



# ASSA NEWS

## August 2002 Volume 6

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### From the Chairman's Desk

Realizing the importance of technical cooperation and friendship, every member of ASEAN Social Security Association (ASSA) attended the 9<sup>th</sup> ASSA Board Meeting in Cebu, Philippines from 21-23 March 2002.

On behalf of the ASSA Board I would like to express my sincere thanks and gratitude to Attorney Wisconsin R. Garcia, President and General Manager of the Government Service Insurance System (GSIS) and Ms. Corazon de la Pao, President and CEO of the Social Security System (SSS) for jointly hosted the 9<sup>th</sup> ASSA Board Meeting in a very beautiful scenic Mactan Island of Cebu.

I very much impress the warmest welcome and wonderful hospitality from our Filipino friends. I also appreciate the spirit of close cooperation among all delegates. Permit me once again to express my sincere thanks to all Board Members and participants who attended the Meeting. I wish to see you all in Ho Chi Minh, Vietnam and new steps of cooperation development in the region would be generated through the activities of the Association.

This Volume 6 of the ASSA News presents the highlights of the 9<sup>th</sup> ASSA Board Meeting. Other topics are the latest movement about the social security development and technical cooperation in ASSA member countries.



Mr. Pablo Garcia Governor of Cebu Province, Philippines greets with Mr. Somchai Wattana, ASSA Chairman on the occasion of presiding over the opening ceremony of the 10th Board Meeting of the Association, 21 March 2002.



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## Highlights of the 9th ASSA Board Meeting held in Cebu, Philippines

The Philippine Government Service Insurance System (GSIS) and the Social Security System (SSS) hosted the 9<sup>th</sup> Board Meeting of the ASEAN Social Security Association (ASSA) in Mactan Island of Cebu Province, Philippines from 21-23 August 2012. With the attendance of 10 Board Members, 20 delegates, and 7 observers. From some institutions inside the region, it made the Meeting an interesting one.

In the opening speech, Mr. Pablo Ceballos, Governor of Cebu Province stressed on the potential of the Province in having an auspicious opportunity to welcome a very special friend guests from the Board Members and other delegates to the economically potential province, and extended his wish to them to have a very pleasant stay in the islands.



In the Board Meeting, Mr. Samchai Wanich, Secretary General of Thailand Social Security Office (SSO) and ASSA Chairman, permitted Mrs. Jiraporn Kesornnuntjarit, Secretary General of the ASSA, to report about the ASSA's members' secretariat Meeting in Phuket last December 2011. It was proposed and agreed that the new theme for 'Good Practices' section of the ASSA web site is 'Customer-focused Service Delivery'. The aim of the theme is to share experiences of fulfilling quality social security service delivery to clients of each respective member institution.



## **PRESENTATION OF NEW ARTICLES**

In the presentation of new articles in the website, the Central Provident Fund Board(CPF) of Singapore provided a brief update on the website and an overview of the articles under Good Practices. Six articles were presented by the members' representatives:

1. 'Decentralization of Processing and Payments of All Long-term Benefits' by the Social Security Organization of Malaysia.
2. 'Enforcement Action Against Defaulting Employers' by the Employees Provident Fund of Malaysia.
3. 'Commitment to Members: Providing sustainable, adequate and responsive social security protection' by the Government Service Insurance System of the Philippines.
4. 'Covenant of Service Program' by the Social Security System of the Philippines.
5. 'CPF Saving Projector' by the Central Provident Fund Board of Singapore.
6. 'Results-Based Management System' by the Social Security Office of Thailand.

## **ADMISSION OF NEW ASSA MEMBERSHIP**

The Board was informed that the Philippine Health Insurance Corporation intended to join membership of the Association. The discussion was then made referring to the provision of the Memorandum of Agreement of which its number of member institutions from a Member Country was not limited. However, only one collective vote was provided for one country. The board then agreed to include the application of ASSA membership of the Philippine Health Insurance Corporation as soon as the ASSA Secretariat receives said application.

## **Development of Social Security in ASEAN**

### **THE EPF LAUNCHES ITS SOCIAL SECURITY TRAINING INSTITUTE (ESSET)**

The Employees Provident Fund, Malaysia officially opened its Social Security Training Institute(ESSET) on 15 January 2002. The opening ceremony of the institute was graced by the Deputy Minister of Finance Dato' Dr. Hj. Shafie bin Hj. Mohd. Afdal. In his speech the Minister pointed out that the setting up of the Training Institute further underscores the importance of EPF as a national social security organization. Prior to that in his welcome speech, the EPF Board Chairman, Tan Sri Abdul Halim Ali, described the decision to establish the institute as a farsighted one.

The EPF Social Security Training Institute (ESSET) is situated in Bangi, 40 km outside Kuala Lumpur. The site was strategically chosen within the location of premier University town, training and the Multimedia Super Corridor (MSC).

ESSET's offers a variety of courses in the area of social security. The main objective is to equip course participants with a broad understanding of social security management including the financing of Social Security System. It also offers courses on subjects ranging from Finance for the Non-Finance Executive to Capital Markets & Financial Instruments for the country's financial community.

Lecturers and tutors are drawn from leading global institutions that have a wealth of experience and knowledge to impart fresh from unfolding events on the international arena. Courses are conducted by the International Social Security Association (ISSA), the International Labour Organisation (ILO), Social Security Organisation (SOCSO) and the Malaysian Institute of Accountancy; as well as by academicians from the National University of Singapore, University Malaya, University Technology MARA and the National University of Malaysia.

ESSET is equipped with modern facilities and amenities. It comprises an administrative block, a multipurpose hall, hostel apartments, cafeteria, surau, gymnasium and squash courts. User-friendly features for the handicapped have not been forgotten.

Training facilities and amenities include seminar rooms, classrooms and discussion rooms of varying sizes, and can seat up to between 35-150 participants at a time. A moot court facility covers the need for training as well as for arbitration sessions.



## **EMPLOYERS CAN NOW PAY THEIR EPF CONTRIBUTIONS VIA THE INTERNET AT THE TOUCH OF THEIR FINGERTIPS**

The Employees Provident Fund (EPF) of Malaysia has introduced a new facility whereby employers can make their monthly contributions via the Internet. Effective 16 April 2002, this new on-line service which was introduced in cooperation with a local bank will allow employers to use their E-Payroll services to manage their employees' EPF payment in a fast and more efficient manner.

Employers will have to open a bank account with the appointed local bank and apply to utilize this new service. Applications will be forwarded by the bank to the EPF for authentication. Once approved by the EPF, employers will be notified by the appointed bank. The bank will provide employers the authentication certificate in the form of a smart card.

This service will also be a convenient way to pay contributions and save employers the hassle of travelling, queuing and time. This online payment service will also reduce EPF's problem of employers contributing less than the stipulated amount in their payment schedules. This initiative is part of the EPF's plans to provide more services and conduct business on the Internet.



## **EMPLOYEES PROVIDENT FUND, MALAYSIA INCREASES EMPLOYEES' CONTRIBUTION RATE**

Effective 1 April 2002, the employees' share of contributions to the Employees Provident Fund has been increased from 9 percent to 11 percent. The employers' share of contributions remains at 12 percent. With this increase, the total contribution payable is 23 percent of the employee's monthly wages.

### **Country News**

#### **EPF PLAYS HOST TO ISSA'S 18<sup>TH</sup> REGIONAL TRAINING COURSE FOR ASIA AND THE PACIFIC.**

The Employees Provident Fund, Malaysia in collaboration with the international Social Security Association (ISSA) organized the ISSA's 18<sup>th</sup> Regional Training Course for Asia and the Pacific between 21-23 January 2002 at its Social Security Training Institute (ESSET) in Bangi, Selangor. The Employees Provident Fund Board Chairman, Tan Sri Abdul Halim Ali declared open the Training Course.

The 10-day Course was attended by a total of 60 participants from 12 countries namely, Bahrain, Japan, Korea, Saudi Arabia, Qatar, India, Oman, Indonesia, Fiji, Iran, the Philippines, Thailand, West Samoa and Malaysia. Among the topics covered during the 10-day Training Course were: Extension of Coverage, Principles of Social Security, Financing of Social Security, Maintenance of Records, Collection of Contributions, Compliance and Enforcement, Trends and Developments of Social Security and Settlement of Claims.

The objective of the Training Course was to enhance participants' technical and strategic skills of managing and administering Social Security Schemes so as to keep pace with changing customer needs and expectation.

At the opening of the Course, the EPF Board Chairman, Tan Sri Abdul Halim Ali, pointed out that the rapid pace of development and globalization had resulted in the emergence of new challenges and therefore reform alternatives had to be undertaken in order to improve social security system. Further, he emphasized the urgent need to integrate different areas of social policies such as pensions, healthcare, labour market, families and training with economic policies in order to provide retirees adequate protection in retirement.

Among the papers presented at the Course were 'Financing of Social Security' by Ms. Anne Drouin, a Social Security expert and Team Discipline Advisor for East Asia of ILO; 'Development of Social Security' by Ms. Nayantara Pathmaraja Banna, Senior Manager of Organizing Program, ISSA Secretariat; 'Online Service Delivery' by Ms. Rusma Ibrahim, Deputy CEO of EPF; and 'Investment of Social Security Funds' by Dr. Roslan A. Ghaffar of EPF.



## **SOCIAL SECURITY OFFICE (SSO) OF THAILAND VISITS EMPLOYEES PROVIDENT FUND (EPF), MALAYSIA**

10 Senior Officers from the Social Security Office (SSO) Thailand visited the Employees Provident Fund (EPF) of Malaysia for a 2-day study visit on the 2<sup>nd</sup> to 3<sup>rd</sup> of April 2002 in Kuala Lumpur. The purpose of this study visit was to enable the officers from the SSO to learn about the structure and management of the EPF. Mr. Suwunai Wattatham, Director of Personnel Division, Ministry of Labour and Social Welfare, Thailand Who headed the delegation in his opening remarks informed of his government's decision to make SSO an autonomous body in October 2002. In this context, the SSO felt that the EPF experience as a statutory body would be appropriate and useful to the SSO management.

During the visit members of the delegation were briefed by the various Division Heads on the structure, functions and responsibilities of the Human Resources Management Department, Finance Department and the Internal Audit Department. The Delegation paid a courtesy call to Mr. Azlan Zainol, Chief Executive Officer of EPF. The delegation also visited the Human Resource Management Department to get a first-hand experience on the day-to-day operations there.



## **EPF'S VISIT TO CPF BOARD**

EPF, led by its CEO, Mr. Azlan Zainol, visited CPF Board on 7<sup>th</sup> May 2002 to exchange ideas on social security development. This is part of the ASSA spirit of co-operation and friendship.

The visit took the form of informal sharing and discussions on social security issues, such as membership coverage, adequacy of retirement benefits, financial management, delivery of employer and member services. Both sides learned much from the discussions.

In the afternoon, the EPF visitors were given a tour of the CPF Board's branch office at Bishan. They also visited the CPF Gallery there. The Gallery traces the CPF Board's development and achievements since 1955. It also shows the Board's present role in helping CPF members save for old age and its vision for the 21<sup>st</sup> Century.



## **CPF BOARD'S HEALTHY LIFESTYLE PROGRAMME**

Believing that a healthy staff is a happy and more productive staff, the CPF Board had since 1992, implemented a Healthy Lifestyle Programme for its staff. Through this programme, the CPF staff learns about healthy lifestyle and encouraged to adopt it.

The staff has a wide choice of activities to participate in e.g. talks, seminars, games, physical exercises, sports and recreation, etc. These activities are easily accessible to staff. Some of the activities are also extended to the staff's family members. In addition, we organize or conduct the Sports-for-Life Walk, Healthy Lifestyle Survey and Health Screening Exercise.

A number of incentives have been introduced to encourage the staff to adopt a healthy lifestyle. They include granting staff time-off to enable them to participate in healthy lifestyle and community service activities and rewarding them through the CPF Health Scorecard –*staff can earn points for participating in healthy lifestyle activities and exchange them for health food or health vouchers.* Staff can also motivate themselves to stay fit and healthy by recording their exercise activities in the electronic Life Scoreboard.

We have also created a work environment that helps support and reinforce healthy living. Regular assessment of indoor air quality is carried out and office ergonomics applied. The staff is advised on how to reduce the spread of airborne disease in the office and how to eat healthily. Our cafeteria operators are urged to provide healthy food for our people and health food charts are displayed at the cafeteria. Healthy catering policy is also adopted to provide healthy refreshments at staff functions.

Because of its comprehensive healthy lifestyle programme and its active involvement in promoting health activities, CPF Board has been recognized and awarded the following by the Ministry of Health and the Singapore Sports Council -



Year	Award
1999	- Singapore HEALTH Silver Award ( <i>H.E.A.L.T.H. stands for Helping Employees Achieve Life-Time Health</i> )
2000	- Singapore HEALTH Silver Award - Sport Ace Certificate Commendation
2001	- Singapore HEALTH Gold Award - Sports Ace Award

## **VSS TOOK OVER THE HEALTH INSURANCE SYSTEM OF VIETNAM**

In Vietnam, health insurance is a social policy stipulated by the Government to mobilize the financial resources of the employers, employees, organizations and individuals to cover for medical examinations and treatment costs for insured person in case of being sick. Vietnam Health Insurance organization (VHI) was established on August 13, 1998 in accordance with the Government's Decree No. 58. On other side, Social insurance is one of the important social policies of the Party and the Government. It provides material benefits to insured persons in case of risks specified in the law. Vietnam Social Security (VSS) was established on February 16, 1995 in pursuant to the Government ant Decree No. 19.

In fact, social insurance and health insurance have many similarities and closeness. Their operation mechanism is majority giving financial aid to minority, presenting the solidarity and mutual aid filled with profound community and humanity characteristic. The operation of two systems managed principally on the centralized, unified, independently accounted basis and protected by the Government. VSS and VHI are organized into a vertical system from the centre to the localities. To response to the demand of the country's development, on the Decision No. 20 dated January 24, 2002 the Government decided to merge VHI with VSS as a part of social security reform. Its purpose is to administer the social security and schemes implementation more efficiently (belongs to an unique unified organization), to separate the functions in policy making and implementing as well as the responsibilities of State administration and fund management for VHI. This clarifies VHI functions in medical treatment and benefits payments for patients. And this change will result in overcoming the shortcomings and overlapping in social security schemes implementation.

Hopefully, this merger will help providing better services for insured persons and best-utilizing the human resources of re-organized system and the most important purpose is to ensure satisfactory benefits for insured persons and develop the strong social security system in Vietnam.

### **THE SSO THAILAND HOSTED THE ISSA INTERREGIONAL ENGLISH-LANGUAGE STATISTICAL AND ACTUARIAL TRAINING SEMINAR**

In collaboration with the International Social Security Association (ISSA), Thailand Social Security Office (SSO) organized the Interregional English-language Statistical and Actuarial Training Seminar in Bangkok 13-17 May 2002. The seminar was organized in accordance with the ISSA programme for 2002-2004 and was the follow-up to seminars held for its members from English-speaking countries in Africa, Asia and the Pacific and Caribbean, in Nairobi in 1996, in Manila in 1998 and in Accra in 2000.



The main objective was for the enhancement and strengthening of the potential in statistical and actuarial techniques of social security actuaries, statisticians, and other professionals engaged in the financial management of social security schemes in developing countries.

Two types of technical sessions - general and specific- included:

- pension financing
- Actuarial valuations of social security schemes
- Annuitization
- Actuarial practice in defined contribution pension schemes
- Unemployment insurance
- Work injury benefits

The total of 36 participants from English-speaking nations from Africa, Asia and the Pacific and Caribbean regions, together with 5 experts from ILO and ISSA attended this comprehensive training seminar



## **SOCSCO AND EPF SHARED THE SSO SIGNIFICANT STEP**

Due to the government policy, the Social Security Office, Thailand will become autonomous body very soon. The SSO has to gather experiences from the successful organization which became autonomous body before when the SSO requested assistance from SOCSO and EPF, Malaysia, the two organizations showed their willingness to help. Therefore, during 1-4 April 2002, the SSO had a good opportunity to learn from SOCSO and EPF structure and work system, administration and operation, personnel and salary structure, welfare of the officers, disciplinary and penalty system, performance promotion, financial administration, budget control and functions of related Committees.

The photographs showed warmest relationship among SSO, SOCSO and EPF during the visit.



## **CUSTOMER SELF SERVICE SYSTEM BY SOCIAL SECURITY OFFICE, THAILAND**

The Social Security Office (SSO) has continually developed its information technology system, in accordance with the creation of 2000-2003 Information Technology Master Plan' framework, to provide the best quality services to the insured persons and eligible employers. Recently, the SSO has launched numbers of major changes in its IT system as follows

1. Development of Social Security Identification System by replacing the Social Security Number with the Personal Identification Number (PIN) incorporate with the use of civil registration database of the Department of Local Administration, Ministry of Interior. The combined effort aims to facilitate the insured persons to systematically and accurately contact the SSO and to lighten up the burden of the SSO in issuing and renewing social security card.
2. Setting up a firewall system to secure the SSO's gateway, servers and entire LAN and WAN network system.
3. Introducing a new kiosk system. It is a self-service information system which enables the insured persons, eligible employers and general citizens to access the general information and other services on the Social Security Fund and Workmen's Compensation Fund.

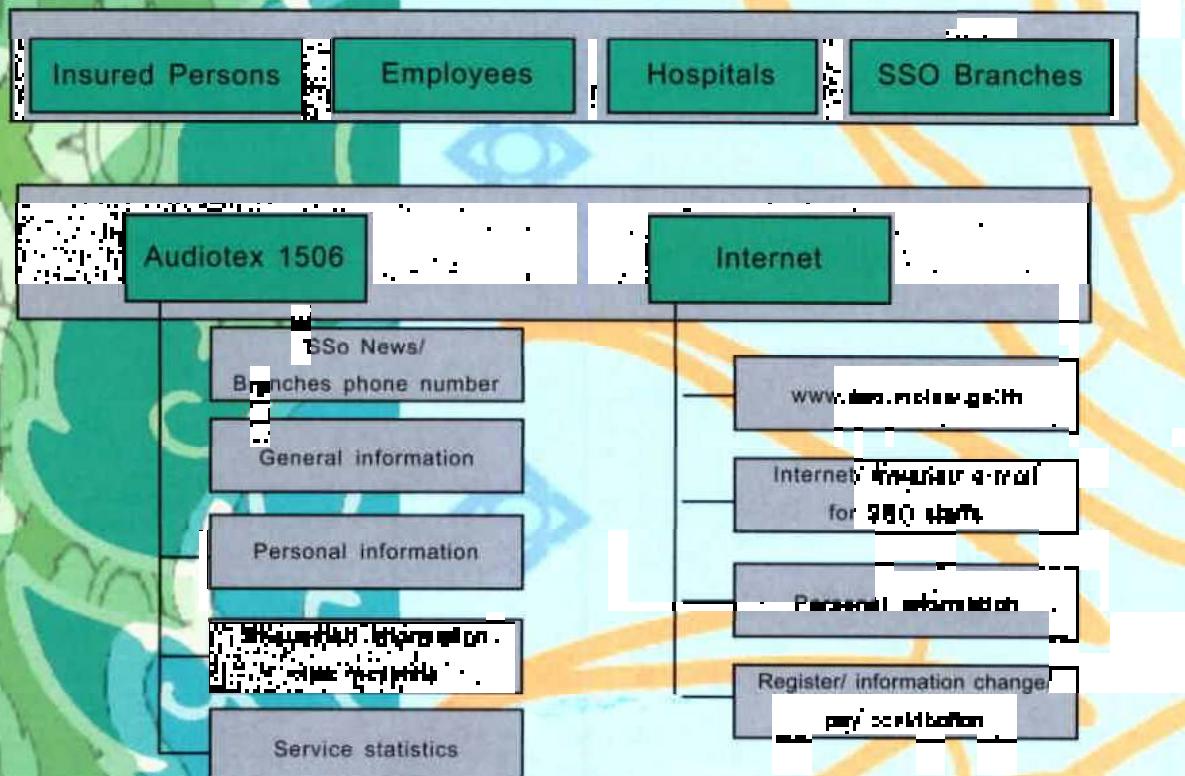


- Implementation of a Customer Self Service System via internal access and audiotex for insured persons, employers and medical care providers in order to search for information of insured persons, benefit claims and selected hospitals.

Under the circumstances, the "***Customer Self Service System***" appear to be the office's highlight among recent

IT system changes. The Customer Self Service system contains four main objectives: (1) to provide more convenient and speedy services to insured persons, eligible employers, and contact hospitals, (2) to reduce the burden of the transportation time and expenses to reach the SSO' branches, (3) to reduce the burden of increasing workloads/ paperwork, and (4) to acquire the accurate, complete and up to date information. The scope of the system covers the services via audiotex (free automatic dial up 1506 and voice menu) and internet access.

#### PATTERN OF CUSTOMER SELF SERVICE SYSTEM



The Customer Self Service system mainly available in two channels: social security service via audiotex 1506 and internet access.

**Audiotex 1506** is an automatic free telephone dial up which as simple as pressing 1506, it covers

- automatic voice menu for information searching and answering through 24 hours
- availability for insured persons, eligible employers and contact hospitals to inquire
  - SSO news, location and telephone number to contact SSO branches
  - General information, such as requirements for establishment and insured persons registration, changes of personal information, hospital selection, contact hospital list, primary statistical data, and other information
  - Personal information, such as hospital selection and total contributions of insured persons
- voice mail system, such as complaints
- automatic Fax-on-Demand system for transferring data of incoming call through facsimile

5. automatic direct E-mail/ Fax/ phone call to employers who failed to pay contribution within the maximum period
6. automatic transferring data of insured person to grievance staff's computer display upon incoming call
7. displaying all analysis information such as call statistics, request asking topics, and frequency of time usage
8. One-stop Call Center system managing service providing and system availability, and trying to become a call center

#### **Information Service Process for Employers**

1. SSO homepage [www.sso.molsw.go.th](http://www.sso.molsw.go.th)
  - Information of Departments in Ministry of Labour and Social Welfare
  - SSO location, contact telephone numbers of SSO branches
  - general information such as new member registration, information changes, hospital service, main contact hospitals, primary statistical data, and other information
2. Information and social services for SSO staffs
  - Security system available to communicate with eligible employers, contact hospitals for
  - searching information of establishment benefit claims, contribution paid, insured person profile, and service hospital
  - processing of registration and insure benefit personal information changes, and contribution paid



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