Good Practices in Social Security

Good practice in operation since: 2013

Special social security registry for domestic workers
A case of the Federal Administration of Public Resources

Winner, ISSA Good Practice Award - Americas competition 2016

Federal Administration of Public Resources
Argentina

Published 2030
Summary

This is a simplified online registration system which identifies current domestic work employment relationships, by providing notifications of the employment and dismissal of staff.

Those who employ domestic workers are responsible for uploading the relevant information using their tax identification number. The registration acts as a certified declaration and it can be carried out via three channels enabled to this end: the web page of the Federal Public Revenue Administration (Administración Federal de Ingresos Públicos (AFIP)), online banking, and a free telephone line. These options facilitate compliance by employers.

The information is registered in real time in the AFIP data bases. The computer application generates a certificate of employment for the worker, payslips, and the electronic payment receipt of contributions via online banking.

The information registered is consistent and can be accessed by all social security bodies (the National Social Security Administration (Administración Nacional de la Seguridad Social (ANSES)), health insurance, occupational risk insurance companies) that receive funds from the nominative contributions, thereby ensuring the social coverage of the workers and guaranteeing them the full exercise of their rights.

CRITERIA 1

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

The aim of the system is to register services or tasks performed in private homes (domestic services). In other words, the tasks carried out in the context of family life, from which the employer does not derive direct profit or economic benefit, regardless of the number of hours a day or days a week spent on such work.

It has a national scope. The information required identifies employers and domestic employees by name and surname, tax identification number, address, bank account, telephone number and email address. It also registers information regarding the employment relationship: start date, pay, number of hours worked, address at which the services are provided, chosen welfare organization, job description, frequency of pay (daily, weekly, monthly) and the date of termination, where applicable.

Workers and employers concerned by this system can consult the payments registered and those pending by accessing the AFIP website (http://www.afip.gob.ar), using their tax identification password.

The web application enables the rapid and simple generation of a certificate of employment, containing information identifying the employer, the worker and the employment relationship;
pay slips; receipts of payment - electronic or manual - of the contributions which fund social security.

Argentinian legislation extended the rights of domestic staff working in private homes, granting them the same rights as all other workers. Historically, domestic workers were covered by an adverse legal system which, together with discreditable contributory evasion, deprived them of the basic principle of labour citizenship.

The legislation in force establishes that the employer shall make monthly submissions attesting to the employment relationship with each worker, their pay and the payment of the contributions which finance their future retirement pensions, their health insurance on the basis of social security for workers - and optionally for their family unit - and occupational risk insurance against accidents at work.

**CRITERIA 2**

**What were the main objectives and the expected outcomes?**

The system seeks to simplify the registration of workers covered by the special regulations governing employment contracts for domestic workers, and to give employers a tool to make the payment of contributions and occupational risk insurance.

This provides employers with one single channel for interactions with various bodies, sending information verified by means of the tax identification number and enabling the interested institutions (Minister of Labour, the Occupational Hazard Supervisory Authority, National Social Security Administration and the Health Supervisory Authority) to receive notifications by means of one single "e-helpdesk".

The main objectives include:

- Simplifying employer compliance.
- Making payments and information more transparent and improving the employer-worker employment relationship.
- Decreasing unregistered labour.
- Facilitating the overall cycle of registration and distribution of funds to social security bodies.
- Guaranteeing the quality of the information registered.
- Coverage by the occupational accident insurance system.
• Greater inclusion and concrete access to workers' rights.

• Enabling the State to provide smart guidance for public policies, such as providing public urban passenger transport subsidies for registered domestic workers for each journey on which workers pay using the Single E-Ticket System (SUBE).

The expected outcomes include:

• A significant impact of the registration of employment relationships. When the system was launched in June 2013, 236,395 employment relationships had been registered. In August 2015 the figure stood at 533,831 employment relationships. In the space of two years, the number of registered domestic employment posts had doubled.

• Extending the coverage of health services to the worker's close family unit.

• The pay slips issued by employers who have registered employment relationships are generated automatically through the website, providing private domestic workers with proof of income. This gives domestic workers access to formal credit through a credit card or commercial credit.

• Giving employers of domestic workers control over the tax benefits provided under the Income Tax Act. These tax benefits consist in making payments for the remuneration of services (wages) and contribution payments as deductibles for the personal income tax declaration.

Furthermore, the new legal status of domestic employment and the impulse given by the implementation of the registration system, helped to disseminate and increase transparency on the rights and obligations of the parties to the employment contract, in relation to trial periods, paid holidays, maternity leave, sick leave and valid reasons for dismissal, among others.

CRITERIA 3

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

The main innovative approach was the registration of staff in an online system, by means of a tax identification number. The employer must provide, among other information, the name and surname of workers, their pay, the number of hours worked a week, the address at which they work and the welfare organization chosen by the workers.

Once the registration is made, the system issues the documents attesting to the completion of the registration. Those documents are printed, signed and submitted to the worker. Employers are required to generate a monthly electronic payment receipt, enabling them to pay contributions at their usual banking establishments and generate the workers' payslips.
This new way of using technology increases the number of registration procedures that can be carried out in real time, ensuring the quality of information registered, and providing users with the possibility of accessing information 24 hours a day from anywhere.

Another innovation is providing three alternative channels to register labour relations: via the webpage, via telephone using a free national phone line and via the country-wide network of automatic teller machines.

**CRITERIA 4**

**Have the resources and inputs been used in an optimal way to achieve the set objectives and the expected outcomes? Please specify what internal or external evaluations of the practice have taken place and what impact/results have been identified/achieved so far.**

The rise in the number of registrations of domestic worker employment relationships, which reached 533,831 employment relationships in August 2015, was accompanied by a rise in the rate of compliance with the payment of contributions, which reached approximately 90%.

This was achieved through the development of a tool which facilitates the employers’ tasks, the continued improvement of the system on the basis of suggestions by users, and outreach and dissemination regarding the benefits of inclusion in the system for worker.

Some of the achievements since the roll-out of the system include:

- An updated, centralized system, decreasing the administrative burden on the public and guaranteeing the integrity of calculation engines and data bases.

- The optimization of the information and payment distribution circuit.

AFIP is constantly seeking mechanisms to facilitate tasks for its users, creating the Domestic Workers microsite that provides a central information point on all aspects related to this subject: forms, the regulations in force, user manuals, help services (microsite: [http://www.afip.gob.ar/casasparticulares/](http://www.afip.gob.ar/casasparticulares/)).
CRITERIA 5

What lessons have been learned? To what extent would your good practice be appropriate for replication by other social security institutions?

The launch of the "Domestic workers" system made the necessary information available in order to simplify the process and improve the quality of services, optimizing circuits and the distribution of information and contributions.

The registration system enabled the declaration of employment relationships which tend to fall within the informal economy and which, due to their fragmentation, are difficult for the Government to control.

The IT system provided additional social benefits for this group of workers, who are generally found at the most vulnerable levels of society. Through the registration of information, workers in this system have access to full social security coverage.