



issa

EXCELLENCE IN SOCIAL SECURITY



Ensuring Effective Access To Social Security Coverage For Platform Workers

- Country Experiences And Good Practices

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Social security for the self-employed and platform workers
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The Emergence of Platform Economy



**Technological Advancement
Driving Flexibility**



**Shift from Traditional
Employment**



**Economic Opportunity &
Significant Growth**

The Rise of Platform Economy



*More than 28 million people in the EU work through digital labour platforms (2021). By 2025, their number is expected to reach **43 million***

*[Improving Working Conditions in Platform Work Paper, EU **December 2021**]*

Reasons Engaging in Platform Work:-

- ✓ Income Potential
- ✓ Work-Life Balance
- ✓ Entrepreneurial Opportunities
- ✓ Global Reach
- ✓ Technological Advancement

Increase in Gig Platforms

ILO SURVEY (2021) :



ILO Survey (2021) :



Platform Workers

Less than 60% with health insurance

15% have employment protection

Only 20% have retirement savings



Gig Workers

Only 40% with health insurance

More than 69% with no employment protection

Only 23% have retirement savings

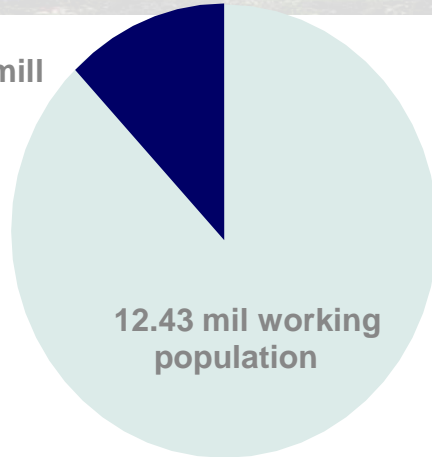
Malaysia's Self-Employed - statistics at glance



**MALAYSIA
POPULATION
34.1 mil**



3.06 mill



**12.43 mil working
population**

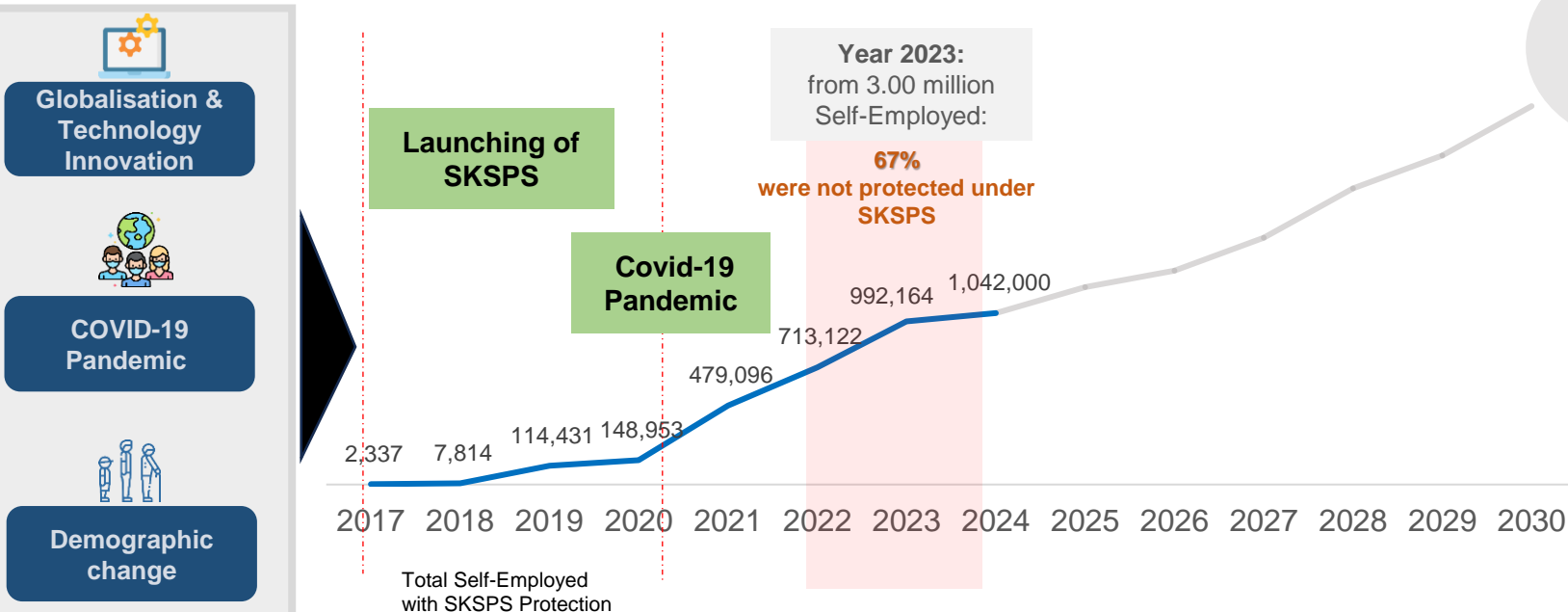
Self Employed Persons

Only **18.4% (3.06 mil)** from the total working population (12.43 mil) are self-employed.
(Q2 2024, DOSM)

No. of freelancers in Malaysia accounted for approximately 1.4 million

The Growth of Self-Employment and Labour Market Transition

Recent technological and socio-economic developments have led to the formation of new business models and triggered a shift in the labour market to the informal sector



Protection for Self-Employed Individuals

Self-Employment Social Security Scheme (SESS Scheme)

Under the provision of the Self-Employment Social Security Act 2017 (Act 789)

Coverage against

Personal injury to self-employed insured person caused by an accident or an occupational disease arising out of and in the course of his or her self-employment activity including while travelling for the purpose of his or her self-employment activity.

Occupational disease is a disease caused by or arising from any occupation specified in the Fifth Schedule of the Employees' Social Security Act 1969. This scheme provides cash benefits to the insured persons and their dependents besides medical treatment, physical rehabilitation and vocational training.

Classification of 20 Sectors



Passenger Transport



Good & Foods Transport



Agent



Art



Beauty & Healthcare



Online Business



Forestry



Professional Services



Food



Manufacturing



Construction



Data Processing



Agriculture



Support Services



Fishery



Household Services



Hawker



Livestock



Accommodations



Information Technology

Contributions Payment and Benefits Plan

- Self-Employed Scheme

Eligibility Conditions



Malaysian citizen/
permanent resident
without age limit



Individual who work for
themselves to earn a living

Contribution Payment Plan

Contributions

Plan	Monthly (MYR)	Yearly (MYR)
Plan 1	13.10	157.20
Plan 2	19.40	232.80
Plan 3	36.92	442.80
Plan 4	49.42	592.80

Benefits

	Medical Benefit		Constant-attendance Allowance
	Temporary Disablement Benefit		Funeral Benefit
	Permanent Disablement Benefit		Facilities for Physical or Vocational Rehabilitation
	Dependants' Benefit		Education Benefit

Common Coverage Gaps

- Lack of retirement savings
- Inadequate healthcare benefits
- No unemployment insurance
- Lack of safety and health protection
- Limited access to workers' compensation (work injury)
- Lack of legal protection



Ensuring Effective Access to Coverage - Challenges & Impact

- Irregular income & unstable work conditions
- Lack of awareness among workers
- Legal ambiguities
- Technological barriers
- Platforms responsibility & compliance



How do we respond to such challenges ?



Respond to challenges with..

Expansion of the Self-Employment Social Security Scheme (SESSS)

- ✓ To cover broader range of self-employed including gig workers across 20 sectors
- ✓ Flexible contribution plan to choose
- ✓ Increase participation rate into SESSS

Classification of 20 Sectors



Respond to challenges with...

Public-Private Partnerships to Facilitate Automated Contributions

- ✓ To integrate social security contributions into digital platform payment systems
- ✓ Contributions are automatically deducted from gig workers' earnings
- ✓ Minimizing administrative burden on gig workers & ensure consistent participation



Respond to challenges with...

Facilitate & simplify contribution payment

- ✓ Collaboration inter-govt agencies & self-employed associations for contribution payment (agents...)
- ✓ Ease administrative burden of self-employed incl. platform workers
- ✓ Ensure consistent participation into SESSS



Simplify Collection Mechanisms - easy access

3



Go Digital

Mobile Apps, FPX portal
(current)

Payment portal via multiple
payment gateway
(Q1 2025)



Platform Sponsor

Platform provider subsidize
top-up 10% of contribution
amount for any contribution
payment made by platform
workers



Platform (One Stop)

Daily irregular earnings are
deducted from platform
workers accounts for
contribution payment
(Credit Card/e-Wallet/FPX)

Expand Collection Mechanisms - Agents & Automatic

PERKESO Corporate Agents

Appointment of agents among industry leads, government and private agencies to :

Promote SESS scheme to self-employed individuals within their jurisdiction

Collect contributions in bulk on behalf of PERKESO from the self-employed of 20 sector

Incentive payments of 5-7% to compensate organizations for successfully registering self-employed, under its administration.

Generate **25.3%**
of total SESS
contribution collection

33
Corporate agent
partnerships

2
Individual
agents

PERKESO Strategic Collaborations

Engagements with government agencies, associations and major industry players

Incorporating SKSPS coverage into existing regulations and licensing renewal process - automatic payment (Road Transport Dept/Local Authority)

Strengthening enforcement activities and expediting benefit delivery

National Film Development Corporation Malaysia (FINAS) /

Kuala Lumpur City Hall (DBKL)

Malaysian National News Agency (BERNAMA)

Raising
bulk registrations

Volunteers for Malaysian Uniform Bodies (Police, Army, Fire and Rescue, Maritime) – SPS Madani

Volunteers for Ministry of Health (St. John, Red Crescent) - SPS Madani

Volunteers for Care Work (Community workers) – SPS Madani

Funding SKSPS contributions for members

GRAB / FOODPANDA / MCD / MYTUTOR

Members of Parliament / State Assembly

National Sport Council

Generate **64.7%** of
total SESS contribution
collection

118
Agencies

Respond to challenges with...

Awareness and Education Campaigns

- ✓ To educate workers about the importance of social security and how to access it
- ✓ Comprehensive awareness campaigns using social media, traditional media, and direct in-app notifications
- ✓ Raising awareness and increasing enrollment in SESSS



Respond to challenges with...

Legal and Regulatory Reforms

- ✓ The government is actively working on legal reforms to better define and protect gig workers.
- ✓ The establishment of Malaysian Gig Economy Commission (SEGiM) in providing oversight, ensuring fair wages and regulating platform practices
- ✓ Avoid exclusion from social security system.



**Legal Protections Afforded to Malaysian
Gig Economy Workers.**

Respond to challenges with...

Government Subsidies for Gig Workers

- ✓ To further alleviate the financial burden on gig workers
- ✓ Increase participation rate into SESSS
- ✓ Reduce risk of social inequality



Government Initiative for Inclusive Coverage

A soft-landing approach aimed is to reduce the burden of contribution before enforcing mandatory SESS contributions

CONTRIBUTION MATCHING GRANT

Stat as of
26 Aug 2024

WORK INCENTIVES

SIP GIG



Financial incentives for unemployed, retrenched workers and job seekers from the vulnerable groups earning income through gig digital platforms during pandemic C19

MYR 600-800 for
6 months

24,355 gig workers

	PENJANA GIG	SPS LINDUNG	SPS PRIHATIN WANITA	BUDGET 2022	BUDGET 2023	BUDGET 2024
CATEGORY	Gig Workers	•Delivery Riders •Front liners	Women Entrepreneur	All self- employment	All self- employment	All self- employment
MATCHING CONTRIBUTION RATE	70%	100%	70%	80% & 100%	80% & 100%	90% & 100%
TOTAL BENEFICIARY	20,310	265,732	21,350	463,537	345,649	432,210
YEAR IMPLEMENTED	2020	2021	2021	2022	2023	2024

Social Support Network – Bridging the gaps

PERKESO's Social Synergy Program

- ✓ To provide a systematic and comprehensive social security support network through a strategic collaboration to bridge the social gaps.
- ✓ Collaboration with approx. 113 agencies/NGO/ Ministries @ 30,000 people/workers assisted since 2019.
- ✓ Benefits – Job loss, financial assistance, physical rehab, healthcare, debt restructuring, soft skill training, financial literacy, housing etc
- ✓ Helps to stabilize income, manage risks, improve quality of life, reduce vulnerability to economic shocks/poverty.

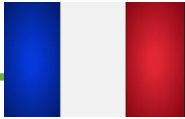


“The government is committed to expanding social security in the country to ensure that all Malaysians are protected by a sustainable and affordable social security system”

- Utusan Online, 3rd October 2018

Addressing Social Security Coverage

- **Global Efforts & Good Practices**
- **Key Lessons from Global Experiences?**



France has expanded its Universal Healthcare Coverage (PUMA) to include platform workers and mandated that digital platforms contribute to social security on behalf of their workers.



Germany requires mandatory pension contributions from freelancers and self-employed workers, ensuring that gig workers are included in public pension and healthcare systems.



Indonesia collaborates with major digital platforms (GoJek) to integrate BPJS Ketenagakerjaan contributions into the earnings of gig workers, to cover for healthcare and retirement benefits.



Uruguay has implemented the Monotax system, which combines tax and social security contributions into a single payment for self-employed workers, including those in the platform economy.



South Korea has extended its Industrial Accident Compensation Insurance (IACI) to include platform workers, ensuring coverage for work-related injuries.

Effective/Easy Access to Coverage

- Key milestone to achieve

Financial Stability & Security

- Reduce poverty rates

Improved Health & Wellbeing

- Access to healthcare

Enhanced Economic Productivity

- Increase in workforce participation

Enhanced Social Equity & Inclusion

- Reduced income inequality

Empowering Diverse Workforce

- Encourage innovation & entrepreneurship

Sustained Social Protection Systems

- Broadened fund base



THANK YOU!





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