

AWCA Technical Seminar 2024

Employment Injury Benefits for Migrant Workers

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Innovative approaches to social security for migrant workers: Lessons from An AWCA Member Country

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Outline

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**Overview of social security
Protection for migrant
workers in Malaysia**

2

Challenges

3

Key Approaches

Overview Of Social Security Protection For Migrant Workers In Malaysia

① Coverage

1 January 2019

1 June 2021

1 July 2024

PERKESO Employment Injury Scheme coverage extended to migrant workers who possess:

- Valid passport
- Valid work permit

Categories

- Migrant workers (formal sectors)
- Expatriates

PERKESO Employment Injury Scheme extended to **domestic workers**

PERKESO Invalidity Scheme extended to migrant workers including expatriates and domestic workers

New
extension

Regulation:
Employees' Social Security Act 1969 (Act 4)



Overview Of Social Security Protection For Migrant Workers In Malaysia

② Benefits

Employment Injury Scheme (Effective 1 January 2019)

Coverage for employment-related injuries or death which occur in Malaysia only

- Medical Benefit
- Temporary Disablement Benefit
- Permanent Disablement Benefit
- Constant Attendance Allowance
- Physical Rehabilitation Facilities
- Funeral Benefit
- Dependants' Benefit

Invalidity Scheme (Effective 1 July 2024)

Coverage for invalidity/ morbid condition of permanent nature or death which occur in Malaysia irrespective of the cause

- Invalidity Pension
- Invalidity Grant
- Constant Attendance Allowance
- Physical Rehabilitation Facilities
- Survivor's Pension
- Funeral Benefit



Overview Of Social Security Protection For Migrant Workers In Malaysia

③ Contribution Rates

Mandatory monthly contribution rate is based on two (2) categories:

1. First category contribution (Employment Injury Scheme + Invalidity Scheme)

- Worker enter the Invalidity scheme or contribution for the first time under 55 years old

2. Second Category Contribution (Employment Injury Scheme only)

- Worker has reached 55 years old when they enter the scheme for the first time; or
- Worker has reached 60 years old and is still working

Share	Employment Injury Scheme	Invalidity Scheme
Employer	1.25%	0.5%
Migrant worker	-	0.5%

Based on the worker's monthly wage as per the PERKESO contribution schedule



Who Are The Migrant Workers Covered By PERKESO?

**Registered workers
(Active Contribution)**

2.18 million

as of 31 August 2024

Top 5 Sectors

- 1. Manufacturing**
- 2. Construction**
- 3. Agriculture, forestry and fishery**
- 4. Services**
- 5. Defense / Security**

Main Origin Countries



Bangladesh



India



Indonesia



Pakistan



Nepal



Philippines



Myanmar



Thailand

and more...

Challenges

Employers does not comply with Act 4 rules and regulations

Leads to migrant workers not registered, unpaid contributions, unreported accidents and more

Language barriers to communicate information related to social security protection

Hinder effective communication about the social security scheme for migrant workers e.g. technical terms

Expediting overseas benefit delivery

Can be administratively complex, especially when dealing with multiple jurisdictions and languages



Key Approaches

Public

Enhance awareness programs

- Organize yearly engagement sessions with stakeholders e.g. employers, workers, workers associations, community spaces
- Utilize social media platforms (frequent postings of related activities)
- Translate flyers in language of migrant workers via collaboration with origin country authorities (8 languages)

Employer

Targeted enforcement activities

- Cross-check data of migrant workers from other sources to identify non-compliant employers & notify employers via email or inspection visits (e.g., Data sharing with Immigration Department of Malaysia)
- Routine inspections by Enforcement officers and execute 'Ops Kesan' or detection operation – annual state-wide enforcement event across Malaysia
- PERKESO Prihatin Squad – Takes proactive measures by monitoring news related to accidents and extend assistance if victims are eligible for benefits



Key Approaches

Government-to-Government

G2G Collaborations

- Immigration Department of Malaysia
 - PERKESO registration as pre-condition for work permit renewal
- Embassy (Indonesia & Philippines)
 - PERKESO registration as pre-condition for contract/passport renewal

Social Security Authorities

Encourage bilateral initiatives

- Enter Memorandum of Collaboration (MOC) with Social Security Partners of origin countries (Collaboration in areas of promotion, benefit delivery and enforcement) – non-legally binding
- Build cooperation with Embassies/ High Commissions especially labor offices of migrant worker's origin country



Key Approaches

Enhancing methods for migrant workers to receive benefit payment

Collaboration with Merchantrade

- Recognizing current trend – Migrant workers use digital remittance platforms like Merchantrade Money while employers use it for payment of wages
- Migrant workers who are Merchantrade Money users can now opt to receive their benefit payment through the Merchantrade Money platform
- Benefit payment can be received and tracked seamlessly, while in Malaysia and abroad

Reducing administrative and financial burden related to repatriation costs of 'unfit to work' migrant workers

ACare Sim Card (PERKESO Rehabilitation Centre)

- Filling in the gap – Insurance coverage is commonly for funeral repatriation and non-fatal (serious injuries) cases are usually not covered. As a result, employer, workers or family members have to pay the expenses.
- Solution – Monthly subscription through ACare Sim Card (Prepaid mobile plan + free medical repatriation to 15 countries)
- Eligibility conditions:
 - ACare Sim Card must be activated
 - Migrant worker is categorized as 'unfit to work'



Future plans:

- Develop a dashboard for reporting of case status/statistics/etc which is accessible for viewing by origin country authorities such as Embassies and Social Security Partners to ease reporting of cases

Final Takeaways:

- Recognizing limitations or challenges faced and considering alternative solutions are important
- Addressing these limitations through collaboration with other stakeholders is essential to bridge the 'gap' in reaching out to migrant workers effectively



Thank you

