Extending Social Security To The Self Employed/The Informal Sector

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1. To extend social security coverage to self-employed taxi drivers and other services of similar in nature;

2. To demonstrate government concerns in extending social security coverage to other informal sectors by providing the early coverage for taxi drivers and other services of similar in nature as its preliminary initiatives;
INTRODUCTION

ARTICLE 23
HUMAN RIGHTS DECLARATION 1948

CONVENTION 102
INTERNATIONAL LABOR ORGANIZATION (ILO)
REGARDING SOCIAL SECURITY (MIN. STANDARDS) 1952

RECOMMENDATION 202 (R202)ILO
CONCERNING SOCIAL SECURITY PROTECTION FLOOR, 2012
Survey was conducted on: 17 Feb - 25 May 2012

Prime Minister announced the establishment of Social Security Protection for Self-Employed Taxi Drivers on: 1 July 2012

An initial grant worth RM60 millions were approved on: 21 Okt. 2016

LAUNCHING OF THE NEW SCHEME

1 Jun 2017
CONTRIBUTIONS THROUGH SPECIFIC RULES FOR TAXI DRIVERS/GRAB/UBER

Contributions of **1.25 %** From Monthly Income

From as Low as **RM13.10/ month** up to **RM49.40/ month**

- Annual prepayment and protection effective 12 months from the date of contribution.

**Options**

<table>
<thead>
<tr>
<th>Options</th>
<th>Income Insured</th>
<th>Monthly Contributions (1.25%)</th>
<th>Yearly Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RM1,050</td>
<td>RM13.10</td>
<td>RM157.20</td>
</tr>
<tr>
<td>2</td>
<td>RM1,550</td>
<td>RM19.40</td>
<td>RM232.80</td>
</tr>
<tr>
<td>3</td>
<td>RM2,950</td>
<td>RM36.90</td>
<td>RM442.80</td>
</tr>
<tr>
<td>4</td>
<td>RM3,950</td>
<td>RM49.40</td>
<td>RM592.80</td>
</tr>
</tbody>
</table>
Mechanism of Contributions
(Sect. 82, Social Security Act 2017)

Online via SOCSO official portal (iPERKESO)

iPERKESO is also available at all SOCSO branches throughout Malaysia
https://www.ipерkeso.my/
SELF-EMPLOYED SCHEME

ELIGIBILITY & ENFORCEMENT

ELIGIBILITY

- Malaysian Citizen/Permanent Residence (PR);
  AND
- Registered with the relevant agencies.

ENFORCEMENT

Failure to register with SOCSO is an offense and may fined not more than RM10,000 or 2 years imprisonment or both if convicted.
SELF-EMPLOYED SCHEME

Benefits provided:-

a. Medical Benefit
b. Temporary Disablement Benefit
c. Permanent Disablement Benefit
d. Constant-attendance Allowance
e. Facilities for Physical and Vocational Rehabilitation
f. Return To Work Programme
g. Dependants' Benefit
h. Funeral Benefit
i. Education Benefit
SELF-EMPLOYED SCHEME

STATISTICS

Total = 63,662

- SABAH: 6,178 (10%)
- PENINSULAR MALAYSIA: 52,888 (83%)
- SARAWAK: 4,596 (7%)

TAXI SERVICE IN MALAYSIA

CLASSES:
- Budget Taxi
- Executive Taxi
- Limousine
- Airport Taxi
- Rental Taxi

Active Taxi Driver According to Classes in Peninsular Malaysia until December 2016 = 48,287

ESTIMATED ACTIVE DRIVER 20,000

SIMILAR SERVICES

Resource: SPAD
STATISTICS

• Total population of Malaysia: 31.7 million (2016)

Resource: Department of Statistics, Malaysia
SELF-EMPLOYED SCHEME

STATISTICS

• Labor Force - 14.4 million (Mac 2017)

Resource: Department of Statistics, Malaysia
SELF-EMPLOYED SCHEME

STATISTICS

• 1.4 million employment in the informal sector (excluding agriculture sector)

Informal sector by industry

- Human health and social work activities: 19.20%
- Contractor: 9.60%
- Food&Beverage services activities: 1.70%
- Retail/trade: 34.30%
- Manufacturing: 22.10%

Resource: Department of Statistics, Malaysia
SMART PARTNERSHIP

- Engagement with Uber/Grab.
COMMUNICATION PLAN

- Announcement during Labor Day
- Enforcement to Taxi Drivers
- Roadshow at state level which involves employer and employee organization
- Briefing during forums
- Announcement through mass media
- Information distribution (pamphlet, leaflet, brochure, booklet etc.)
- Briefing with target audience. E.G: Uber & Grab car drivers
- Collaborative program with Ministry of Human Resources
CHALLENGES

Outreach Program

Registration & Payment Of Contributions

Outcome

JUN 2017
THANK YOU