



newsflash

March 2024

Welcome to Pioneer Life Inc.,
the IGP Network Partner in
The Philippines

The Philippines

Profile on Social Security and Employee Benefits



The Philippines has a state-administered social insurance program, known as “SSS”. It was implemented in 1957 and provides various benefits to workers and their families in the private sector and to self-employed individuals.

The Government Service Insurance System (GSIS) provides benefits to employees in the public sector. Source: <https://www.sss.gov.ph/>.

Benefits provided by SSS include:

- Old-Age Pensions and Benefits
- Survivors' Benefits
- Unemployment Benefits
- Death and Disability Benefits
- Funeral Benefits
- Benefits for Accidents at Work or Occupational Diseases
- Long-Term Care
- Healthcare
- Sickness Cash Benefits
- Maternity and Paternity Benefits
- Family Benefits

Demographics

	Philippines	Singapore	USA
Total population (millions)	115.5	5.64	333.2
% 65 or older	5.44	15.12	17.3
Dependency ratio (%) *	55.7	36.91	54.5
Life expectancy / men	67.17	80.7	73.2
Life expectancy / women	71.58	85.2	79.1
Statutory pensionable age / men	65	63	67
Statutory pensionable age / women	65	63	67
GDP per capita (USD)	3,621	82,867	64,623.13

* Population aged 14 or younger plus population aged 65 or older, divided by population aged 15–64

Source: World Bank, World Development Indicators 2022, available at <https://databank.worldbank.org/reports.aspx?source=world-development-indicators#>

All SSS members who are earning an income are required to make a monthly contribution into the fund. The amount of the contribution depends on their salary bracket.

Contributions are shared between the employee and employer, while self-employed and voluntary members pay for their premiums in full.

The current SSS contribution schedule can be found [here](#).

For 2024, the 14% total contribution rate will remain in effect. Employers will continue to contribute 9.5% and employees 4.5%.

In addition to SSS, there are two other mandatory social programs:

- **The Home Development Mutual Fund (HDMF)**, also referred to as the Pag-IBIG Fund, was established in 1979 as a national savings program focused on the financing of affordable housing for members. <http://www.pagibigfund.gov.ph>

Monthly Contributions

Monthly Salary	Employee's Contribution Rate	Employer's Contribution Rate	Total
PHP 1,500 and below	1%	2%	3%
Over PHP 1,500	2%	2%	4%

- **Philippine Health Insurance Corporation (PhilHealth)** is a government owned and managed organization established in 1995 to provide universal health coverage in the Philippines. <https://www.philhealth.gov.ph/>

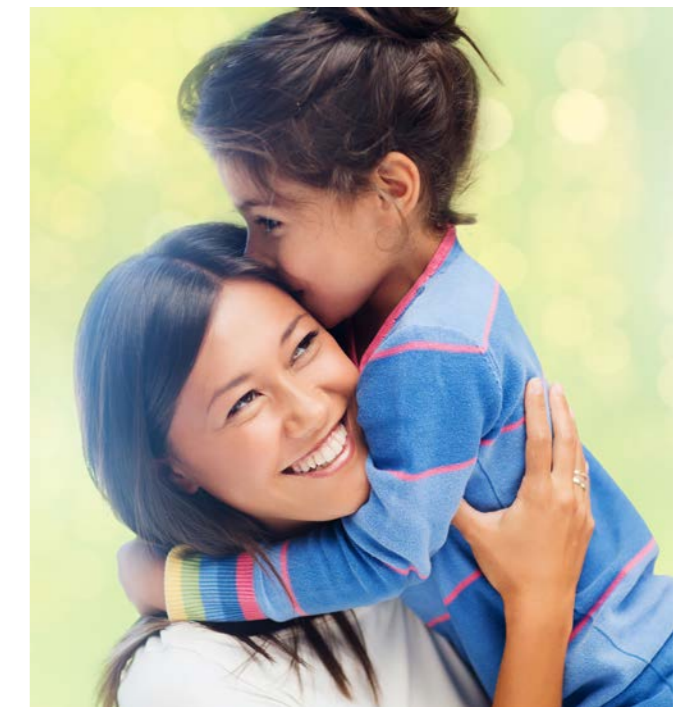
The contribution for PhilHealth is 5% for 2024 of the Basic Monthly Salary. The employer and employee each pay half of the contribution amount.

All persons who are under the age of 60 who earn more than PHP 1,000 per month are required to make contributions to all three of the above social insurance plans.

Employee Benefits in the Philippines

In general, employee benefit plans are common and widely accepted as part of the total compensation scheme of private employers. Private plans provide the whole range of fringe benefits from life insurance and medical benefits to retirement pay. Most plans are formal in nature and are systematically funded.

The most common means of providing health and medical benefits is through group insurance. Retirement plans, on the other hand, are either insured or trusted.



Group Life Insurance

Coverage under group life plans varies from one to four times annual salary; the most common is two times annual salary. There is a double indemnity in the case of accidental death. Some plans provide optional life insurance coverage, either on a contributory or employee-pay-all basis, equivalent to the basic life coverage.

The majority of group life plans are employer-financed. In contributory plans, employee contributions are usually a fixed amount per PHP 1,000 of coverage, with the employer contributing the balance of the total premium rate in effect for the current policy year.

Some of the more common supplementary benefits attached to group life policies are:

- Accidental death and disability benefits
- Permanent and total disability lump sum benefits
- Dependents' life insurance providing nominal coverages for an employee's spouse and children

Group Disability Benefits

Disability benefits can be provided as supplementary benefits attached to group life policies:

- Accidental death and disability benefits
- Permanent and total disability income benefits
- Dependents' life insurance providing nominal coverages for an employee's spouse and children

Group Medical Insurance

Most of the existing health insurance plans are paid for entirely by the employer, in so far as employee coverage is concerned.

Dependent coverage is either partially or totally employee financed. The common Medical Employee Benefit is the "no cash out" Plan, which is usually offered by HMOs. For a fixed fee per Employee, the Insured-Employee may consult with any of the Accredited Physicians in the Accredited Hospitals and Clinics.

Here are the standard benefits under Group Medical Insurance:

- Out-Patient Benefits
- In-Patient Benefits
- Emergency Benefits
- Coverage Outside the Philippines
- Pre-Existing Conditions
- Preventive Care Benefits
- Routine Diagnostic and Therapeutic Procedures Benefit
- Additional Procedures and Modalities Benefit

Optional Benefits:

- Annual Physical Check-Up Benefits
- Dental Benefits
- Maternity Benefits

Additional Benefits

- Ambulance Benefits
- Telemedical Program

Retirement Benefits

A lump sum benefit is the most common retirement benefit. In fixed-benefit type plans, the amount is usually one final month's salary per year of pensionable service.

On the other hand, fixed contribution type plans (such as provident funds) stipulate payment of the accumulated contributions and earnings at retirement. A majority of these plans give a retiring employee the option to receive his or her benefit in monthly installments, either for life or for a fixed period.

- Company retirement plans do not provide widow's or orphans' pensions.
- The majority of retirement plans are non-contributory. Integration with Social Security is seldom done, although many plans reserve the right of the employer to apply plan benefits towards the payment of legally required benefits such as the separation pay.
- The funding of private pension plans is generally made through either a trust or an insurance policy, usually a Deposit Administration Contract. Most trustee plans engage the services of a bank.



New Network Partner in the Philippines: Pioneer Life Inc.



Established in 1954, the Pioneer Group has consistently charted insurance milestones for almost seven decades through its key businesses of life and non-life insurance. The Pioneer Group has an extensive network of 23 offices throughout the country. With an office in Hong Kong, Pioneer is the only active Philippine non-life company writing business in China's Special Administrative Region.

Pioneer's life operations were established in 1964. Today, Pioneer Life Inc. is considered a significant player in the industry. In 2022, Pioneer Life Inc. generated gross written premiums of close to PHP 4.7 billion, supported by equity of over PHP 2.6 billion and assets of almost PHP 15.7 billion. (Source: <https://pioneerlife.com.ph/>)

Pioneer Life Inc. is in the business of helping Filipinos from all walks of life by protecting what matters most to them. It provides services that enable stakeholders to prepare for and face some of life's most challenging moments. Pioneer Life Inc. does so with warmth, compassion, and a sincere concern for the quality of life of every stakeholder. https://pioneer.com.ph/pioneer_group_company/

Sustainability

Pioneer Life Inc. is committed to providing its clients with relevant financial options to secure what matters most to them. As such, it takes pains in understanding the needs of clients and offers partnerships founded on excellence, authenticity, humanity, and mutual respect.

- **Environment**
Pioneer Life Inc. strives to be more environmentally conscious in its actions and find ways to mitigate the impact of climate change

through water and power conservation, and through waste reduction.

- **Community**
Pioneer strives to be a responsible citizen through the Pioneer Foundation, which actively supports programs that benefit various communities in the areas of educational and cultural enrichment.
- **Financial Literacy/Inclusive Insurance**
Pioneer is committed to seeing the potential of Filipinos fulfilled and finding ways to help them excel by leveraging its financial expertise and knowledge to provide awareness and improve their financial literacy and risk preparedness.

As of January 1, 2024, the following plans and their riders placed with Pioneer Life Inc. can be included in an IGP International Account:

- Group Term Life Insurance
 - Permanent & Total Disability Rider
 - Life Care Benefit Rider
 - Accidental Death & Disability Rider
 - Accident Medical Expense Rider
 - Daily Accident Hospital Benefit Rider
- Group Personal Accident
 - Accident Burial Benefit Rider
 - Cash Assistance Benefit Rider
- Critical Illness (Standalone or Rider)
- Group Medical Insurance
 - Inpatient Care Benefit
 - Emergency Benefits
 - Pre-Existing Conditions
 - Preventive Care Benefits (Including Wellness Program)
 - Routine Diagnostic and Therapeutic Procedures
 - Additional Procedures and Modalities Benefit
 - Maternity Benefit

Optional Medical Benefits: Outpatient Care Benefits, Dental, Ambulance, Telemedical Program

- Group Travel Accident - offered but not pooled



By offering innovative, inclusive, and customer-centric services, Pioneer Life Inc. is able to reach more Filipinos from all walks of life.

- The past decade saw Pioneer forming joint ventures with prominent institutions from various industries:
 - CARD-Pioneer Microinsurance Inc. (CPMI) – a joint venture with CARD MRI, the country's largest microfinance institution
 - M Pioneer Insurance Inc. (MPII) – a joint venture with MERALCO, the country's largest distributor of electric power
 - Pioneer Hollard Inc. (PHI) – a joint venture with Hollard, a major insurer in South Africa with operations in various continents

Key Figures

- 2022 Gross Written Premium: PHP 4.7 billion
- 2022 Equity: PHP 2.6 billion
- 2022 Assets: PHP 15.7 billion

Source: <https://pioneer.com.ph>

Sources

- SSS: <https://www.sss.gov.ph/>
- SSS Contributions: <https://www.sss.gov.ph/sss/DownloadContent?fileName=C12022-033.pdf>
- Pag-IBIG Fund (Home Development Fund): <http://www.pagibigfund.gov.ph>
- PhilHealth: <https://www.philhealth.gov.ph>
- Pioneer Life Inc. Financial Data: <https://pioneerlife.com.ph/>
- Pioneer Life Inc. 2022 Annual Report: https://pioneerlife.com.ph/files/PLI_AR.pdf
- Department of Labor and Employment (DOLE): <https://car.dole.gov.ph/>
- <https://www.ssa.gov/policy/docs/progdesc/ssptw/2018-2019/asia/philippines.html>

Why partner with Pioneer Life Inc. in the Philippines?

Experience

- Pioneer Life Inc. was established in 1964 – almost six decades of insurance experience and expertise.

Reliability

- Pioneer's focus is on developing relevant, affordable, and flexible insurance products to address the needs of its various markets. In 2020, it launched COVID-19-related products such as hospital cash assistance and personal accident insurance.
- The digital transformation initiated by Pioneer in 2018 enabled the Company to smoothly transition to a remote work set-up at the height of the COVID-19 lockdowns. Product development, client servicing, and claims processing continued without delay. Today, Pioneer continues to operate on a hybrid work set-up.

Corporate Governance

- Pioneer Insurance is committed to maintaining good Corporate Governance within the Company. It also believes that this can only be achieved through the Board, Management, and Employees' actions to fulfill their goals and objectives for the benefit of the stakeholder as well as the value of the Company.

Innovation

- True to its name, Pioneer continues to develop products, sales channels, and forge partnerships to reach more Filipinos. Pioneer was the first to offer an off-the-shelf cyber insurance product targeting small to medium enterprises, drone insurance, dengue insurance, comprehensive event and film insurance, to name a few.

Non-traditional insurance sales channels and partnerships such as motorcycle dealers, malls, online shopping sites, travel agencies, retail businesses,

among others, were established to provide better product access.

- Pioneer supports a digital transformation program to develop more efficient business processes that meet fast-evolving business and market requirements.
- Pioneer hosted and participated in the first-ever Microinsurance Master Program that seeks to advance microinsurance through shared insights, best practices, training, and immersion. Participants include local and international delegates.

If you would like more information about Pioneer Life Inc., please contact your IGP Business Development Manager or...

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