

**AWCA Technical Seminar 2024**

*Employment Injury Benefits for Migrant Workers*

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# **Extending Social Security Protection to Migrant Workers through Social Security Agreements (SSAs): *The Philippine Experience***

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# Outline

**1**

**Introduction**

**2**

**Recent Policy Reforms**

**3**

**Challenges and Successes**

**4**

**Impacts on Migrant Workers**

**5**

**Lessons for Other Countries**

**6**

**Regional Collaboration**



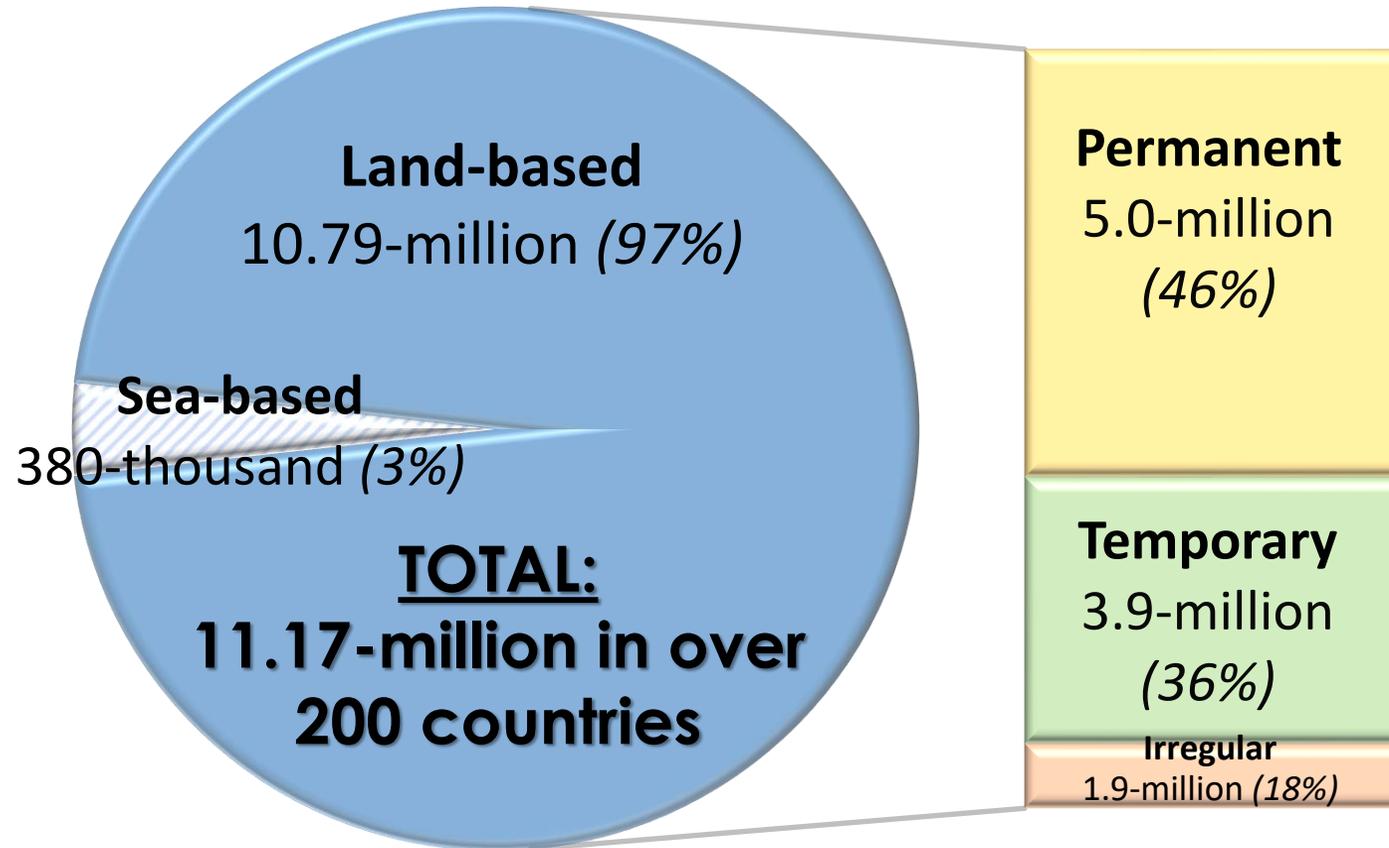
# Part 1

## Introduction

- Overview of PH Labor Migration
- Response to Issues on Migration: Two-Pronged Approach
- Status of PH Social Security Agreements
- Process of Negotiation

# State of PH Labor Migration

## Stock Estimate of Migrant Filipinos



- ***PH as 9<sup>th</sup> top sending country with largest migrant population & 4<sup>th</sup> top recipient of remittances***

# State of PH Labor Migration

## Issues of Migrant 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***



# Response to Social Security Issues on Migration

## Two-Pronged Approach

*In collaboration with Dept. of Foreign Affairs (DFA) & Dept. of Migrant Workers (DMW)*

### 1. FORGING BILATERAL SOCIAL SECURITY AGREEMENTS

**Focus:** Permanent type

**Start:** Early 1980s with adoption of standards under ILO Conventions ratified by PH

**Purpose:** **Portability arrangements**

*[Bilateral Approach]*

### 2. EXTENDING SSS COVERAGE TO OVERSEAS FILIPINOS

**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**

*[Unilateral Approach]*



# Response to Social Security Issues on Migration

## 1. Status of PH Social Security Agreements (SSAs)



1. Austria (1982)
2. UK & N. Ireland (1989)
3. Spain (1989)
4. France (1994)
5. Canada (1997)
6. Quebec (1998)
7. Netherlands (2001)
8. Switzerland (2004)
9. Belgium (2005)
10. Denmark (2015)
11. Portugal (2017)
12. Germany (2018)
13. Japan (2018)
14. Sweden (2019)
15. Luxembourg (2020)
16. South Korea (Apr 2024)



# Bilateral Social Security Agreements

## 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

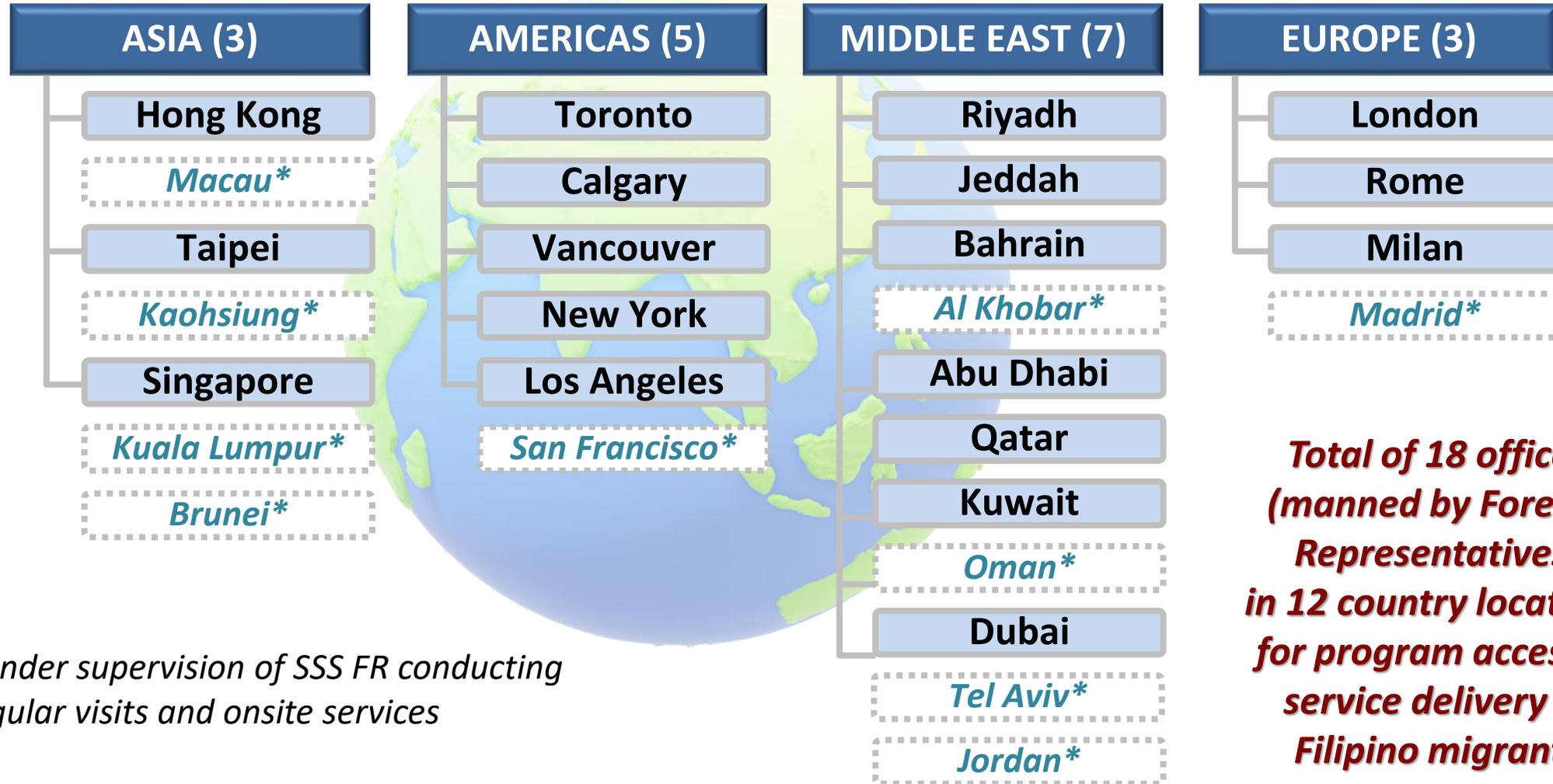
Complies with own country's SSA ratification requirements

Holds meetings of liaison offices on implementing guidelines

### 4. Entry into force & implementation (country notification)

# Response to Social Security Issues on Migration

## 2. Extending SSS Coverage to Overseas Filipinos



**Total of 18 offices  
(manned by Foreign  
Representatives)  
in 12 country locations  
for program access &  
service delivery to  
Filipino migrants**

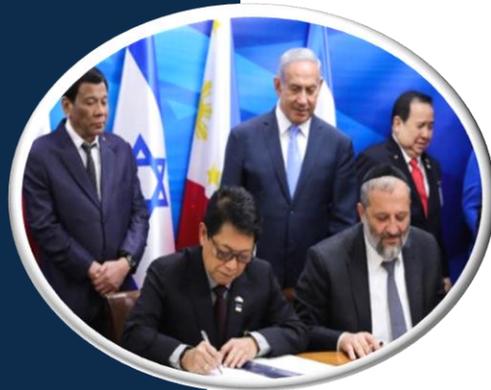


## Part 2

# Recent Policy Reforms

- **RA 11199**  
(Social Security Act of 2018)
- **RA 11641**  
(Department of Migrant Workers Act)

**AS AN EXPRESSED  
MANDATE OF  
DFA, DOLE & SSS  
UNDER RA 11199  
(SOCIAL SECURITY ACT  
OF 2018)**



***Bilateral social security agreement (SSA)***

- Consistent w/ ILO Conventions
- Filipino migrant workers covered by host country's scheme, allowing for **portability**

***Bilateral labor agreement (BLA)***

- Negotiating **decent working conditions** for Filipino migrant workers
- Incorporating SSS provisions in standard employment contract



- Department of Migrant Workers created by virtue of RA 11641
- Executive department (i.e., Ministry) of the Philippine government tasked to protect the rights and promote the welfare of Overseas Filipino Workers (OFWs)



## Part 3

# Challenges and Successes



# 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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# Challenges Encountered in PH Bilateral SSAs

**Internal  
factor**

**Delays encountered in securing concurrence of PHL  
government for the entry into force of SSA**

*(many other top legislative agenda)*

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## Part 4

# Impacts on Migrant Workers



# 1. Bilateral Social Security Agreements

## Benefits to Migrant Workers (as contained in the 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



## 2. Extending SSS Coverage to Overseas Filipinos

### Regular SSS Program: Benefit Package



**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

## Part 5

# Lessons for Other Countries



# PH Insights on SSAs

## Main Challenge in establishing SSAs

Satisfying the following **reciprocity** conditions ~

1. Coverage of foreign nationals in host country
2. Compatibility of social security schemes (Social insurance vs. Provident Fund)
3. Mutual consent/willingness of both Contracting States (i.e., respective national interest are satisfied)

➤ *May need legislative reforms (if foreign nationals are not covered), strengthening of capacity-building efforts, in-depth sharing of best practices through country visits*



## Part 6

# Regional Collaboration



# Opportunities for Regional Cooperation

- ❖ **Support of Asian States on instruments that promote the welfare of migrant workers** (e.g., ratification of ILO Social Security Convention Nos. 118 [Equality of Treatment] & 157 [Maintenance of Social Security Rights], Global Compact for Migration)
- ❖ **Continuous study of social security experts, taking into consideration various earlier studies/research on different social security schemes in Asia for possible development of “model provisions” that are tailor-fit to the needs of Asian States** (similar to other Regional Economic Groups ~ e.g., European Union)
- ❖ **Intensified coordination among Asian nations allowing establishment of linkages, sharing of information, discussion among competent social security institutions and commitment for a tangible and time-bound outcome for each country**



*“The development of a comprehensive network of ASEAN social security agreements may take time ... However, unless the process is begun, it will never be completed, and most ASEAN migrant workers will remain without social security protection.*

*Without social security agreements, the greater integration of the ASEAN region, which offers so much hope for a better economic future for all member countries, will be severely impeded.”*

**Edward Tamagno**

*Strengthening Social Protection for ASEAN Migrant Workers  
through Social Security Agreements (2007)*



# Thank you

