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Decent Work in the Philippines: Statistics on Social Security

(First of a Series)



The International Labor Organization (ILO) in its advocacy to promote the Decent Work Agenda describes decent work as "integral efforts to reduce poverty and is a key mechanism for achieving equitable, inclusive and sustainable development. Decent work involves opportunities for work that is productive and delivers a fair income, provides security in the workplace and social protection for workers and their families, and gives people the freedom to express their concerns, to organize and to participate in decisions that affect their lives". (ILO, Country Profile, 2012, Preface)

*The statistical measurement framework on decent work as approved by the ILO and as adopted by the Philippines, covers ten (10) substantive elements corresponding to the four (4) strategic pillars of the Decent Work Agenda, namely: (1) employment opportunities; (2) adequate earnings and productive work; (3) decent hours; (4) combining work, family and personal life; (5) work that should be abolished; (6) stability and security of work; (7) equal opportunity and treatment in employment; (8) safe work environment; (9) **social security**; and, (10) social dialogue, workers' and employers' representation. Another component is the economic and social context of decent work that helps determine what constitute decency in society as well as the extent to which the achievement of decent work enhances national economic, social and labor market performance. (ILO, Country Profile, 2012)*

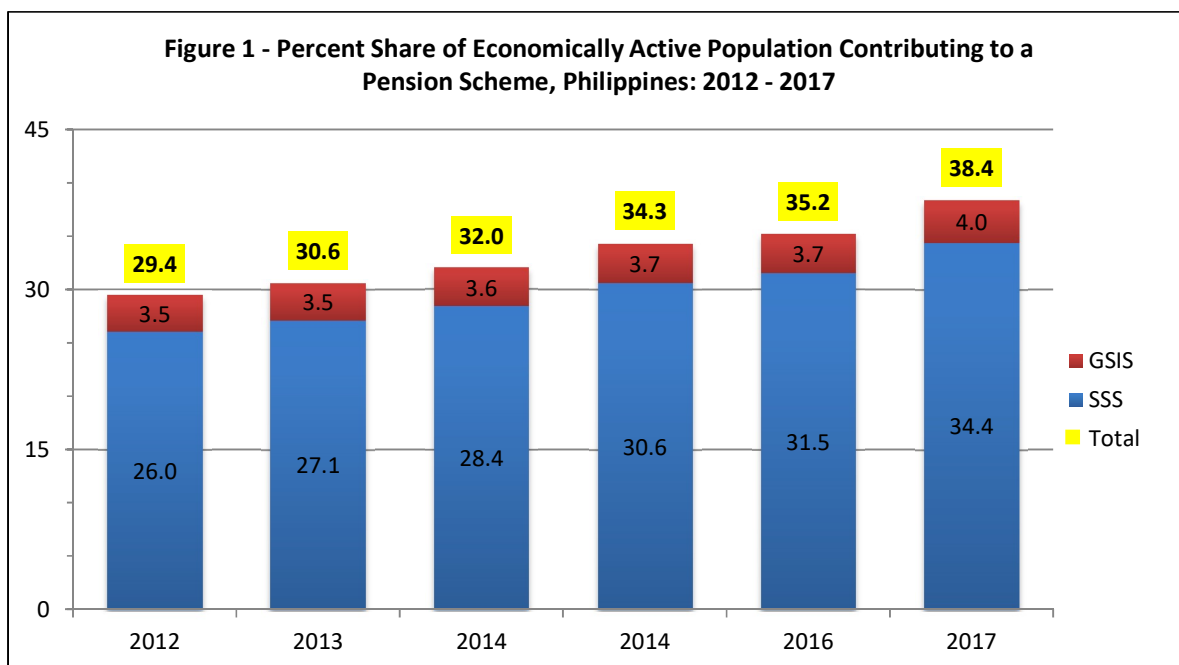
This issue of LABSTAT Updates focuses on one of the elements of decent work -- social security at work. This issue highlights the six (6) indicators used to measure social security in the Philippines for the period 1995 to 2017. Specifically, these six indicators include: (1) share of economically active population contributing to a pension scheme; (2) share of population aged 60 and above benefiting from retirement/old age pension; (3) average monthly pensions; (4) social security benefits; (5) health-care expenditures not financed out of pocket by private households; and (6) estimated share of population covered by National Health Insurance Program. Related tables and metadata can be downloaded at the OpenSTAT website at www.psa.gov.ph.

Social Security At Work

- Social protection is one of the key pillars of decent work and its objective is to empower and protect the poor, vulnerable and disadvantaged individuals, families and communities from individual life cycle, economic, environmental and social risks.
- One of the major components of social protection is social security or social insurance. Social security covers all measures that provide benefits, whether in cash or in kind, to secure protection, from (a) lack of work-related income (or insufficient income) caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member; (b) lack of access or unaffordable access to health care; (c) insufficient family support, particularly for children and adult dependents; and (d) general poverty and social exclusion.
- The Social Security System (SSS) and the Government Service Insurance System (GSIS) are the country's two (2) main social insurance systems for the private sector and public sector, respectively.

Share of economically active population that contribute to pension scheme grew to 38.4% in 2017 from 2012

- The percent share of the economically active population who contributed to a pension scheme is defined as the ratio of the total contributing members of both SSS and GSIS having at least one month posted contribution for the given year, in relation to the country's labor force.
- The proportion of the labor force that contributed either through the SSS or GSIS continued to steadily increase over the years posting an overall 9.0 percentage points increase from 29.4 percent in 2012 to 38.4 percent in 2017. (Figure 1)
- Meanwhile, the shares of economically active population that contribute to pension schemes from the private sector accounted for larger shares compared to their counterpart members from the public sector. Specifically, the share of the labor force that contributed to the SSS ranged from 26.0 percent in 2012 to 34.4 percent in 2017, a growth of 8.4 percentage points over the period.
- On the other hand, the shares of the labor force that contributed to the GSIS ranged from 3.5 percent in 2012 to 4.0 percent in 2017, a slight increment of 0.5 percentage point during the period. It should be noted that the share of GSIS contributors are relatively small compared to its SSS counterparts as the former only covers the government sector while the latter comprises all other 20 major industry groups.

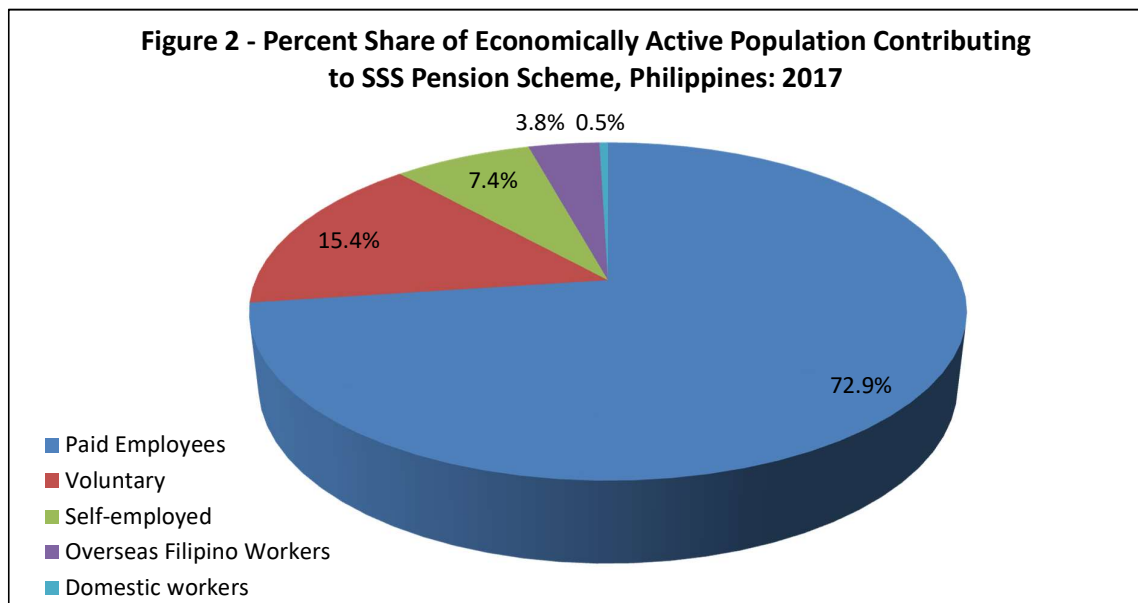


Source: Philippine Statistics Authority.
Social Security System.
Government Service Insurance System.

- In terms of magnitude, the total contributing members to both the SSS and GSIS reached 16.999 million in 2017, a 39.1 percent increase from the 12.223 million posted in 2012 (Table 1).
- By category, the total contributing SSS members to a pension system improved by 41.2 percent from 10.824 million in 2012 to 15.287 million in 2017.

- On the other hand, GSIS contributors likewise grew but at a slower pace of 22.4 percent from 1.399 million in 2012 to 1.712 million in 2017.
- The private sector continuously accounted for the bulk of contributing members to pension schemes from

2012 to 2017. Comprising about 88.6 percent or 10.824 million of the total 12.223 million members in 2012, its share grew to 89.9 percent or 15.287 million in 2017. Contributors from the GSIS, on the other hand, accounted for the remaining share of 11.4 percent in 2012 which further declined to 10.1 percent in 2017.



Source: Social Security System.

- By type of membership, paid employees comprised the largest share of almost three-fourths (72.9% or 11.137 million) of the total 15.287 million SSS members in 2017 (Figure 2).
- Voluntary members and self-employed members accounted for the next

higher shares at 15.4 percent (2.356 million) and 7.4 percent (1.137 million), respectively.

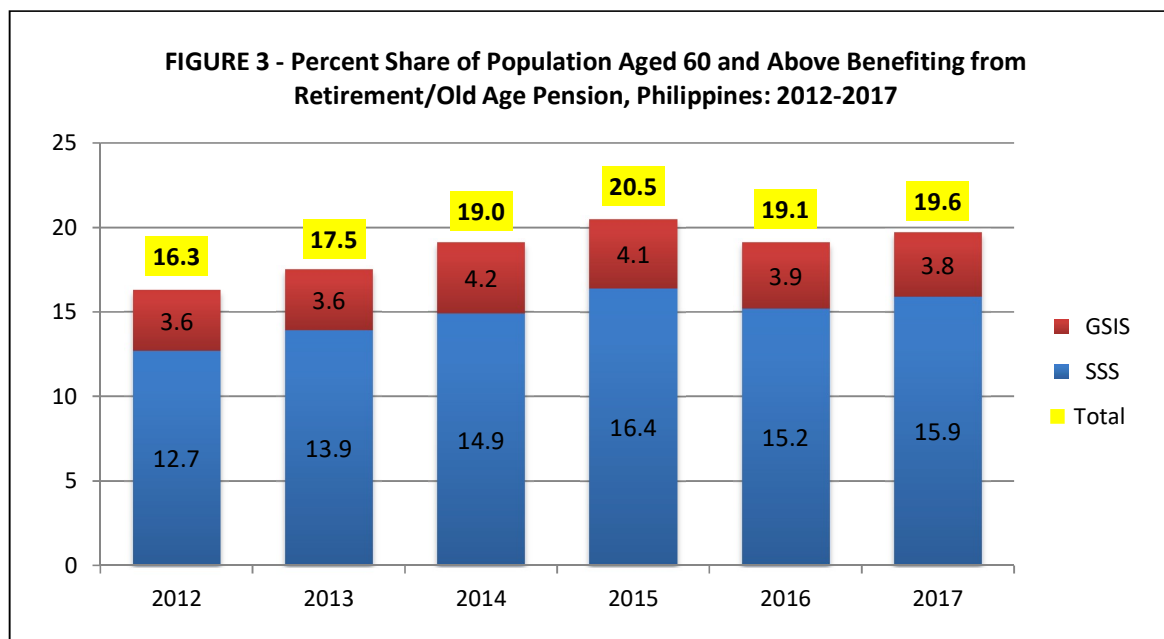
- Meanwhile, the shares of Overseas Filipino Workers and domestic workers posted the least shares of 3.8 percent and 0.5 percent, respectively, of the total SSS members in 2017.

2 out of every 10 population aged 60 and over benefitted from retirement/old age pensions in 2017

- The proportion of total population aged 60 and over who availed of retirement/old-age pensions did not improved much over the six-year period. From 16.3 percent share in 2012, the percent share of retirement/old-age beneficiaries slightly grew to 19.6 percent in 2017.

(Figure 3)

- From 2012 to 2017, the shares of older population receiving retirement/old-age pensions from the SSS were higher compared to its counterpart from the GSIS, 12.7 percent to 15.9 percent (SSS) vs. 3.6 percent to 3.8 percent (GSIS).



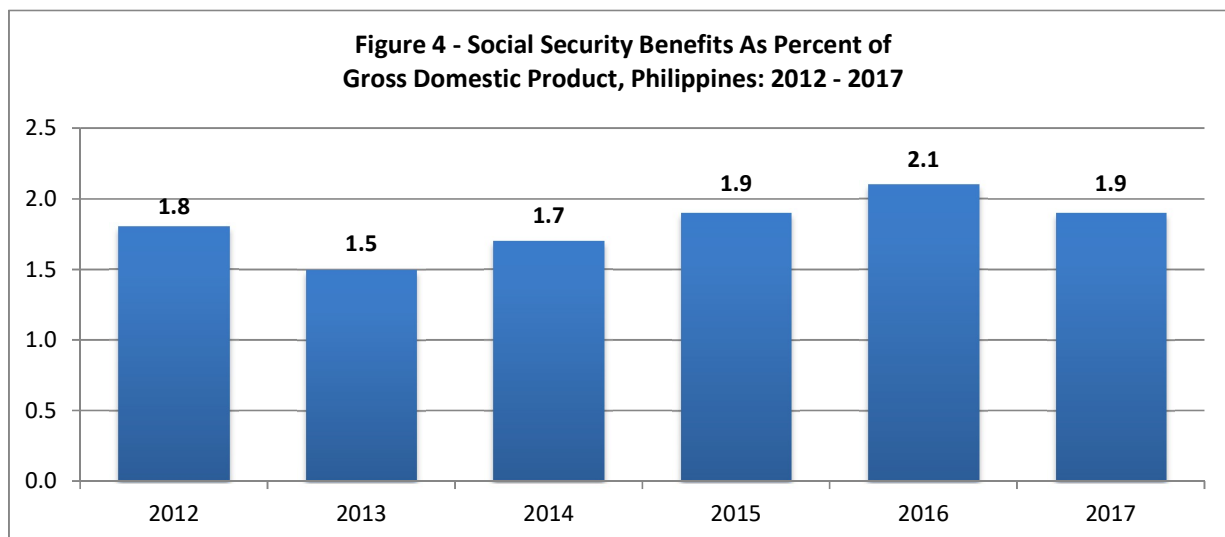
Source: Philippine Statistics Authority.
Social Security System.
Government Service Insurance System.

Average monthly pensions received by pensioners in 2017 amounted to ₱5,123 (SSS) and ₱18,525 (GSIS), respectively

- The average monthly pensions provided by both the public and private sectors showed an increasing trend over the six-year period covered by the study. The average monthly pension is computed by dividing the pension disbursement against the number of total pensioners.
- In comparison, the average monthly pension for retirement under social security is much higher under the GSIS than SSS. In particular, the monthly retirement pension for SSS amounted to ₱5,123 in 2017, higher by 38.2 percent from the ₱3,707 monthly pension in 2012 (*Table 3*).
- On the other hand, the monthly retirement benefits for GSIS pensioners reached ₱18,525 in 2017 higher by 3.4 percent from ₱17,908 in 2012.
- Meanwhile, the average monthly pension for disability and death/survivorship under social security for SSS in 2017 reached ₱5,000 and ₱4,457, respectively. For GSIS, the average monthly pension for disability and death/survivorship during the year amounted to ₱4,917 and ₱3,934, respectively.
- Further, through Employees' Compensation Programs (ECPs), both the SSS and GSIS provided pensions for members who were injured and had suffered from accidents that lead to disability and/or death of the member. A sluggish growth was observed for both the disability and death/survivorship monthly pensions distributed by SSS at ₱4,329 and ₱4,017 in 2012 and ₱4,642 and ₱4,201 in 2017, respectively.
- On the contrary, the GSIS pension for employees' compensation doubled from ₱1,023 in 2012 to ₱2,443 in 2017.

**Proportion of social security benefits to GDP
slightly inched-up to 1.9% in 2017**

- Social security benefits consist of social security payments made to government and private employees and their beneficiaries by the social security fund agencies (GSIS, SSS, and PhilHealth). These benefits include retirement and survivorship pensions, sickness, disability and death benefits or other related allowances or benefits.
- The share of social security benefits to the country's national income and output as measured by Gross Domestic Product (GDP) remained low at around 2 percent from 2012 to 2017.
- From a share of 1.8 percent of GDP in 2012, the share of social security benefits to GDP minimally increased to 1.9 percent in 2017. (*Figure 4*)
- The yearly share of social security benefits to GDP showed that the lowest share was posted at 1.5 percent in 2013 with the highest share of 2.1 percent registered in 2016.



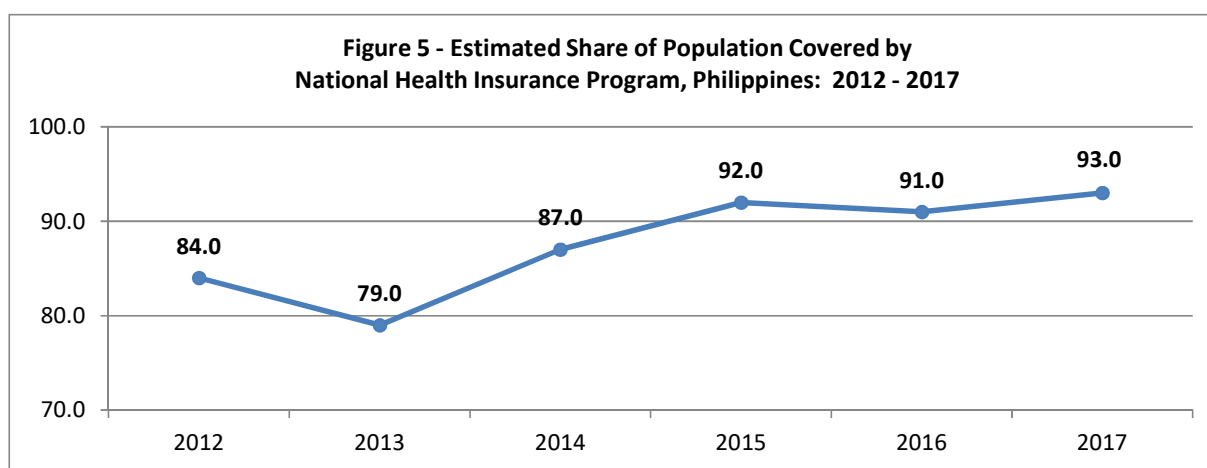
Source: Philippine Statistics Authority, Philippine National Health Accounts.

Health-care expenditures not financed out of pocket by private households improved over the years

- The amount of health-care expenditures not financed out of pocket by private households recorded an increasing trend from ₱201.689 billion in 2012 to ₱311.593 billion in 2017. This is a growth of 54.5 percent or ₱109,904 billion during the six-year period. (*Table 4*)
- Similarly, in terms of percent share to total health care expenditures, the share of health care expenditures not financed out of pocket by private households likewise increased by 0.9 percentage points from 42.8 percent in 2012 to 43.7 percent in 2017.
- This implies that the burden of healthcare spending over the years is increasingly being borne by the government/employers instead of the individual households (*ILO, Country Profile, Philippines, 2012*).

**9 out of every 10 members of the population were covered
by the National Health Insurance Program in 2017**

- Since 2012 until 2017, the estimated share of population covered by the *National Health Insurance Program (NHIP)* maintained a high and generally increasing pattern over the years.
- Specifically, from 84.0 percent in 2012, the estimated share of population covered by the *NHIP* increased by 9.0 percentage points to 93.0 percent in 2017 (*Figure 5*).
- Meanwhile, the estimated number of beneficiaries that include members and dependents under the program reached 96.974 million in 2017, an increase of 16.055 million from the 80.919 million beneficiaries in 2012 (*Table 5*).
- By type of beneficiaries, around one-third (33.0% or 32.030 million) of total beneficiaries in 2017 were composed of indigents while 29.8 percent (28.856 million) were members of the formal economy.
- This was followed by private employees which accounted for almost one-fourth (23.7%) or 23.008 million of the total beneficiaries during the year. Government employees comprised a mere 5.9 percent (5.724 million) of the total.
- Starting 2017, the members of the informal economy without 3/6 contribution but entitled to Point of Service (POS) excluding foreign nationals were also included as beneficiaries under NHIP. These types of members constitute almost one-sixth or 15.2 percent (14.764 million) of the total beneficiaries during the year.



Source: *Philippine Health Insurance Corporation.*

Metadata of Statistical Indicators on Social Security

Indicator	Description and Technical Notes	Data Source	Remarks
Share of economically active population contributing to a pension scheme	<p>Ages: 15+.</p> <p>Indicator defined as: - Total SSS and GSIS members (with at least one month posted contribution for the given year) as a percentage share of total labor force.</p>	Social Security System (SSS, for private sector)/ Government Service Insurance System (GSIS, for public sector), Administrative records PSA, LFS	SSS data on Overseas Filipino Workers excluded in the computation as they are not counted as part of the country's economically active population or labor force.
Share of population aged 60 and above benefiting from retirement/old age pension	<p>Ages: 60+.</p> <p>Indicator defined as: Total pensioners (formerly employed in the private and public sectors) who receive retirement/old age pensions on a lifetime cash benefit paid every month as a percentage share of total household population 60 years old and over.</p>	SSS/GSIS Administrative records PSA, LFS	<p>Qualified pensioners:</p> <p>SSS: 60 years old, separated from employment or ceases to be employed and has paid at least 120 monthly contributions prior to the semester of retirement; 65 years old whether employed or not and has paid at least 120 monthly contributions prior to the semester of retirement;</p> <p>2) GSIS: 60 years old (optional retirement) or 65 years old (mandatory retirement) and have rendered at least 15 years of service.</p> <p>SSS and GSIS cannot provide data for those aged 60+ who are receiving disability and survivorship benefits.</p> <p>Some pensioners may no longer be Philippine residents and as such not counted in the population denominator.</p>
Average monthly pension	Indicator defined as: Average monthly pension benefits on social security (retirement, disability, death/survivorship) and employees compensation due to work-related injuries and diseases.	SSS/GSIS Administrative records	
Social security benefits, % of GDP	<p>Indicator defined as: Total social security benefits as a percentage share of Gross Domestic Product.</p> <p>Social security benefits - social security payments to government and private employees and their beneficiaries by social security funds (Government Service Insurance System, Social Security System, National Health Insurance Program and Employees Compensation Program). These may take the form of retirement and survivorship pensions, sickness, disability and death benefits or other related allowances or benefits.</p>	PSA, NAP-Income and Outlay Account IV: Households including NPISH	Data from 2009 based on 2008 SNA. Thus, data not strictly comparable with earlier years.

Metadata of Statistical Indicators on Social Security

Indicator	Description and Technical Notes	Data Source	Remarks
Health-care expenditures not financed out of pocket by private households	Indicator defined as: Total (public and private) health care expenditures financed either by government, pre-paid private insurance, employers or NGOs as a percentage share of total health care expenditures.	PSA, Philippine National Health Accounts	Data from 2005 based on revised estimation methodologies and improved coverage. Thus, data not strictly comparable with earlier years.
Estimated share of population covered by National Health Insurance Program	Ages: All. Indicator defined as: Total beneficiaries (members and dependents) of the National Health Insurance Program as a percentage share of total population.	Philippine Health Insurance Corporation (PhilHealth)	<p>The SSS (private sector) and GSIS (public sector) previously administered the Medicare Program prior to the creation of PhilHealth.</p> <p>The PhilHealth assumed the responsibility of administering the Medicare Program, (implemented from August 1971) from GSIS in October 1997, from SSS in 1998 and the Overseas Workers Program from the Overseas Workers and Welfare Administration in March 2005. PhilHealth members who have reached the age of retirement and who have paid at least 120 months premium (including those who have paid in the former Medicare Program), are granted lifetime coverage. As lifetime members they are also qualified for full benefits together with their qualified dependents.</p> <p>Beneficiaries are estimated as follows:</p> <p>2000 to 2008: members based on collection reports and membership database build-up and dependents based on average household size from the Philippine Statistics Authority (PSA).</p> <p>2009: members in the database and dependents based on average household size from the PSA.</p> <p>2010-2011: actual counts of members and dependents registered in the database except for dependents of the Sponsored Program (Department of Health and Regular) which were estimated based on the dependent multipliers from the Benefit Delivery Review Study of the UP School of Economics.</p> <p>2012: actual counts of members and dependents registered in the database except for dependents of LGU-sponsored Program which were estimated using the National Household Targeting System for Poverty Reduction member to dependent ratio.</p>

References:

1. Philippine Statistics Authority Decent Work Statistics (DeWS) – Table10 Social Security (Philippine database). Retrieved from (<http://stat.psa.gov.ph/PXWeb/pxweb/en/DB/DB3KE10/?tablelist=true&rxid=227f6805-9732-41b6-981c-ac178832d6db>)
2. International Labour Organization, Decent Work Indicators - Guidelines for producers and users of statistical and legal framework indicators, September 2013. (<http://stat.psa.gov.ph/Featured/Decent-Work-Statistics-Philippines/Decent-Work-Statistics>)
3. International Labor Office, Decent Work Country Profile: The Philippines– Geneva: ILO, 2012.
4. International Labour Organization (ILO) Decent Work – Decent Work and Sustainable Development Goals (<http://www.ilo.org/global/topics/decent-work/lang--en/index.htm>)

FOR INQUIRIES

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 Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATIONS DIVISION** at 462-6600 local 834
 Or visit our website at <http://www.psa.gov.ph>

**TABLE 1 –Percent Share of Economically Active Population
Contributing to a Pension Scheme, Philippines: 2012-2017**

INDICATOR	2012	2013	2014	2015	2016	2017
Percent Share of Economically Active Population Contributing to a Pension Scheme (%)	29.4	30.6	32.0	34.3	35.2	38.4
Social Security System ¹	26.0	27.1	28.4	30.6	31.5	34.4
Government Service Insurance System	3.5	3.5	3.6	3.7	3.7	4.0
Contributing Members (000)	12,223	12,937	13,675	14,660	15,786	16,999
Social Security System	10,824	11,498	12,193	13,134	14,165	15,287
Employees	8,194	8,621	9,132	9,749	10,462	11,137
Domestic Workers	33	49	60	66	68	71
Self-Employed	716	777	859	979	1,057	1,137
Voluntary ²	1,557	1,655	1,713	1,877	2,070	2,356
Overseas Filipino Workers	325	396	430	463	509	585
Government Service Insurance System	1,399	1,439	1,482	1,526	1,621	1,712
Total labor force (000)	40,426	41,022	41,379	41,342	43,361	42,775

Notes: 1. Annualized data for 2014 from the Labor Force Survey is the average of estimates for April, July and October survey rounds. The estimates for these rounds exclude data for Leyte province only while that of January exclude Region VIII.

2. Annualized data for 2015 from the Labor Force Survey is the average of estimates for January, April, July and October survey rounds. The estimates for these rounds exclude data for Leyte province only. The use of the four survey rounds that exclude Leyte was based on the results of the referendum conducted among members of the Inter-Agency Committee on Labor and Productivity Statistics.

3. See attached Metadata of Statistical Indicators on Social Security for definitions and other information.

¹ SSS data on Overseas Filipino Workers excluded in the computation as they are not counted as part of the country's economically active population/labor force.

² Refers to separated workers and non-working spouses.

Sources: Social Security System.
Government Service Insurance System.
Philippine Statistics Authority, Labor Force Survey.

TABLE 2 –Percent Share of Population Aged 60 Years Old and Over Benefiting From Retirement/Old Age Pension, Philippines: 2012-2017

INDICATOR	2012	2013	2014	2015	2016	2017
Share of Population Aged 60 and Above Benefiting from Retirement/Old Age Pension (%)	16.3	17.5	19.0	20.5	19.1	19.6
Social Security System	12.7	13.9	14.9	16.4	15.2	15.9
Government Service Insurance System	3.6	3.6	4.2	4.1	3.9	3.8
Total Population Aged 60 and Above Benefiting from Retirement/Old Age Pension	1,070,783	1,178,759	1,283,520	1,402,699	1,539,527	1,666,414
Social Security System	833,528	937,616	1,001,446	1,120,174	1,223,682	1,345,287
Government Service Insurance System	237,255	241,143	282,074	282,525	315,845	321,127
Total household population 60 years old and over (000)	6,575	6,726	6,739	6,840	8,068	8,486

Notes: 1. Annualized data for 2014 from the Labor Force Survey is the average of estimates for April, July and October survey rounds. The estimates for these rounds exclude data for Leyte province only while that of January exclude Region VIII.

2. Annualized data for 2015 from the Labor Force Survey is the average of estimates for January, April, July and October survey rounds. The estimates for these rounds exclude data for Leyte province only. The use of the four survey rounds that exclude Leyte was based on the results of the referendum conducted among members of the Inter-Agency Committee on Labor and Productivity Statistics.

3. See attached Metadata of Statistical Indicators on Social Security for definition of terms and other information.

Sources: Social Security System.
Government Service Insurance System.
Philippine Statistics Authority, Labor Force Survey.

TABLE 3 - Average Monthly Pension for SSS and GSIS by Type of Pension, Philippines: 2012-2017

INDICATOR	2012	2013	2014	2015	2016	2017
Average Monthly Pension, SSS (P)						
Social Security						
Retirement	3,707	3,577	3,792	3,780	4,425	5,123
Disability	3,536	3,467	3,633	3,713	3,938	5,000
Death (Survivorship)	3,144	2,920	3,021	3,689	3,466	4,457
Employees Compensation						
Disability	4,329	4,153	4,517	4,624	4,623	4,642
Death (Survivorship)	4,017	3,684	4,151	4,820	4,277	4,201
Average Monthly Pension, GSIS (P)						
Social Security						
Retirement	17,908	21,526	18,427	18,682	17,231	18,525
Disability	..	..	3,934	7,115	4,630	4,917
Death (Survivorship)	3,061	3,664	3,765	2,908	4,030	3,934
Employees Compensation	1,023	685	..	984	2,551	2,443

Note: See attached Metadata of Statistical Indicators on Social Security for definition of terms and other information.

.. No data available.

Sources: Social Security System.
Government Service Insurance System.

TABLE 4 - Health-Care Expenditures Not Financed Out of Pocket By Private Households, Philippines: 2012-2017

INDICATOR	2012	2013	2014	2015	2016	2017
Health-Care Expenditures Not Financed Out of Pocket By Private Households ¹, As Percent of Total Health-Care Expenditures (%)	42.8	43.7	43.3	43.9	44.4	43.7
Total Health-Care Expenditures Not Financed Out of Pocket by Private Households ¹ (P Million)	201,689	229,803	231,043	260,284	292,520	311,593
Total Health-Care Expenditures ¹ (P Million)	471,108	526,342	534,008	592,768	659,324	712,341

Note: See attached Metadata of Statistical Indicators on Social Security for definition of terms and other information.

Source: Philippine Statistics Authority, Philippine National Health Accounts.

TABLE 5—Estimated Share of Population Covered by National Health Insurance Program, Philippines: 2012-2017

INDICATOR	2012	2013	2014	2015	2016	2017
Estimated Share of Population Covered by National Health Insurance Program (%)	84.0	79.0	87.0	92.0	91.0	93.0
Estimated Beneficiaries (Members and Dependents) of National Health Insurance Program (000)	80,919	76,897	86,224	93,445	93,401	96,974
Members in the Formal Economy			27,048	28,319	29,310	28,856
Employed	25,939	26,348	-	-	-	-
Private	19,507	20,435	21,226	22,371	23,305	23,008
Government	6,432	5,914	5,724	5,837	5,886	5,724
Household Help/Kasambahay	-	-	97	109	118	121
Enterprise Owners and Family Drivers	-	-	1	2	2	3
Individually-Paying	11,818	11,991	-	-	-	-
Sponsored Program	36,679	31,378	-	-	-	-
Local Government Units	16,250	10,366	-	-	-	-
National Household Targeting System for Poverty Reduction	20,429	21,012	-	-	-	-
Lifetime Program	1,254	1,318	-	-	-	-
Overseas Workers Program	5,230	5,863	-	-	-	-
Members in the Informal Economy	-	-	7,385	8,458	8,168	22,899
Migrant Workers	-	-	1,826	2,080	1,610	1,316
Informal Sector	-	-	4,686	5,373	5,526	5,747
Self-Earning Individuals	-	-	839	975	996	1,036
Organized Groups and Others	-	-	34	30	34	36
Informal Economy Members w/o 3/6 contribution but Entitled to Point of Service (POS) excluding Foreign Nationals	-	-	..	..	..	14,764
Indigents	-	-	43,726	45,407	43,486	32,030
Sponsored Members	-	-	2,117	2,408	2,778	2,580
Senior Citizens	-	-	4,339	7,123	7,574	8,473
Lifetime Members	-	-	1,610	1,730	2,084	2,135

**TABLE 5—Estimated Share of Population Covered by
National Health Insurance Program, Philippines: 2012-2017(Cont'd)**

INDICATOR	2012	2013	2014	2015	2016	2017
Total Registered Members (000)	28,492	31,267	36,409	40,502	41,232	49,584
Members in the Formal Economy	-	-	13,012	13,869	14,636	14,904
Employed	11,640	12,372	-	-	-	-
Private	9,611	10,299	11,003	11,770	12,465	12,647
Government	2,029	2,073	1,952	2,035	2,102	2,186
Household Help/Kasambahay	-	-	56	63	68	70
Enterprise Owners and Family Drivers	-	-	*	1	1	1
Individually-Paying	5,056	5,375	-	-	-	-
Sponsored Program	8,293	9,611	-	-	-	-
Local Government Units	3,687	4,454	-	-	-	-
National Household Targeting System for Poverty Reduction	4,606	5,157	-	-	-	-
Lifetime Program	658	774	-	-	-	-
Overseas Workers Program	2,845	3,135	-	-	-	-
Members in the Informal Economy	-	-	3,382	3,425	3,261	11,078
Migrant Workers	-	-	961	930	659	536
Informal Sector	-	-	2,024	2,086	2,177	2,317
Self-Earning Individuals	-	-	382	394	409	436
Organized Groups and Others	-	-	16	14	14	15
Informal Economy Members w/o 3/6 contribution but Entitled to Point of Service (POS) excluding Foreign Nationals	-	-	-	..	..	7,774
Indigents	-	-	14,707	15,289	14,642	14,329
Sponsored Members	-	-	848	1,050	1,218	1,128
Senior Citizens	-	-	3,529	5,868	6,246	6,899
Lifetime Members	-	-	932	1,002	1,230	1,246

Note: See attached Metadata of Statistical Indicators on Social Security for definition of terms and other information.

* Less than 1,000.

.. No data available.

Source: Philippine Health Insurance Corporation.