## PERKESO

New Direction in Social Security Scheme



#### **UNIVERSAL**

- **№** Financed from taxation
- ✓ Benefits based on residence
- Subsidies consumer items
- Free education fee for school children
- Free medical care at government hospital/clinics for poor

### SOCIAL ASSISTANCE

- ♣Financed from taxation/ contribution and donation
- ✓ Various ministries and departments
- Health, welfare, education, family, single mother, orphans, poverty, housing,
- ✓ Muslim Council Zakat system.
- Cash assistance to the poor and destitute.

### EMPLOYER LIABILITY

- ♣Financed directly by employer
- ✓ Employers
- ✓ Sickness/medical, maternity, lay-off, termination, retirement

NATIONAL
<b>PROVIDENT</b>
FUND

**☼**Financed by contributions

- ✓ Pension Fund Federal Constitution
- Retirement, gratuity, golden hand shake
- ✓ EPF (Employees' Provident Fund)
- Retirement, medical, housing, education
- ✓ Armed Forces Provident Fund
- Retirement, medical and death

### SOCIAL INSURANCE

**№** Financed by Contributions

- ✓ PERKESO (Pertubuhan Keselamatan Sosial)
- Employment and Invalidity
- ✓ Commercial Insurance
- Life, Education, medical, workman compensation, Retirement

Overview of the Social Security Organisation (SOCSO), Malaysia

#### **Targeted Group (Employment)**

- ✓ Public Sector
  Governments staffs
  Ministries, departments, arm
  forces, teachers, police
- ✓ Formal Sector
  Mostly from private sectors in all industries.
  Malaysian and foreign workers
- ✓ Informal Sector Self-employed eg: taxi operators, farmers, fisherman

#### **Method/Element**

- 1. Universal
- 2. Social Assistance
- 3. Employer Liability
- 4. Old Age Provident Fund
- 5. Social Insurance

- Established in 1971 to implement, administer and enforce The Employees' Social Security Act, 1969 and the Employees' Social Security (General Regulations), 1971.
- Statutory Organization governing Employment Injury Insurance Scheme & Invalidity Pension Scheme in Malaysia.

 Operates as an agency under Ministry of Human Resources Malaysia;



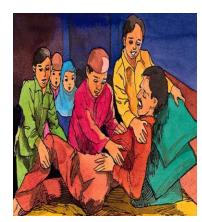
# TRUST FUND **EMPLOYER** 1.25% + 0.5% **EMPLOYEE** 0.5% prepared & presented by mohamad asri ngosman

Provides all kinds of benefits to the workers suffer from accidents which arising out of and in the course of employment. It covers industrial accident, commuting accident and occupational diseases.



- 1.Medical Benefit
- 2.Temporary Disablement Benefit
- 3.Permanent Disablement Benefit
- 4.Constant Attendance Allowance
- 5.Dependent's Benefit
- 6.Funeral Benefit
- 7. Rehabilitation Benefit
- 8. Education Benefit

Covers all insured workers from invalidity through Invalidity Pension Scheme. This scheme provides 24-hours coverage to employees against invalidity and death due to any cause not connected with employment before the age of 60 years.



- 1.Invalidity Grant
- 2.Invalidity Pension
- 3.Constant Attendance Allowance
- **5.**Survivors Pension
- 6.Funeral Benefit
- 7. Rehabilitation Benefit
- 8. Education Benefit

### Malaysia at a glance

1. Population : 28.25 mil

2. Work force : 12.22 mil

3. Unemployment : 3.2%

4. Population by sector:

Agriculture11.1 %

Manufacturing 28.9 %

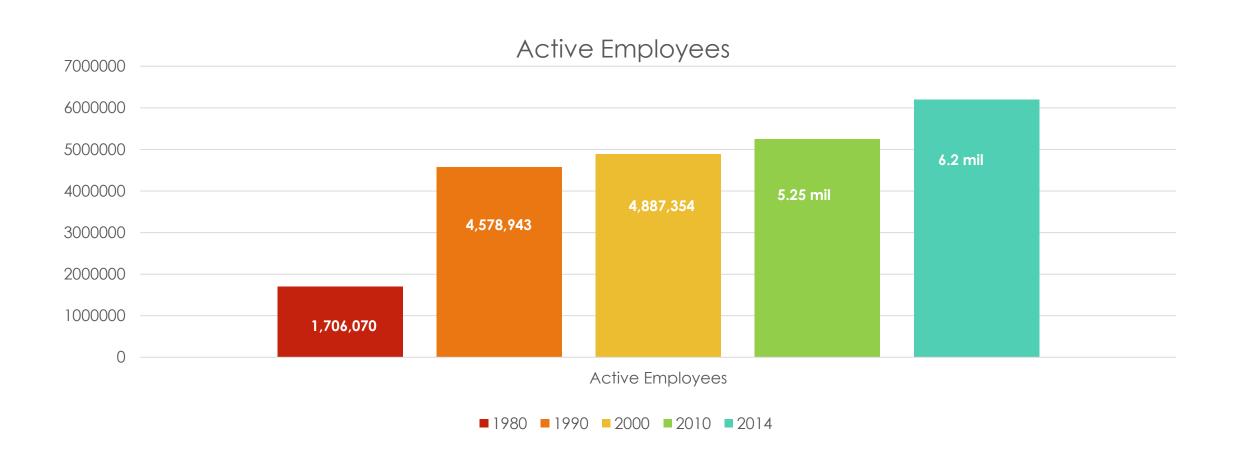
○ Mining 0.3 %

Construction6.2%

Services53.6%

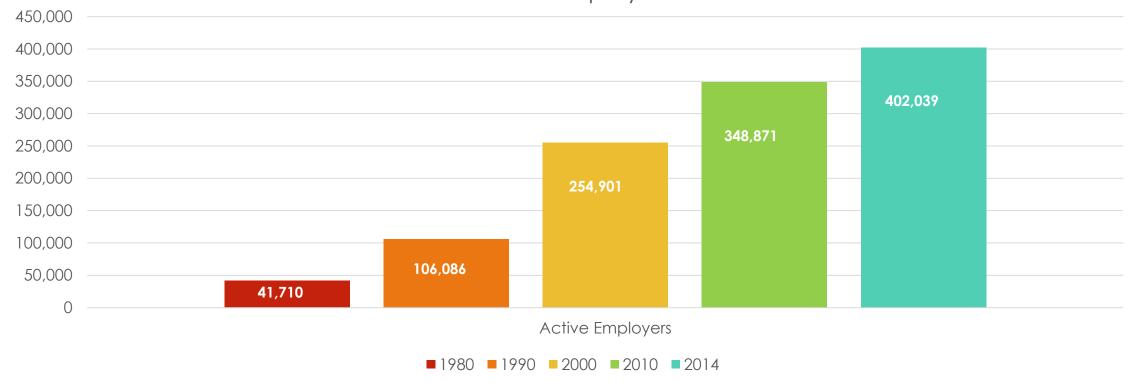


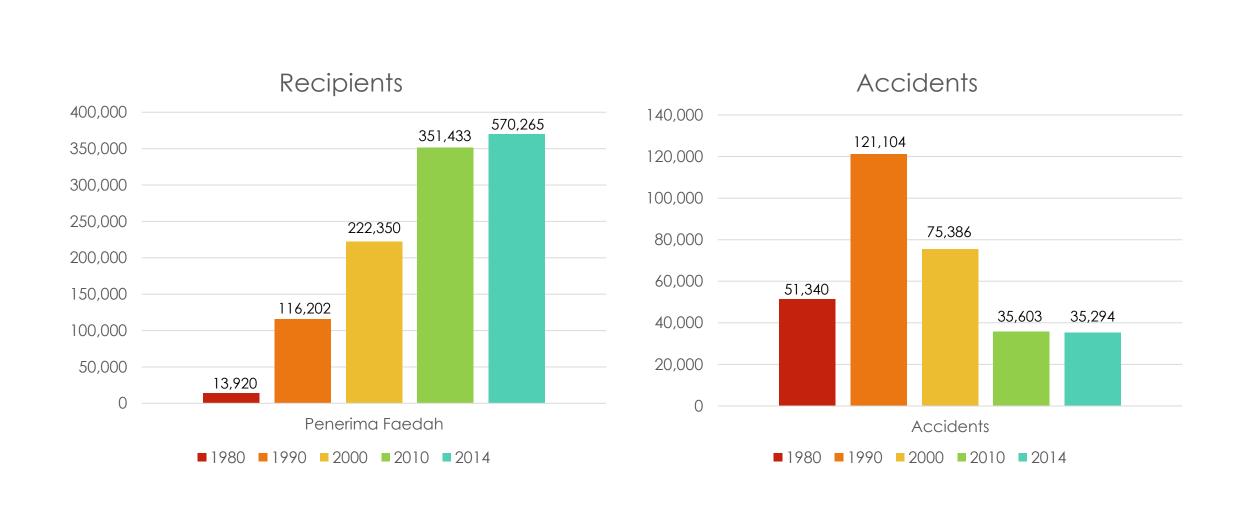
### ACTIVE EMPLOYEES (1980 – 2014)

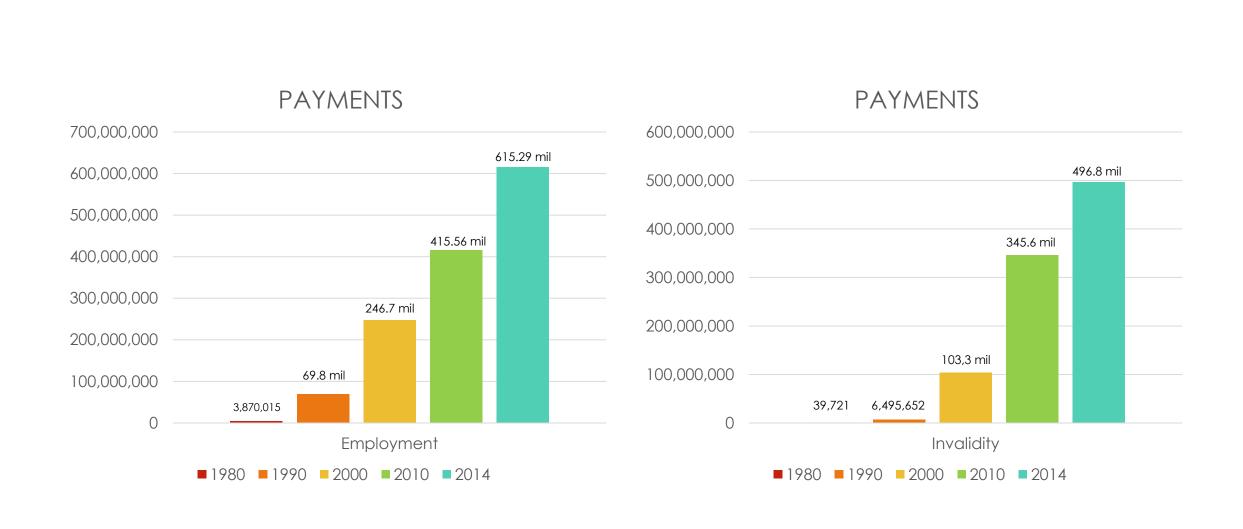


### ACTIVE EMPLOYEES (1980 – 2015)









### **ISSUES & CHALLENGES**

### 1. IMPROVING QUALITY OF SERVICES

- Responsive /Quick process
- Service delivery
- e-processes

### **ISSUES & CHALLENGES**

## 2. EXPANDING COVERAGE / SOCIAL SECURITY NET

- Completing the 9 pillars of Social Security
- Self-employed
- No fault accidents
- Raising retirement age
- Hospital / medical care
- Education / Awareness

#### **RETURN TO WORK PROGRAMME**

Assure appropriate medical care is provided to Insured Person with injuries or diseases to ensure an early and safe return to work.

Dedicated case managers manage the implementation and coordination of the rehabilitation plan with healthcare providers, as well as the clients while promoting cost-effective care.



### RETURN TO WORK OBJECTIVE

To assist Insured
Person with injuries or
disease to return to
work in a safe and
fast manner

To carry out SOCSO's social responsibility towards employers and employees

To create a positive working environment through communication and support for employees with disabilities

To reduce and minimize the potential of repetitive accidents at the workplace

To reduce disability duration

To increase the productivity of employees with disabilities through total replacement of income

#### **BENEFITS TO EMPLOYER**

To reduce the disability duration of Insured Person with injuries or diseases and enable a safe and fast return to work and increasing productivity thereafter

To be able to retain experienced and highly skilled workers at the work place

To reduce training and hiring costs of temporary workers

To optimize the employees' rehabilitation period so they can return to work faster and increase their productivity

modification
recommendations to
accommodate employees
with injuries or diseases

#### **BENEFITS TO EMPLOYEES**

To provide psychological support through counselling and consultation. To restore employee's self-confidence by enhancing their physical and mental ability and to prevent low self-esteem caused by the illness or disability.

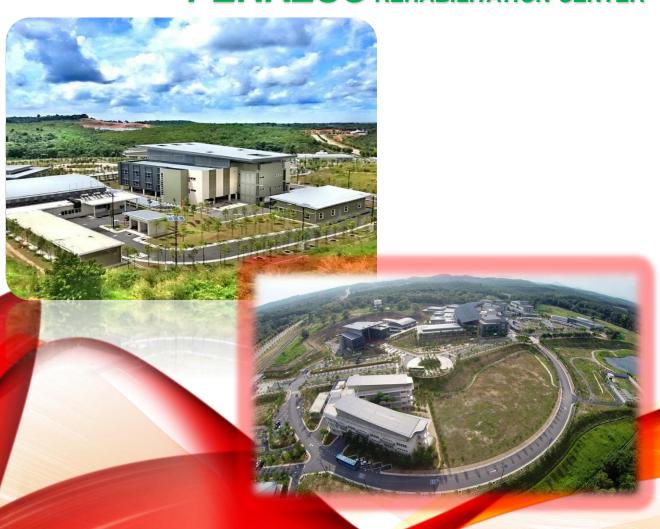
To provide appropriate rehabilitative equipment's including orthotic, prosthetic, implants and so forth, based on the prescription given by the treating doctors or specialists

Promotes speedy recovery and reduces the impact on the quality of life due to the disability or illness

prepared & presented by mohamad asri ngosman

### PERKESO REHABILITATION CENTER





The opening of the rehabilitation centre in Air Keroh on Oct 1, 2014 was the first in Southeast Asia and one of the government's efforts to assist contributors of Socso, who were injured or were permanently disabled, to get treatment. The objective of setting up the centre on a 22.3-hectare site was aimed at providing quality physical and vocational rehabilitation services

823 individuals returned to work this year, as of June, seeking jobs (138), recovering (555) and still undergoing medical treatment (302).

"Of the total, 74 per cent returned to work with the same employers and this showed a positive achievement via the numerous efforts undertaken by the

PERKESO





#### **HEALTH SCREENING PROGRAMME**

All active workers contributing to SOCSO who attain 40 years of age.

The HSP will screen Non Communicable Diseases such cardiovascular diseases, diabetes and cancer (cervical cancer and breast cancer) as these diseases are found to be factors affecting the productivity of Malaysian workers.

prepared & presented by mohamad asri ngosman



#### CONCLUSION

Concept of social protection in Malaysia is unique and should be viewed in a broader perspective of social development which aims at improving the quality of life of the people.







Social development initiatives will enable people to satisfy their basic human needs and lead lives of dignity and safety, while participating fully in society.

