



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

Presented by:

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# 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)”**

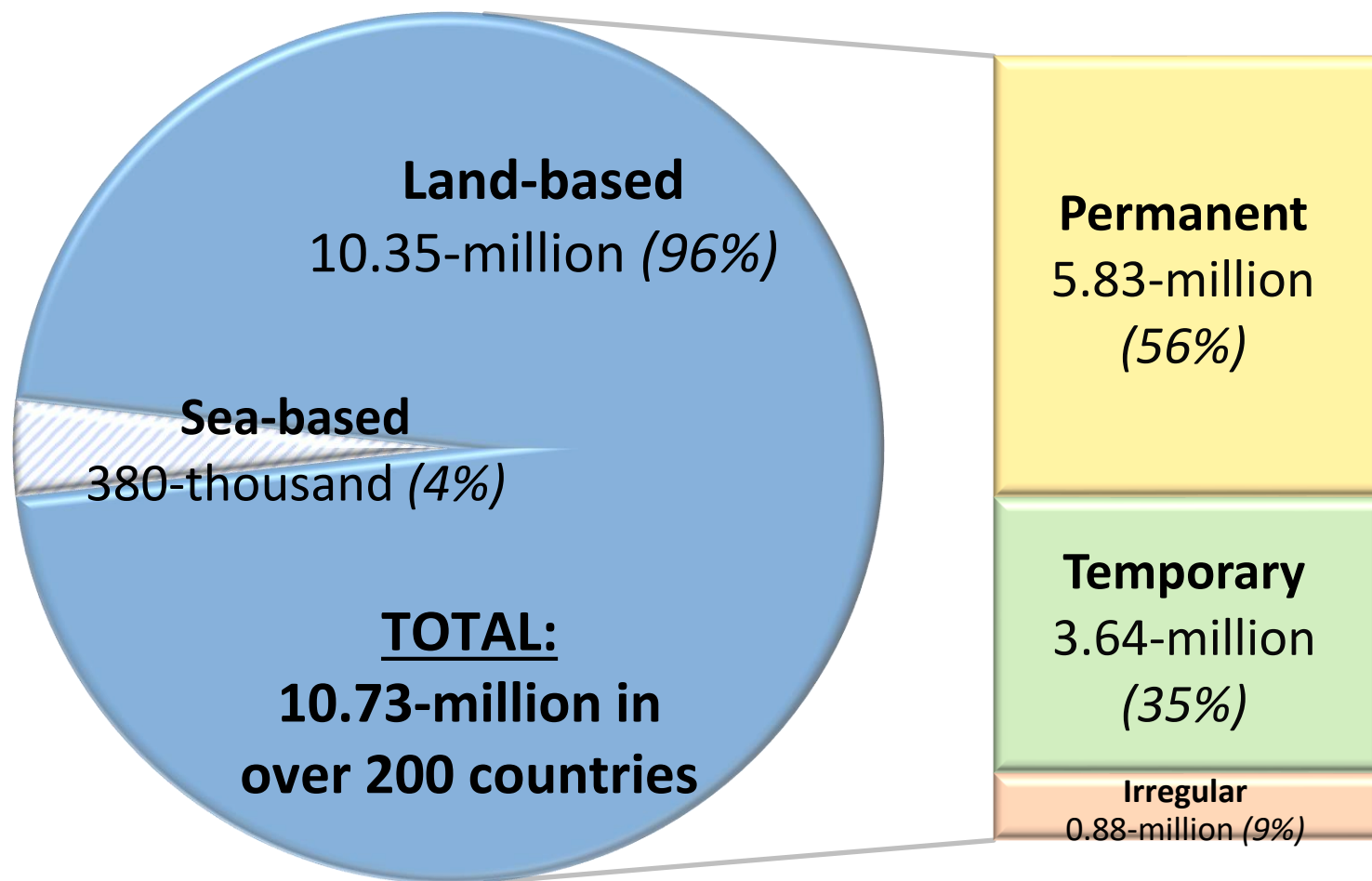
# 1. PHL LABOR MIGRATION: STATISTICS & RESPONSES



Responding to the Times through  
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# State of PHL Labor Migration

## Stock Estimate of Overseas Filipinos



**PHL as 8<sup>th</sup> top sending  
country with largest  
migrant population &  
4<sup>th</sup> 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

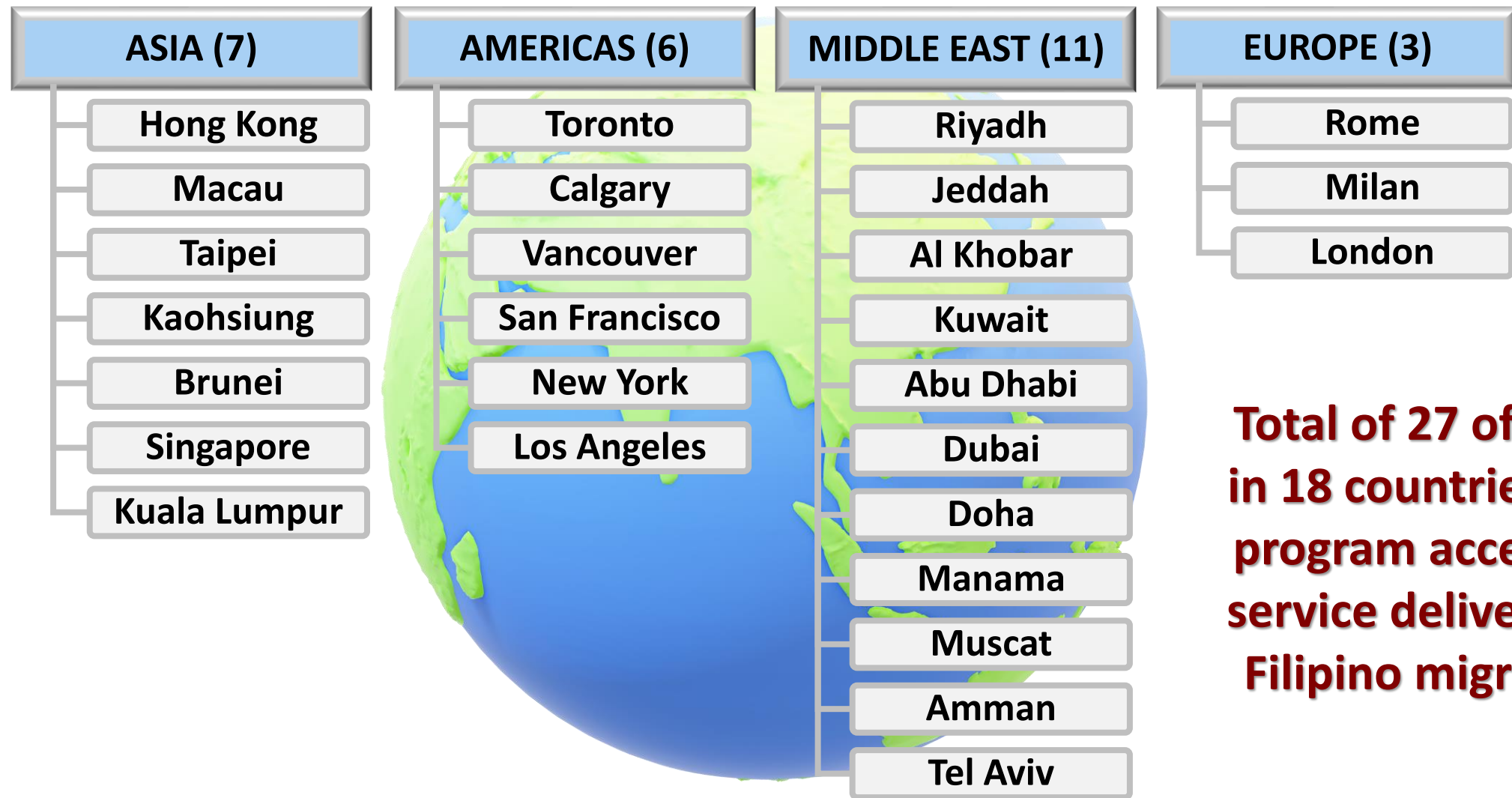


**All benefit provisions under the new law applicable to OFWs**, subject to qualifying conditions

- 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



Dedicated contact unit (OFW-CSS)



Social media presence



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



Accredited overseas e-payment centers



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

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## External factors

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

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

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

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

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# Status of PH Bilateral SSAs



## In-force agreements (effectivity date): 14

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

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



**End of Presentation. Thank you.**