

Improving contribution payment channel for voluntary insured persons

**National Social Security Fund (NSSF)
Lao P.D.R**

Outline

- ▶ Overview and background information
- ▶ Past practices
- ▶ Purpose and development output
- ▶ Introducing the system
- ▶ Future direction

Overview:

▶ Targeted members

- Former insured persons from formal sector
- Self-employed
- General volunteer

▶ Membership Condition

- Lao citizen
- Age between 18-60 years
- Healthy be able to enroll in labour market

Background info.

- ▶ Starting date: 1st Oct 2014.
- ▶ Membership procedure: individual person shall have to make a contract with NSSF
 - Duration of contract: 1 year then renewable
- ▶ Voluntary membership figures: 17.257 persons
 - Insured person: 7.359 persons
 - Spouses: 5.018 persons
 - Children: 4.880 persons

Contributions rate and Allocation

- ▶ Contribution rate: 9% of selected insurable earnings (min. wage to cont. ceiling)
 - Fully borne by a voluntary insured person
- ▶ Contribution allocation
 - Health Insurance 1.5%
 - Short term benefit 2.5%
 - Long term benefit 5%

Benefit package

1. Health Insurance
2. Maternity benefit
3. Sickness benefit
4. Death grant
5. Pension benefit
6. Invalidity benefit
7. Survivor's pension

short term benefits

Long term benefits

Qualifying conditions and benefit provisions

- ▶ Health insurance: at least 3 months of cont. covering health treatment including OP, IP and ER cases
- ▶ Sickness: at least 3 months of cont. receiving 70% of insurable earning for the first 6 months and 60% for the last 6 months
- ▶ Maternity: at least 6 months of cont. receiving 80% of insurable earning for 3.5 months
- ▶ Death grant: at least 3 months of cont. will receive funeral and family grant which equal to 17 months of insurable earning as started point and plus 1 month for every 2 years of contributions.

Qualifying ...

- ▶ Old age pension: 15 years or 180 months of cont. reach the age of 55 years for female and 60 for male. The calculation is based on pension points multiply by total average wage of all insured persons and times index 2%
- ▶ Invalidity pension: 1 year or 12 months of cont. benefit calculation is based on the level of disability multiplied by their own insurable earnings. If the level of disability is less than 40% will receive lump sum.
- ▶ Survivor pension: 5 years or 60 months of cont. paid to widow/er equal to 30% of insurable earnings and 20% for each child under 18 years of age.

Past practice

- ▶ Selected insurable earnings: currently between 1.1 mil. to 4.5 mil. Kip
- ▶ Signed contract with NSSF
- ▶ Contribution Payment
 - only pays in advance at NSSF counter
 - pays monthly or 3 months forward with no entitlement on the forwarded payment
- The contract shall be invalid when enrolling in the formal sector while insurance periods shall be accumulated for further benefit entitlement.

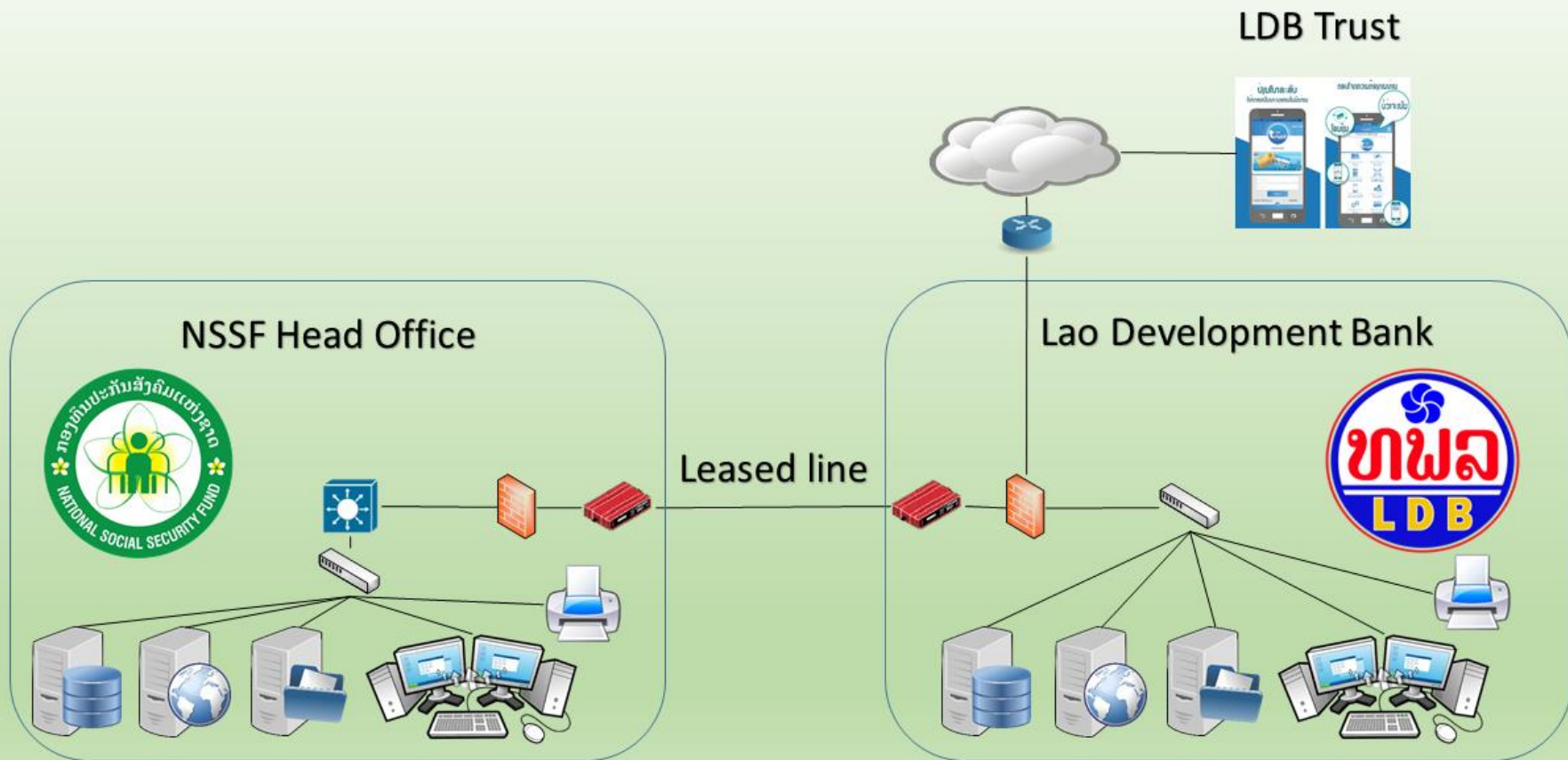
Purpose and development

- ▶ Purpose: to facilitate the voluntary payment and to expand services in areas where no NSSF premises.
- ▶ Using outsourcing to collect contributions and pay benefits.
- ▶ Receive cashless within NSSF premises
- ▶ Development cooperation: joined development among Lao Development Bank (LDB) and NSSF
- ▶ Payment via LDB trust, LDB on Bank and Auto debit.

Outputs of the development

- ▶ Contribution can be made via mobile banking application, ATM, Electronic Data Capture Machines and counter of the bank and payment by cash at NSSF counter is acceptable.
- ▶ This kind of payment facility marks the first outsourcing service in collecting contribution of social security fund in Laos
- ▶ It offers the insured persons, particularly voluntary insured persons more accessible and efficient options for their contribution payment.

Data Support



Payment Channel



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LDB LAO DEVELOPMENT BANK

ທຳວຍ

Trust LDB

Trust Pay

Mobile Pay

Create QR

History

Trust Anywhere Anytime

Available on:  

The advertisement features a central smartphone displaying the LDB Trust logo. Surrounding the phone are various icons representing different services and payment methods, including QR codes, mobile payments, history, and various financial and utility services. The background is a light gray with a subtle pattern of radiating lines and decorative elements like flowers and birds.

Introducing new services

- ▶ Launched on 11th April 2018
- ▶ NSSF sorts individual data for LDB
- ▶ Once the customer paying contribution through LDB services, notification is sent to NSSF
- ▶ NSSF records contribution info. to data base.

System campaign

- ▶ Awareness Seminar which emphasize on the importance of the new services
- ▶ Campaign on public media like Facebook
- ▶ Newspaper
- ▶ Bill board
- ▶ Poster
- ▶ Brochure
- ▶ Radio

Achievements

- ▶ More efficient and convenient for payment
- ▶ Contribution payment become more cashless and improve transparency
- ▶ Reduce the amount of insured persons who come and pay at NSSF counter
- ▶ Quick, safe time and free for service

Future Direction

- ▶ NSSF and LDB consider the integration of NSSF membership cards with ATM cards
- ▶ Develop more efficient for contribution payment of private sector
- ▶ More cooperation to develop in other areas

Thank you

Khawp jai

