA Recognition Award are as follows.

No.	Categories of Recognition	Description of the Categories
1.	Innovation Recognition Award	Creation of an innovative technology, product or service which has led to improvements in services or products.
2.	Transformation Recognition Award	A practice that has resulted in improvement in the overall effectiveness, efficiency, and success of the organisation.
3.	Customer Service Recognition Award	Organisations that have implemented successful customer service strategies which are able to meet customers' expectations in terms of delivery and quality of service.
4.	Continuous Improvement Recognition Award	Organisations that are in a never-ending effort to expose and eliminate root causes of problems. It usually involves many incremental steps towards improvements rather than one overwhelming innovation.
5.	Strategic Communication Recognition Award	Organisations that have pushed the boundaries when it comes to their communications strategy in order to ensure they truly engage with their members using various communication channels.
6.	Information Technology Recognition Award	Organisations that run their business using effective and reliable technologies that are essential to drive efficiency and productivity, and improve organisational outcomes and performance.
7.	Insurance Coverage Recognition Award	Insurance and social security schemes that have developed their proposition with a clear focus on retirement, health and meeting members' needs.
8.	Financial Literacy Recognition Award	Organisations that have introduced and provide advisory services on financial literacy and retirement planning to address issues on adequacy of members' savings for retirement.
9.	Investment Governance Recognition Award	Organisations that have reflected specific issues relating to the management of funds of social security institutions' objectives, ranging from the investment of benefits provided and also addressing issues on the adequacy of the fund.
10.	Sustainability Recognition Award	Initiatives that promote environmental protection and stewardship, sustainable development, climate resilience, green transformation in social security operations, programs, value-chains, and resource allocation and deployment.

1.4 The write-up should include the following:

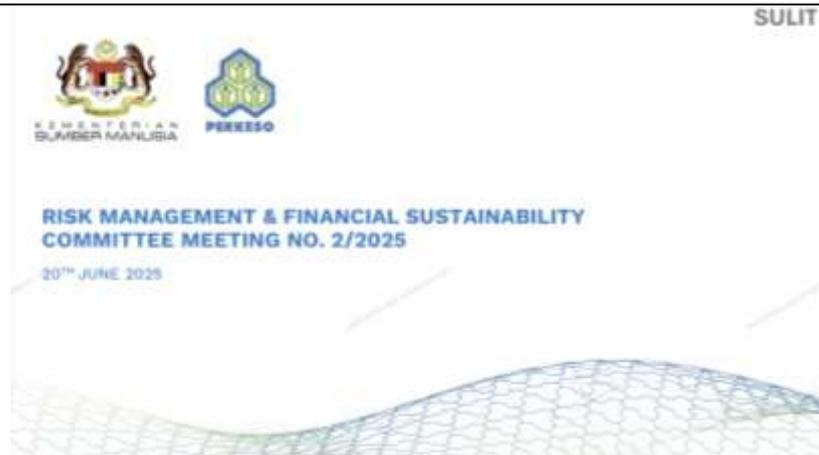
## WRITE UP TEMPLATE

<b>CATEGORY</b>	:	Continuous Improvement Recognition Award
<b>ORGANISATION</b>	:	Pertubuhan Keselamatan Sosial (PERKESO), Malaysia
<b>CONTACT PERSON</b>	:	
<b>NAME OF PROJECT</b>	:	Data-Driven Governance for Sustainable Social Protection
<b>OBJECTIVE AND NATURE OF PROJECT</b>	:	<p>The project aims to strengthen the sustainability of PERKESO's social protection schemes through a structured, data-driven governance mechanism. Implemented through the Risk Management and Financial Sustainability Committee (RMFSC), it focuses on continuously improving how operational and financial issues are detected, analysed, and resolved to support more effective scheme management.</p> <p>The RMFSC serves as a formal platform for ongoing review and refinement, where actuarial and statistical insights are translated into incremental yet meaningful enhancements to systems, processes, and policies. This governance approach promotes collaboration, accountability, and evidence-based decision-making, ensuring that improvements are sustained and embedded across PERKESO's operations.</p>
<b>WHY IT SHOULD BE RECOGNISED</b>	:	<p>The RMFSC demonstrates a practical and forward-looking model of continuous improvement in governance, where operational and financial challenges are consistently reviewed, analysed, and translated into measurable, sustainable solutions.</p> <p>Key strengths include:</p> <ul style="list-style-type: none"> <li>• <b>Structured Problem-Solving:</b> Each issue discussed at RMFSC is supported by actuarial and statistical analysis to identify areas for improvement in scheme performance, data accuracy, and policy effectiveness. This ensures every action taken is evidence-based and targeted.</li> <li>• <b>Evidence-Based Decision-Making:</b> The Committee provides a formal platform for management to review findings and convert them into actionable, system-level enhancements. Recommendations are data-supported, collectively deliberated, and followed up through structured monitoring.</li> <li>• <b>Cross-Divisional Collaboration:</b> The RMFSC process promotes better communication, alignment, and accountability across key divisions — including Contributions, IT, Enforcement, and Policy &amp; Strategy — encouraging shared ownership of outcomes and steady progress tracking.</li> <li>• <b>Sustained and Replicable Impact:</b> Beyond solving individual issues, the RMFSC has established an ongoing process of organisational learning that integrates analysis, governance, and implementation. This model is adaptable and can be applied across other areas of PERKESO to strengthen long-term sustainability and service delivery.</li> </ul>

<p><b>SUMMARY OF THE PROJECT</b></p>	<p>The Risk Management and Financial Sustainability Committee (RMFSC) was established in 2020 to enhance management’s understanding and oversight of PERKESO’s financial sustainability. Its scope was further expanded in 2022 with the integration of risk management functions, aligning complementary areas to support a more holistic and data-driven governance approach.</p> <p>Through this governance platform, key actuarial and statistical findings are regularly escalated to management, enabling targeted interventions and fostering a culture of continuous improvement across systems, operations, and policy delivery.</p> <p>Notable findings that have been escalated and acted upon with measurable impact include:</p> <ol style="list-style-type: none"> <li>1. Improving Data Accuracy for ‘Causes of Invalidity’ in the Benefits System <ul style="list-style-type: none"> <li>• <b>Problem Identified:</b> Inaccurate entries for ‘Causes of Invalidity’ in the benefits system led to distorted reporting of Non-Communicable Disease (NCD) trends, with a significant portion of cases being misclassified. This affected the accuracy of analysis used for monitoring health trends and informing policy and actuarial assessments.</li> <li>• <b>Action Taken:</b> The team implemented targeted system enhancements, including a pre-fill feature with full code descriptions and an updated reference list with clearer, standardized disease classifications. An official reminder was also issued to officers to reinforce the importance of accurate coding during case registration.</li> <li>• <b>Impact:</b> Strengthened data integrity and reporting accuracy for invalidity causes, resulting in more reliable insights to support evidence-based policymaking, strategic planning, and actuarial projections.</li> </ul> </li> <li>2. Inaccurate Scheme Coverage Reporting <ul style="list-style-type: none"> <li>• <b>Problem Identified:</b> Inaccurate coverage reporting for the unemployment protection scheme, which arose from system limitations requiring employers to manually register eligible contributors separately. Although both schemes are intended to cover formal sector workers, the additional manual step led to incomplete registration under the unemployment protection scheme. Employers viewed the process as duplicative and unnecessary, as contribution payments could still be made without completing registration.</li> <li>• <b>Action Taken:</b> The RMFSC deliberated and agreed on the proposal to raise a Change Request aimed at automating the registration of eligible contributors under the unemployment protection scheme. The enhancement seeks to streamline registration processes, eliminate dependency on manual employer action, and ensure that</li> </ul> </li> </ol>

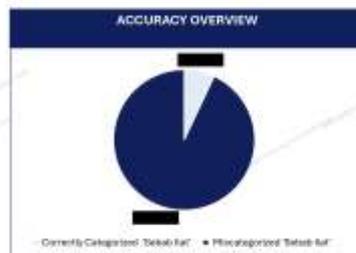
	<p>contributor data between both schemes is automatically synchronized. The RMFSC also mandated regular follow-up reporting to monitor progress, verify the effectiveness of the change, and prevent future discrepancies.</p> <ul style="list-style-type: none"> <li>• <b>Impact:</b> Improved accuracy and alignment of contributor coverage data between schemes, enabling more reliable reporting, better monitoring of compliance, and enhanced coordination between schemes.</li> </ul> <p>3. Strengthening Contributor–Recipient Balance for Voluntary Protection Schemes (<i>Schemes providing social security coverage for self-employed persons and housewives</i>)</p> <ul style="list-style-type: none"> <li>• <b>Problem Identified:</b> The increasing number of benefit recipients relative to active contributors in voluntary protection schemes posed a potential sustainability concern, as the number of contributors required to support the lifetime value of new awards continued to rise.</li> <li>• <b>Action Taken:</b> The RMFSC deliberated on the issue and instructed the Office Operational Division to develop and implement targeted marketing and partnership initiatives aimed at increasing registrations among younger and active contributors. These efforts included leveraging agent networks and outreach programmes to promote early participation and strengthen the contributor base.</li> <li>• <b>Impact:</b> Improved long-term scheme sustainability through a healthier contributor–recipient balance, supported by early sign-ups and broader engagement across key contributor segments.</li> </ul> <p>4. Improving Renewal Rates for Voluntary Scheme (<i>Schemes providing social security coverage for self-employed persons</i>)</p> <ul style="list-style-type: none"> <li>• <b>Problem Identified:</b> Renewal and retention rates for voluntary protection schemes under the self-employment coverage were observed to be lower than desirable, which could affect long-term sustainability if left unaddressed. The trend is highly influenced by how participation among contributors is targeted and by the level of dependency on government contribution subsidies, underscoring the need for more effective engagement strategies and balanced subsidy utilisation.</li> <li>• <b>Action Taken:</b> The RMFSC deliberated on the issue and agreed on a revised performance framework that separates targets for renewals and new self-employed contributors, rather than assessing performance solely through overall effective coverage of active contributors. This discussion was raised in the context of proposing continued government subsidies under Malaysia’s National Budget 2026 (Belanjawan 2026) and was positively received, culminating in the introduction of a revised matching contribution ratio to support both new registrations and renewals.</li> <li>• <b>Impact:</b> Expected to increase new registrations, improve renewal consistency, and strengthen the scheme’s long-term sustainability through clearer performance targeting, broader participation, and more efficient utilisation of government subsidies.</li> </ul>
--	---

PHOTOS/  
IMAGES OF  
THE PROJECT,  
WHEN  
POSSIBLE



ACCURACY OF 'SEBAB ILAT' OVERVIEW

SULIT

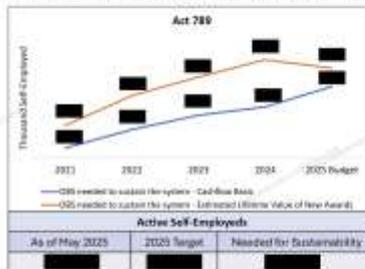


- [Redacted] 'sebab ilat' entries in SIKAP are miscategorized
- 'Other Violence' is often used as a catch-all category, with [Redacted] these cases later verified as NCD.
- [Redacted] total paid cases are miscategorized as non-NCD in SIKAP.

CONTRIBUTOR TO SUSTAIN THE SCHEME AND RECIPIENT

SULIT

• In RMFSC No. 2/ 2024, the Chairman requested BASP to look into the minimum number of contributors to sustain Act 709 and Act 838.



- Current OBS and Housewives levels exceed sustainability threshold but still fall short of 2025 target.
- The number of OBS and Housewives needed to sustain the lifetime value of new awards continues to rise, reflecting accelerated scheme expansion and growth in annual benefit recipients.

• The number of contributors needed is calculated based on the basis that benefit expenses are fully funded by contributors collected within the same year.

CONTRIBUTION BEHAVIOUR BY COHORT



Renewal rate (%) =  $\frac{\text{Count of renewal in year}}{\text{Size of cohort in year 0}}$

Cohort	Cases Type	Count	Table 1. 1 <sup>st</sup> Year Renewal		Total Renewal Rate
			Subsidised	Non-subsidised	
			Count	Renewal Rate	
2021	Renewal	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	Subsidy	[Redacted]	[Redacted]	[Redacted]	
2022	Renewal	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	Subsidy	[Redacted]	[Redacted]	[Redacted]	
2023	Renewal	[Redacted]	[Redacted]	[Redacted]	[Redacted]
	Subsidy	[Redacted]	[Redacted]	[Redacted]	
Total		[Redacted]	[Redacted]	[Redacted]	[Redacted]

- 1 Fewer New OBS: Declining new OBS suggests focus has shifted to renewals.
- 2 Lower Subsidy Conversions: Fewer normal OBS are converting to subsidised.
- 3 Strong Renewal Without Subsidy: Non-subsidised OBS tend to renew reliably.

