NEGOTIATING FOR BILATERAL SOCIAL SECURITY AGREEMENTS

The Philippine Experience

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OUTLINE OF PRESENTATION

❶ **Issues on Social Security of Migrants**

❷ **Understanding Social Security Agreements (SSAs)**

❸ **The Philippine (PHL) SSS Experience**

➊ ISSUES ON SOCIAL SECURITY OF MIGRANTS

Large-scale international labor migration

- **Migrants worldwide estimated at 244-million**
  - Temporary, contract-based employment
  - Irregular, undocumented status
  - Multiple disadvantages in working conditions
- **Wide-ranging benefits, but with social costs**

➊ ISSUES ON SOCIAL SECURITY OF MIGRANTS

Barriers affecting social security rights

Legal

- Exclusion from coverage (territoriality, nationality)
- Coverage for formal sector only
- Not entitled to benefits (or reduced) due to long qualifying periods & strict residency/immigration rules

Administrative

- Requirements on documentation & certification
- Formalities on cross-border cash transfers of benefits
- Lack of access to information, aside from language barriers

❷ UNDERSTANDING SOCIAL SECURITY AGREEMENTS (SSA)

SSA: Way Forward in Protecting the Rights of Migrants

SOCIAL SECURITY AGREEMENTS:
Main objectives

International treaty on mutual cooperation to ensure protection of social security rights

- Coordinates & regulates social security schemes for all covered persons who have worked, lived &/or paid contributions in these countries
- Removes territory- & nationality-based restrictions in benefit access, especially pensions
- Resolves issues on dual mandatory coverage

Reciprocity as a pre-requisite

SOCIAL SECURITY AGREEMENTS:
Salient provisions

Equality of treatment	Entitlement of covered persons to social security coverage under same conditions as nationals of receiving country
Export of benefits	Continuous receipt of benefits wherever a covered person decides to reside (even in home country)

Covered under ILO Convention No. 118 on Equality of Treatment, 1962

SOCIAL SECURITY AGREEMENTS:
Salient provisions

Totalization of insurance periods	Combining insurance periods in both countries for benefit eligibility (pro-rated sharing of benefits)
Mutual administrative assistance	Coordination between designated liaison agencies of both countries to implement provisions of SSA

Covered under ILO Convention No. 157 on Maintenance of Social Security Rights, 1982

SOCIAL SECURITY AGREEMENTS:
Other provisions

- **Scope of agreement**
  - **Personal:** Description of persons covered under the schemes
  - **Material:** Branches of social security
- **Applicable legislation**
  - **Place of work** as a general rule for mandatory coverage

SOCIAL SECURITY AGREEMENTS:
Other provisions

- **Special rules for certain categories of workers**

Self-employed	Place of work
Detached workers	Sending country (temporary assignment not more than 3-5 years)
Airline personnel	Location of registered office of employer
Seafarers	Sending country, unless flagship-state offers superior benefits
Civil servants; Members of Foreign Service Posts	Sending country employing them, in accordance with Vienna Convention
Others	Exception cases settled by mutual consent

SOCIAL SECURITY AGREEMENTS:
Processes of establishment

I. Conduct of exploratory meetings between delegations

Features of country scheme	Profile of covered persons	Initial preferences on SSA	Other queries or issues

II. Conduct of formal negotiations between delegations

Prior: Draft SSA for discussion	**Initial:** Deliberates on each SSA provision	**Succeeding:** Finalizes SSA for concurrence

III. Signing & ratification of the agreement by Party-states

Schedules signing of SSA	Complies with ratification requirements	Administrative meetings of liaison offices

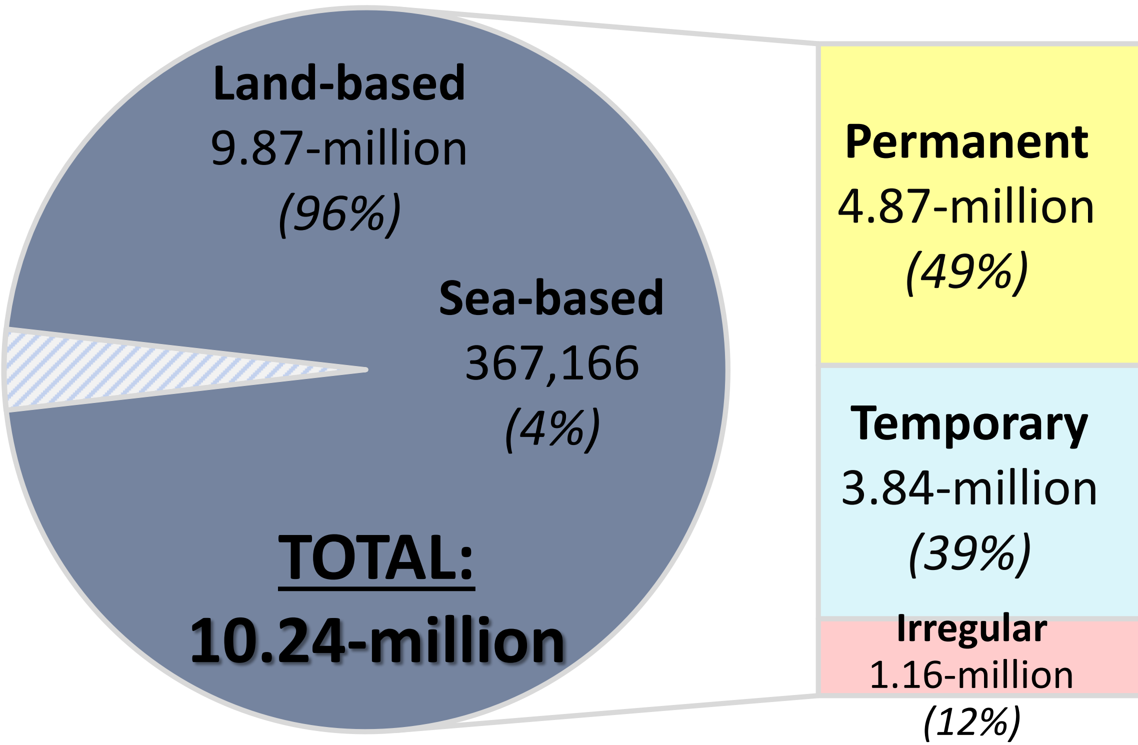
IV. Entry into force & implementation

❸ THE PHILIPPINE (PHL) SSS EXPERIENCE

Ensuring Social Security Protection of Filipino Migrants

EXTENT OF PHL LABOR MIGRATION

Latest stock estimate of Filipino migrants



2015 Deployment of Workers by Top Occupational Group

Domestic workers	294,324
Nursing professionals	71,124
Waiters	37,773
Cleaners in office, hotel, etc.	44,761
Others	989,893
TOTAL	**1,437,875**

In over 200 destinations worldwide, mostly in Americas (permanent) & Middle East (temporary)

SSS: REACHING OUT TO FILIPINO MIGRANTS

Two-pronged approach

I. NEGOTIATING BILATERAL SSAs

In collaboration with the Department of Foreign Affairs

Target: Permanent migrants (residents/immigrants)

Start: Early 1980s, adoption of standards under PHL-ratified ILO Conventions

Purpose: Initiate portability arrangements

II. EXTENDING SSS COVERAGE PROGRAM

Thru program promotion by SSS foreign offices

Target: Temporary & irregular migrants

Start: Scope of SSS coverage expanded in 1995 (voluntary); as per amended law of 1997

Purpose: Ensure continuing & active membership in SSS

I. NEGOTIATING BILATERAL SSAs

How many does the PHL have so far?

In-force agreements (effectivity date) - 10

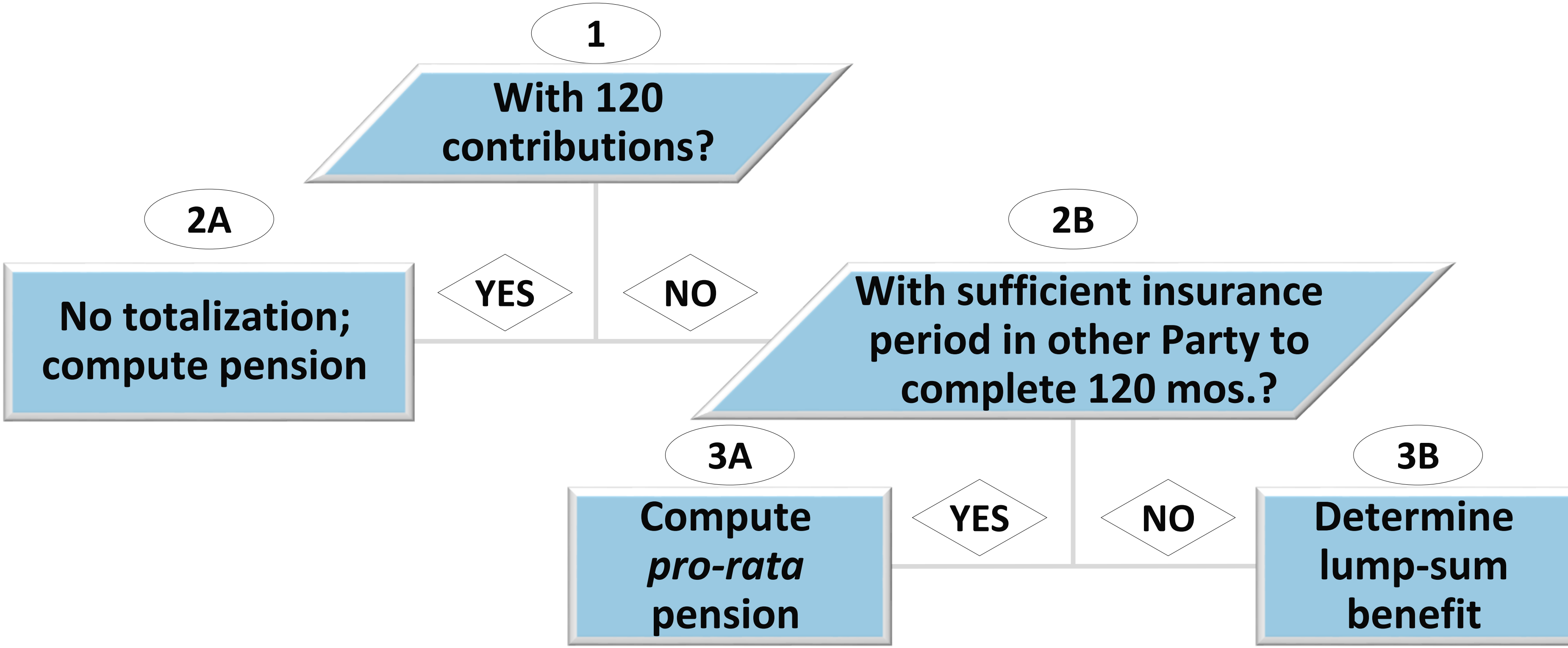
- Austria (1982)
- United Kingdom & Northern Ireland (1989)
- Spain (1989)
- France (1994)
- Canada (1997)
- Quebec (1998)
- Netherlands (administrative SSA, 2001)
- Switzerland (2004)
- Belgium (2005)
- Denmark (2015)

Signed agreements (signing date) - 6

- Portugal & Japan: for entry into force
- Germany & Sweden: for PHL Senate concurrence
- Luxembourg: for ratification of PHL President
- Korea (2005): for renegotiation

I. NEGOTIATING BILATERAL SSAs

How are SSS benefit amounts determined?



Let A = PHL insurance period*

B = Other Party's insurance period*

C = 120 - A

PHL pro-rata pension = PHL pension x $\frac{A}{A+C}$

** Excluding overlaps*

I. NEGOTIATING BILATERAL SSAs
How does a person receive SSS pension?

- **If residing in the Philippines**
  - ***Personal savings account*** where monthly pension will be deposited
- **If residing abroad**
  - ***Monthly check*** mailed to pensioner's residence; or
  - ***ATM & merchant networks*** of pensioner's debit/cash card, with worldwide access

I. NEGOTIATING BILATERAL SSAs

What are the challenges encountered?

External factors	Incompatibility of PHL SSS scheme with other country's program
	Non-coverage of foreign nationals under social security laws of destination countries
	Country-specific requirements for SSA negotiation
	Lengthy process of negotiation & securing consent
Internal factors	Delays in ratification by PHL government for entry into force of SSA

II. EXTENDING SSS COVERAGE PROGRAM

Two layers of protection for Filipino migrants

Defined-benefit, social insurance scheme

Basic Pension (Safety Net)

1

Regular Coverage Program – Same as local workers

(August 1995)

+

Defined-contribution, individual account scheme

Pension-Savings Plan (Supplemental)

2

Flexi-Fund Program – Exclusive to Filipino migrants

(July 2001)

II. EXTENDING SSS COVERAGE PROGRAM

Foreign offices catering to Filipino migrants

23* SSS offices in 17 countries (top migrant destinations)

- 7 in Asia-Pacific
- 3 in Americas
- 10 in Middle East
- 3 in Europe

* 2 new offices to be operationalized within July 2017

II. EXTENDING SSS COVERAGE PROGRAM

Tailor-fit, enabling policies for Filipino migrants

1. Registration	2. Contributions	3. Benefits
▪ Broader definition of migrants ▪ No requirement for migrant documents for initial coverage ▪ Registration services at one-stop center ▪ Online issuance of Social Security No. (SSN)	▪ No need for migrants with existing SSN to register anew ▪ Extended payment deadline ▪ Collection partners with presence abroad ▪ Electronic collection	▪ Collaboration with PHL Embassies on filing of benefits ▪ Longer grace period for sickness benefits ▪ No requirement for certification documents for retirement benefits ▪ Payment overseas

II. EXTENDING SSS COVERAGE PROGRAM

Service channels available to Filipino migrants

Overseas e-payment centers

Online access to records

SSS @ social media sites

Unified Multi-purpose ID

Dedicated contact center

END OF PRESENTATION

Thank You