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Good Practices in Social Security

Good practice in operation since: 2008

SSS ID & UMID Systems

A case of the Social Security System

Social Security System
Philippines

Summary

The Philippine Social Security System (SSS) Identification Card (SS Card) has evolved from a mere means of establishing a member or beneficiary's identity to a valuable tool to combat fraud, mitigate operational risks and facilitate electronic-based transactions through Self-Service Information Terminals. The SS Card's security features and the integrity of its information has made it a model for the government-initiated Unified Multi-Purpose Identification (UMID) System.

Since its inception in 1998, the SS Card has become a paragon of meaningful public and private sector partnership that has generated economies of scale and has advanced transparency and accountability. The SS Card has successfully hurdled legal impediments by mustering requisite support from the public and key stakeholders including a favorable ruling from the Supreme Court which had originally struck down government's efforts to institutionalize a National Identification System in 1998.

At present, SSS has garnered the support of government agencies as well as the World Bank to expand the scope and use of the SS Card to strengthen beneficiary targeting and program administration of the government's social protection and anti-poverty programs.

CRITERIA 1:

What is the main issue/problem/challenge addressed by your good practice?

The SSS Identification System, which has become the platform for the Unified Multi-Purpose Identification System (UMID), seeks to address a set of issues concerning benefit disbursements and fund administration. With total membership reaching more than 28.7 million¹ worldwide, it is imperative for the institution to come up with IT enabled measures such as the Social Security Card (SS Card) to ensure that pension payments are accurate, up-to-date and are paid to the right beneficiary. The card also serves as a valuable tool to meet the evolving needs of its members by liberalizing access to key services through Self-Service Kiosks while rationalizing valuable manpower resources by focusing on high impact systems such as benefits and loans processing.

CRITERIA 2:

What were the main objectives and expected outcomes?

Since its implementation in 1998, the Social Security Card System sought to achieve the following objectives:

¹ As of end-March 2009.

Facilitate member identification

The SS Card has enabled SSS to undertake pin-point identification of members which eliminated or minimized the need for the submission of voluminous documents during validation process. Moreover, the SSS has made the SS Card an integral part of its operations specifically in loans and benefits processing as the biometrics information in the card are electronically matched with the information in the data base.

Purge of Data Base

The issuance of Social Security Card to more than 11 million members² has paved the way for the cleanup of SSS database through one-to-one matching with the biometric information embedded in the ID. It has led to the consolidation of multiple social security numbers, identification of inactive and reconciliation of multiple records.

Deter fraud

The Social Security Card system has effectively curbed incidences of fraudulent claims due to the unique information contained in the card which allows for direct validation with the data base. The card has a variety of security features such as micro-printed SSS logo, ultra-violet holographic overlay and specialized lamination which makes it virtually tamper-proof. In fact, the SS-ID has become a pivotal tool in the pension's audit, which has resulted to savings for the SSS in the form of recovered pension payments from deceased members.

Enable self-service transactions

The Social Security Card System has allowed SSS to shift to customer-enabled transactions through the use of Self-Service Information Terminals (SSITs), thereby realigning manpower resources to mission-critical tasks such as screening benefits and loan applications, issuing SS numbers and receiving employer reports. SSS installed 50 additional interactive SSIT's across the country, which permits members to inquire contributions and loan payments using their SS Cards.

CRITERIA 3:

What is the innovative approach/strategy followed to achieve the objectives?

One of the novel approaches employed by SSS in operationalizing its ID System is the heavy involvement of private sector in the conceptualization, acquisition, development, standards setting and even re-design phases. The active participation of the private sector allayed fears of collusion and lack of transparency. Moreover, SSS chose to adopt an integrated system in lieu of a "piece-meal" acquisition of modules to minimize complications related managing third-party contracts.

Moreover, SSS obtained two key policy issuances from the President of the Philippines, which facilitated the implementation of the re-design project of the SS-ID System. The two Executive

² As of end-March 2009.

Orders sought to streamline and harmonize existing ID systems of the government and to assign SSS as the lead agency in implementing the unification of the ID systems. These issuances, along with a ruling of the Supreme Court in 2006 have removed the legal roadblocks for the eventual adoption of a unified multi-purpose ID with the SS-ID Card as the core.

CRITERIA 4:

Have the resources and inputs been used in an optimal way to implement the practice?

Under the UMID, production costs for the actual ID card and revenues to be generated will be shared among participating social security institutions and other government agencies. Apart from the cost-sharing component, each agency shall have specific tasks ranging from the management of the central verification system to the formulation of technical standards. Moreover, the collaboration of institutions that already have the requisite data capture stations will make it unnecessary for other government agencies to purchase and set-up their own stations thereby creating economies of scale.

CRITERIA 5:

What impact/results have been achieved so far?

The national government has identified the Social Security Card system as the core of the UMID. As of late, SSS has signed a Memorandum of Understanding with other social security institutions such as the Philippine Health Insurance Corporation, the Home Development Mutual Fund, the Government Service Insurance System and the National Statistics Office for the adoption of a Common Reference Number (CRN) to ensure inter-operability of their respective ID systems. Apart from the CRN, the UMID will have a 32K microchip that will contain the basic biometric and demographic data and can be tapped to facilitate electronic payments of benefits or loans using the banking industry's automated teller machines (ATMs) and to be used as access card for public railway transport.

The SSS is also into exploratory talks with the Commission on Elections on possible collaboration collating biometrics data, use of Automated Fingerprint Identification System and production of UMID-compliant ID's.

Moreover, the SSS is also working with the Department of Social Welfare and Development (DSWD) and the National Economic and Development Authority (NEDA) to integrate the UMID with the National Household Targeting System for Poverty Reduction NHTS-PR – a data bank and information management system that identifies poor families and where they live. The fusion of the two programs is expected to strengthen implementation and monitoring of social welfare programs, such as the World-Bank (WB) funded Conditional Cash Transfer (CCT) Program, leading to the reduction of leakages and to enhance beneficiary tracking. The WB has likewise expressed interest in supporting the bureaucracy-wide adoption of the UMID. The bank

is willing to provide technical grants aimed at enhancing the applicability of the UMID not just as a tool for governance and risk mitigation but also as a means of facilitating commercial transactions.

CRITERIA 6:

What lessons have been learned?

In the course of 11 years, the SSS has realized the value of collaborating with the private sector and other critical government units to preserve and promote transparency and accountability and knowledge transfer while achieving operational efficiency. Moreover, implementing a pioneering project such as the UMID, requires the mitigation if not abrogation of legal risks through the formulation of requisite policy issuances such as an Executive Order or even a clarificatory ruling from the Supreme Court. These legal remedies serve to facilitate the mobilization of resources, manpower and technical expertise to ensure timely delivery of program commitments.

CRITERIA 7:

To what extent would your good practice be appropriate for replication by other social security institutions?

The setting of common standards as well as the integration of the UMID with the NHTS-PR are good starting points for replication for projects of similar nature. The UMID forms part of an overarching initiative to harmonize both the social protection and anti-poverty programs of the government. SSS and DSWD are working closely on developing a new framework that foresees the CCT as the core social welfare intervention supported by a web of other anti-poverty and programs dealing with livelihood, basic education and training scholarships, micro-finance and micro-insurance, job facilitation and emergency employment, food security and social housing. The UMID would be utilized not just for beneficiary identification but also for cash disbursement purposes or as a general access card for health care services.