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# Good Practices in Social Security

Good practice in operation since: 2015

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## Employer Online Portal

**Fiji National Provident Fund**  
Fiji

## **Summary**

*The Fiji National Provident Fund (FNPF) is mandated by law to collect compulsory contributions from the employers for the retirement savings of all workers in Fiji. The employer pays 18 per cent of which 8 per cent is deducted from the employee's salary.*

*Employers are required to submit the contribution details on a monthly basis to the FNPF. Prior to 2016, these monthly contribution schedules (CS) were physically submitted and posted to member accounts manually. This process posed a number of challenges for the FNPF.*

*The Employer Online Portal is an electronic platform which provides a more efficient way of receiving and distributing contributions. It allows employers to submit the CS online, which automatically updates member accounts on payment. A total of 4,059 employers were using the portal in December 2016, paying more than 95 per cent of the collected contributions. This increased further in 2017 with 6,109 employers using the portal and paying 98 per cent of contributions.*

*Other benefits of the employer portal include increased contribution compliance, improved staff productivity and enhanced data integrity of member information.*

## **The issue or challenge**

*What was the issue or challenge addressed by your good practice? Please provide a short description.*

The Fiji National Provident Act 2011 sets out the functions and operations of the FNPF including the way in which employers are to submit monthly contribution information of their employees.

Prior to 2016, these monthly contribution schedules were physically submitted and posted to member accounts manually. The challenges faced include:

- delays in the posting of contributions to member accounts – It usually took an average of 30 working days to post the previous month's contributions;
- incorrect or incomplete details submitted by the employer – This resulted in increases in the number of unidentified members/contributions posted to the unallocated account. This required a separate back-end process to clear;
- a labour intensive and time consuming exercise;
- a process susceptible to human error and fraud;
- given the change in the interest crediting formula, any delay in distribution of contributions to members account meant that members lost out on interest;
- difficulties in tracking defaulting employers;
- physical storage and retrieval of the CS forms – on average the FNPF receives 9,000 pages of contribution schedules every month;
- high number of complaints from members.

## Addressing the challenge

*What were the main objectives of the plan or strategy to resolve the issue or challenge? List and briefly describe the main elements of the plan or strategy, focusing especially on their innovative feature(s) and expected or intended effects.*

The main objectives of the implementation of the Employer Online Portal are:

- real-time distribution of contributions to members account – The real time updates would allow members to get full interest on their contributions;
- improve data integrity – employers had to ensure that the member demographic data submitted fully matched the member records in the FNPF system. The use of the portal actually pushed the responsibility for the accuracy of member information to the employer. This led to an increase in data integrity in the member demographic information;
- increase contribution compliance – defaulting employers can be automatically captured through exception reports.
- improve staff productivity – the reduction in the number of manual CS forms submitted resulted in less time spent in posting manual contributions. Resources were then re-directed to focus on compliance;
- reduction in errors in posting of contributions;
- electronic storage of CS forms.

## Targets to be achieved

*What were the quantitative and/or qualitative targets or key performance indicators that were set for the plan or strategy? Please describe briefly.*

General targets were set for the employer portal.

<b>Year</b>	<b>Expected Target</b>
2015	Top 100 Employers (highest contributing employers in terms of dollar value) using the portal
2016	Top 500 Employers using the portal Unallocated account reduced by 10 per cent
2017	Remaining employers Unallocated account reduced by 50 per cent

## Evaluating the results

*Has there been an evaluation of the good practice? Please provide data on the impact and outcomes of the good practice by comparing targets vs actual performance, before-and-after indicators, and/or other types of statistics or measurements.*

In terms of the employer portal uptake, tabulated below are the results after three years of implementation.

### First year of implementation – December 2015

Description	Number of employers	Number of employees	Total contributions
Employer portal	138	3,162	FJD 677,836
Manual submission	6,061	175,876	FJD 38,478,826
Total	6,199	179,038	FJD 39,156,662

### Second year of implementation – December 2016

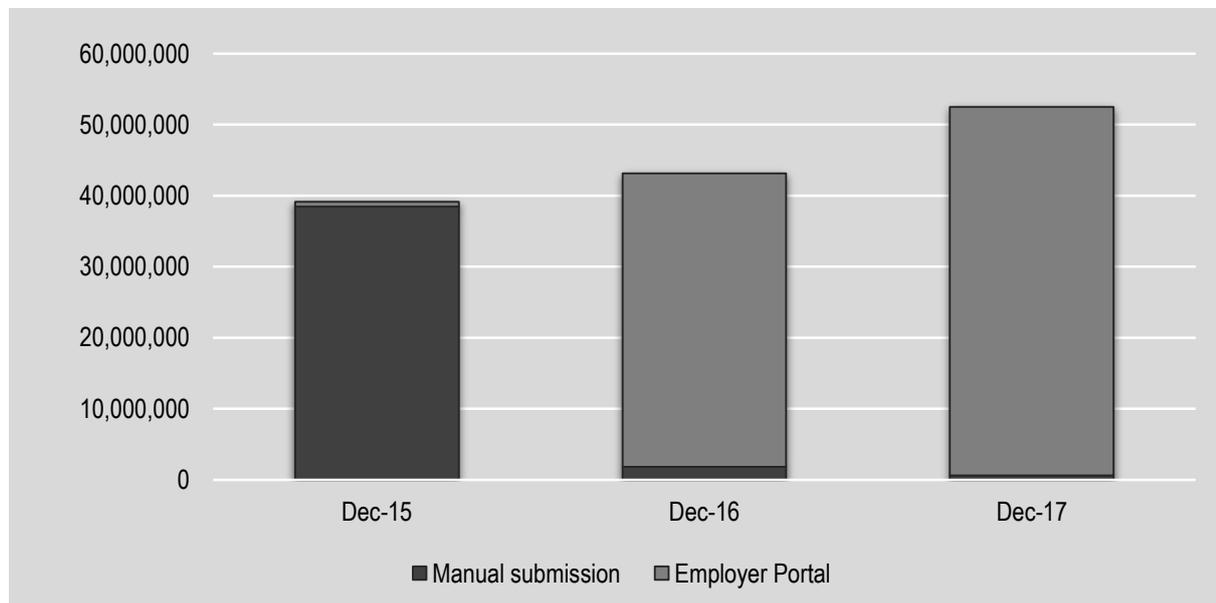
Description	Number of employers	Number of employees	Total contributions
Employer Portal	4,059	171,843	FJD 41,305,820
Manual Submission	2,400	12,724	FJD 1,837,296
Total	6,459	184,567	FJD 43,143,116

### Third year of implementation – December 2017

Description	Number of employers	Number of employees	Total contributions
Employer Portal	6,109	185,364	FJD 51,866,824
Manual Submission	502	2,984	FJD 609,604
Total	6,611	188,348	FJD 52,476,428

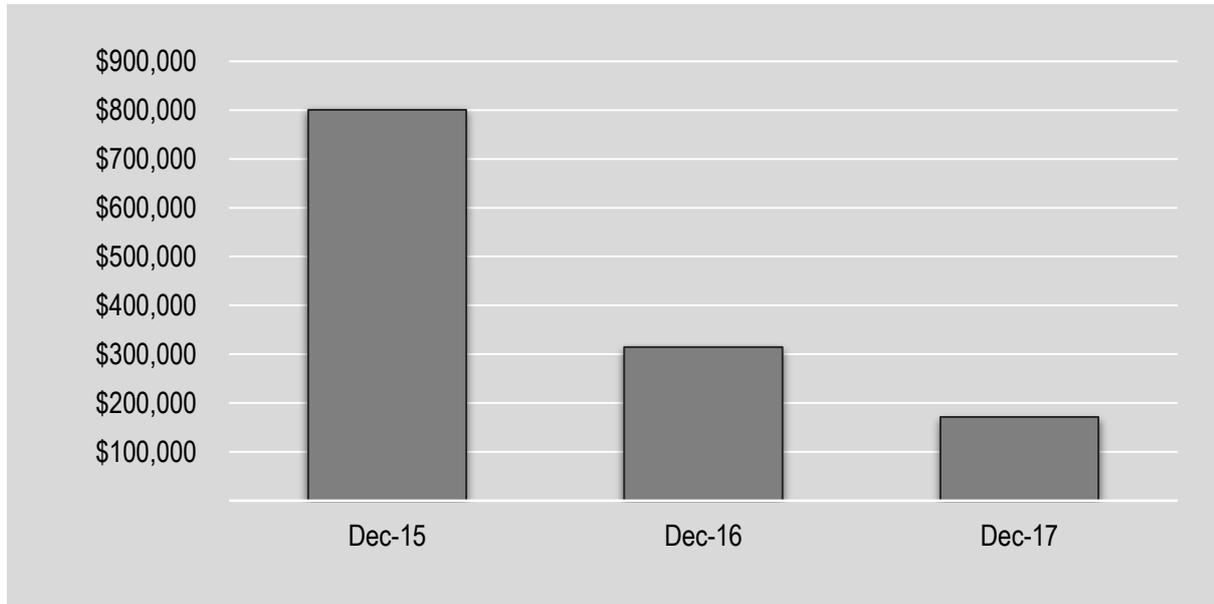
Figure 1 shows the portal versus manual submissions over the last three years.

**Figure 1.** *Portal versus manual submissions*



Furthermore, the unallocated and suspense account balances over the last three years have been reduced (see Figure 2).

**Figure 2. Unallocated Account**



## Lessons learned

*Based on the organization's experience, name up to three factors which you consider as indispensable to replicate this good practice. Name up to three risks that arose/could arise in implementing this good practice. Please explain these factors and/or risks briefly.*

Factors:

To replicate this good practice, there are several key factors that should be taken into consideration when designing the implementation plan.

- **Employer engagement and buy-in:** We held several workshops and meetings with employers throughout Fiji to raise awareness, inform and educate them on the use of the portal and its benefits. This was followed up by face-to-face visits with the payroll staff in various companies training them on the use of the employer portal. Helplines were also set up to provide assistance to those that faced issues with the online submissions.
- **Collaboration with strategic partners:** In Fiji, a requirement on our CS forms is to provide details of the member's Tax Identification Number (TIN) which is provided by the Fiji Revenue and Customs Services (FRCS). The FNPF collaborated with FRCS to be able to access their data for verification purposes.

The FNPF is currently in discussions with the Birth Registration and Titles Office to have access to the birth records of members. This is to ensure that the members are registered according to the names in the birth certificate and would ease the burden of employers and members in submitting this information for membership purposes.

- **Accuracy of member data:** The electronic submission of CS forms required that member demographic information submitted by employers had to fully match with what was in

the FNPF records in order for the upload to be successful. This provided an opportunity for both the FNPF and the employer to clean up the demographic information of members.

Risks :

- IT security risks: Prone to hackers, cyber-crime, computer viruses/damage, sharing of passwords, leakage of employee/employer financial and demographic data. The CS forms include details of wages and salaries. As the only superannuation, the FNPF captures all workers in the formal sections including government employees.
- Fraud: Manipulation of data, employers could manipulate details of the contribution schedule. Additionally, companies can easily delete employees from the CS forms.
- Reputation risk: If the portal is hacked resulting in loss of sensitive and confidential member data, FNPF's credibility and reputation is at risk.