ACE
ASEAN CONFEDERATION OF EMPLOYERS

ACE POLICY POSITION PAPER ON

THE PORTABILITY OF SOCIAL SECURITY BENEFITS FOR MIGRANT WORKERS

A POLICY POSITION PAPER OF THE ASEAN CONFEDERATION OF EMPLOYERS: THE PORTABILITY OF SOCIAL SECURITY BENEFITS FOR MIGRANT WORKERS IN ASEAN

INTRODUCTION

Southeast Asia is a region with highly dynamic regional migration. The ASEAN Confederation of Employers (ACE) actively engages in labour migration issues, recognising the critical role of migrant workers in ASEAN's economic development and integration. Through collaboration with national employer organisations, governments, and regional institutions, ACE contributes to shaping policies that balance economic competitiveness with social responsibility.

Migrant workers play an essential role in the economic growth and development of ASEAN Member States (AMS). They are either in domestic work or help fill crucial labour gaps in key industries such as construction, manufacturing, and agriculture, ensuring that businesses remain competitive and productive. Beyond addressing labour shortages, migrant workers stimulate economic activities, enhance productivity, and contribute to improving overall living standards. Their remittances further support the economies in countries of origin, strengthening household incomes and national economic resilience.

However, despite their contributions, migrant workers often face challenges when accessing their social security benefits, particularly when they return home. The lack of an integrated regional framework for social security coordination leads to uncertainties and financial insecurities for migrant workers and their families. For employers, this fragmented system can translate into administrative burdens, compliance risks, and operational inefficiencies. By advancing a more integrated and coordinated social protection framework for migrant workers, ASEAN can reduce these burdens on businesses, foster a more stable and productive workforce, and enhance the region's reputation as a hub for inclusive and sustainable growth.

The portability of social security benefits ensures that migrant workers can maintain and transfer their entitlements and accrued benefits across borders, preventing the loss of contributions when moving between countries. A social security agreement (SSA) is the main tool to coordinate portability between countries. However, at present, there is no SSA between AMS. A bilateral or multilateral SSA in this region can enhance labour mobility, promote fair treatment of all workers, and contribute to ASEAN's broader goal of shared prosperity.

OBJECTIVES OF THE POLICY PAPER

- To articulate ACE's perspective and position on the portability of social security benefits for migrant workers within the ASEAN region.
- To enable ACE and its members to effectively engage in and contribute to national and regional policy dialogues on the social security benefits of migrant workers.
- To serve as a valuable resource for ACE's participation in ASEAN discussions, bilateral agreements, and national policy development processes relating to labour migration and social security.

PORTABILITY OF SOCIAL SECURITY BENEFITS

The portability of social security benefits refers to the ability to transfer and maintain social security entitlements when migrant workers move across borders for employment. Social security benefits vary across AMS, and some benefits may not apply to migrant workers. Currently, Indonesia, Lao PDR, Philippines and Thailand extend all branches of social security benefits available to local workers to cover migrant workers, while other AMS offer specific benefits, usually employment-injury, to non-nationals. Annex II of the 2024 ASEAN Guidelines on Portability of Social Security Benefits provides details of each social security benefit available in each Member State.[1]

KEY SOCIAL SECURITY BENEFITS THAT CAN BE STRENGTHENED BY PORTABILITY INCLUDE

- **Old-age and invalidity pensions** – Safeguarding long-term financial security for workers who become disabled or retire.
- **Employment-injury benefits** – Ensuring continued coverage for work-related accidents and occupational diseases.
- **Sickness and healthcare benefits** – Providing access to medical treatment and compensation during illness if migrant workers have to receive treatment in their home countries.
- **Maternity benefits** – Supporting essential maternity protection should that migrant workers have to spend maternity leave in their home countries.
- **Survivor benefits** – Ensuring financial support for workers' dependents in case of death.

An SSA is an important tool to effectively establish the portability of social security benefits. As of 2020, there were more than 660 SSAs around the world, with ten of them being multilateral agreements[2]. Bilateral agreements tend to be concluded more easily than multilateral ones because coordination and implementation may be less complex. On another hand, multilateral agreements provide a more unified set of rules and facilitate a higher degree of movement within the same region. At present, there is no multilateral SSA within ASEAN, and no bilateral SSA between AMS.

Several regions and countries have successfully implemented SSAs, offering valuable lessons for ASEAN. A notable example of multilateral agreement includes CARICOM Agreement on Social Security. In 1996, the Caribbean Community (CARICOM) established the Agreement on Social Security, ratified by 13 member states, to protect the social security rights of CARICOM nationals when they move between member countries for employment. The Agreement covers benefits such as old-age pensions, disability benefits, survivors' pensions, and pensions related to employment injuries.[3]

The Philippines has actively established 16 bilateral SSAs with various counterparts, none within ASEAN, since the early 1980s. These include, for example, Canada, Germany, Japan, South Korea, and the United Kingdom. These agreements, aligned with the Maintenance of Social Security Rights Convention, 1982 (No. 157), aim to reduce nationality and territorial restrictions on social security. Moreover, these bilateral SSAs address issues like dual coverage and dual contribution payments.

[1] Buku-ASEAN-Guidelines-on-Portability-of-Social-Security-Benefits-for-Migrant-Workers-in-ASEAN.pdf
[2] Social Security Agreements Model ILO
[3] ILO | Social Protection Platform

As seen from the above examples, SSAs are particularly critical for long-term benefits such as old-age and disability pensions, which typically require extended contribution periods to become accessible through the totalization of contribution periods between countries. By adopting lessons from successful SSA models globally, ASEAN can develop a coordinated framework that not only safeguards workers' rights but also improves labour mobility, streamlines migrant hiring procedures, and strengthens economic resilience. Ultimately, a well-implemented portability system can reduce administrative burdens and create a more efficient, predictable environment for cross-border employment, directly aligning with employers' operational and strategic goals.

POLICY FRAMEWORK

The ASEAN region has demonstrated a strong commitment to the protection and promotion of the rights of migrant workers through various regional agreements and frameworks. Regional agreements such as the **2017 ASEAN Consensus on the Protection and Promotion of the Rights of Migrant Workers** reinforce ASEAN's commitment to protecting the rights of migrant workers. This includes promoting safe migration, ensuring fair treatment, enhancing cooperation among AMS, and facilitating access to social services, thereby ensuring that migrant workers are not disadvantaged in accessing social protection.

One of the most significant milestones is the **2022 ASEAN Declaration on Portability of Social Security Benefits,** adopted on November 11, 2022, during the 40th and 41st ASEAN Summits in Phnom Penh, Cambodia. The Declaration represents a meaningful commitment by AMS to enhance the social protection of migrant workers within the region. This document aims to facilitate the transfer and access of social security benefits for migrant workers when they move across borders for employment, in accordance with national laws and regulations. It acknowledges the diverse nature of social security systems across ASEAN countries and emphasises the importance of bilateral and multilateral agreements to ensure the portability of these benefits. It also highlights the need for technological advancements and strengthened coordination among social security agencies to effectively manage and administer these benefits for migrant workers.

Subsequently, the **2024 Guidelines on Portability of Social Security Benefits** were introduced to provide a non-binding, detailed framework to assist AMS in establishing mechanisms for the portability of social security benefits. The Guidelines serve as a step-by-step practical tool for negotiating bilateral or multilateral SSAs or other coordination frameworks. Representatives of employers from AMS had actively participated in two trainings and two consultations leading to the finalisation of the Guidelines.[4]

These ASEAN's commitments in key areas, including fair treatment, protection from exploitation and abuse, access to legal remedies and access to social protection, align with international labour standards, such as the Social Security (Minimum Standards) Convention, 1952 (No. 102), and Maintenance of Social Security Rights Recommendation, 1983 (No. 167). These standards advocate for access to fair and equitable social security benefits for all workers, including migrant workers.

SOCIAL SECURITY CHALLENGES

The 2022 ASEAN Declaration on Portability of Social Security Benefits for Migrant Workers in ASEAN calls for stronger bilateral/multilateral agreements and policy reforms to address the challenges faced by migrant workers in the region. These challenges can be categorised into those concerning access to social security system, and the challenges in portability of social security benefits.

CHALLENGES IN ACCESSING SOCIAL SECURITY SYSTEM

• Law and regulations.
Employers may face challenges in advocating for enhanced social protection programs for migrant workers when they are excluded from participating in these programs by law. In Thailand, for example, Section 33 of the Social Security Act B.E. 2533 (1990) defines an insured person as an 'employee' whose age is between 15-60 years old. This exclusion can diminish the employer's motivation to support or implement such benefits, as they do not directly experience the advantages of these social protection measures.

• Lack of trust and confidence.
The lack of adequate arrangements and trust in the system can lead to reluctance among both employers and migrant workers to contribute to social security schemes, especially if there is uncertainty about receiving corresponding benefits.

• Restricted coverage.
Many social security benefits across ASEAN Member States (as illustrated in Annex II of the 2024 Guidelines on Portability of Social Security Benefits), either do not extend to migrant workers or include sector-specific exclusions, particularly in domestic work and agriculture. As a result, even when employers, particularly micro and small enterprises, want to enrol migrant workers in social security schemes, it is often not feasible. In some AMS, social security coverage for migrants and overseas workers is either absent or only recently introduced. This has led to limited institutional experience and a lack of understanding in effectively providing social protection for migrants and overseas workers.

• Non-compliance and lack of awareness.
Non-compliance in enrolling migrant workers into social security systems remains a significant challenge within the ASEAN region. While some instances of non-compliance may be intentional, many employers, particularly those operating micro and small enterprises, face challenges due to limited awareness, knowledge, and resources. The complexity of social security regulations, frequent legislative changes, and the involvement of multiple agencies contribute to this lack of awareness. Consequently, even well-intentioned employers may inadvertently fail to register their migrant workers, resulting in these workers being excluded from essential social protection benefits.

"Talking about expanding the coverage, it is good, but we must consider the challenges faced by employers in different sectors. Some jobs have unique characteristics—fast-paced, high turnover, frequent employer changes, and seasonal employment."

Interview with a representative from the Employers' Confederation of Thailand (ECOT), 30 January 2025, via Zoom.

[4] Support to Development of ASEAN Guidelines on Portability of Social Security Benefits for Migrant Workers | International Labour Organisation

CHALLENGES IN THE PORTABILITY OF SOCIAL SECURITY BENEFITS

• **Employers' perception.**
Employers may perceive limited direct benefits from facilitating the portability of social security benefits for migrant workers, particularly when these workers return to their home countries and are no longer in their employ. This perception can lead to a lack of incentives to engage actively in the implementation of portability measures, as employers might view such initiatives primarily as governmental responsibilities.

• **Lack of awareness.**
Limited understanding of portability among employers, workers, and government agencies in AMS poses significant challenges to its effective implementation. This lack of awareness often stems from the complexity of social security systems and the diversity of agencies across countries. Many employers are not aware of the ASEAN Declaration and Guidelines on portability.

• **Lack of bilateral or multilateral agreements** between home and host countries restricts the transfer of social security benefits for migrant workers. This situation not only can lead to uncertainties and financial insecurities for migrant workers and their families, but also potential risks and liabilities for employers concerning their obligation towards migrant workers' social security rights.

• **Limited coordination and information sharing** among different social security agencies in AMS hinders the development of effective portability mechanisms. It could lead to fragmented systems and operational inefficiencies.

• **Diverse social security systems and benefits** across AMS can create administrative burdens for employers, lead to compliance risks and operational inefficiencies, making it challenging to manage social security matters for migrant workers.

THE BUSINESS CASE FOR PORTABILITY OF SOCIAL SECURITY BENEFITS

Employers in the ASEAN region have a responsibility to ensure the well-being of their migrant workers, and they benefit from clear, consistent policies that facilitate migrant workers' movement and protection. To this end, there is a need for improved regional migration policies and enhanced cooperation, including coordinating the portability of social security systems. Such coordination simplifies social security registration, reduces the risk of disputes over benefit eligibility and supports a more stable and motivated workforce. In the long term, it can streamline administrative procedures, strengthen institutional capacity, lower compliance and operational costs, making it easier and more cost-effective for employers to hire and retain migrant talent, contributing to the competitiveness and economic growth of the region.

First, by ensuring that migrant workers can access social security systems, it would create a more **motivated and stable workforce**, which in turn could boost productivity and reduce turnover rates. Moreover, in countries with social insurance systems, it helps alleviate the financial burden on small businesses in caring for their employees.

"Social security benefits employers by fostering loyalty, and for small businesses, it helps alleviate the financial burden of covering employees' medical expenses."

IInterview with a representative from the Employers' Confederation of Thailand (ECOT), 30 January 2025, via Zoom.

Second, facilitating the transfer and maintenance of these benefits across borders not only enhances the welfare of workers but also enhances **the attractiveness of the ASEAN region as a cohesive economic bloc,** promoting the seamless movement of labour in the region, and contributing to the overall competitiveness of businesses operating within member states.

Third, an SSA can help employers **avoid the burden of double contributions** in the case of posted workers, employees temporarily assigned to another country where the company operates. Without an SSA in place, employers are often required to pay social security contributions in both the countries of origin and destination, significantly increasing operational costs. An SSA provides a legal exemption from this dual payment obligation, typically for a period of up to 60 months. This not only results in direct cost savings but also simplifies compliance and planning for businesses with cross-border operations.

Fourth, the negotiation and implementation of an SSA can serve as a catalyst for creating a more streamlined, transparent, and efficient social security system, reducing red tape and administrative complexity. This has the **potential to generate significant cost savings for employers.** For instance, the Malaysian Employers Federation (MEF) has highlighted that simplifying the migrant hiring process could help businesses avoid "inflated fees" ranging from RM 13,000 (USD 3,170.73) to RM 14,000 (USD 3,414.63) per worker.[5] Additional employer savings can come from reduced paperwork, lower processing fees, and decreased employee turnover. Beyond business benefits, such reforms also contribute to public savings by reducing the burden on healthcare, welfare, and enforcement systems. While outcomes may vary depending on the extent of regulatory and operational reform, the potential efficiency gains are substantial.

Fifth, employers are the main contributors to social security schemes in AMS. As shown in Annex I of this document, the average employer contribution rate in AMS is 9.96% of workers' wages, ranging from 4.1% in Cambodia to as high as 17.5% in Vietnam. Without portability, these contributions risk being lost when migrant workers move between countries, undermining both employer investment in worker benefits and employee morale. A coordinated system that allows migrant workers to retain and transfer their accrued entitlements across borders would **ensure these contributions yield long-term benefits,** particularly old-age, disability, and survivors' pensions.

[5] https://www.recruitmentreform.org/cost-of-hiring-a-foreign-worker-inflates-in-malaysia/#:~:text=According%20to%20Shamsuddin%2C%20the%20cost,63. Recruitment fees are payments charged to employers and/or migrant workers to secure a job, often covering costs like travel, visas, and administrative processes. "Inflated fees" are those that are unreasonably high and do not reflect the actual expenses incurred by the agency, which can be a significant financial burden. This happen when there is no clear or too complex migrant hiring process which

POLICY RECOMMENDATIONS

EMPLOYERS' RECOMMENDATIONS TO POLICYMAKERS

• **Enhancing social security coverage** for migrant workers and overseas workers to ensure their well-being and equitable treatment. This will help coordinate benefits in different AMSs as workers move across borders. Recruitment agencies, which often are a part of employers' organisations, can play a vital role in ensuring seamless protection for workers in the ASEAN region.

"It is important for overseas workers to have social security...
[Therefore] we should improve coordination with recruitment agencies."

Interview with a representative of
the Cambodian Federation of Employers and Business Associations (CAMFEBA).
5 March 2025 via Zoom.

• **Initiating discussions among relevant national agencies regarding the feasibility of portable social security benefits.**
A regional framework can begin with work-injury benefits, which are accessible to migrant workers in every AMS. Additionally, bilateral talks between countries that already provide old-age pensions for migrant workers can serve as a model for ASEAN. Inviting employers' representatives to participate in the national decision-making platform ensures that the national position on portability is practical and implementable.

• **Establishing dedicated liaison units** within social security institutions across AMS that would serve as direct points of contact, facilitating clear communication channels between employers and social security agencies. This coordination would streamline processes, reduce administrative burdens, and ensure that employers can efficiently fulfil their obligations regarding migrant workers' social security benefits. These liaison units will be instrumental in initiating negotiations for SSA in the future.

• **Investing in capacity building** for officials managing social security systems. Well-trained officials equipped with up-to-date knowledge can provide accurate guidance to employers, ensuring compliance and fostering trust in the system. This would lead to more efficient management and administration of portable benefits, benefiting both employers and employees.

RECOMMENDATIONS FOR EMPLOYERS' ACTION

- **Promote compliance and good practices.**

Employers can play a crucial role in supporting and promoting the portability of social security benefits for migrant workers. They can lead by example by ensuring that their migrant workers are registered with relevant schemes and have access to social security benefits per the applicable laws and regulations. Employers' organisations play a pivotal role in this endeavour by promoting good practices and supporting their member companies in understanding and complying with national laws related to migrant workers' entitlements.

> **"In Singapore, employers have to cover the cost of migrant workers' upkeep and maintenance, including the cost of medical treatment. In addition, employers have to buy medical insurance to cover migrant workers' hospitalisation bills and ensure that they have proper housing."**
>
> Interview with a representative of Singapore National Employers Federation (SNEF), 5 February 2025, via Zoom.

- **Participate in policy formulation.**

Employers' involvement in the national and regional policy formulation arena is essential in designing effective portability policies that balance business sustainability with social protection. Many ACE members are already members of the social security boards in AMS and thus have access to the policy-decision platforms relating to social protection. Participating in national tripartite dialogues allows the employers' organisations to advocate for policies that consider the operational challenges and economic constraints of businesses, ensuring that social protection measures are realistic and implementable. In addition, it will be beneficial and efficient for the national tripartite to reach a mutual standpoint for advocacy at the regional level.

> **"[To improve portability], ACE should first encourage its members to work this out at the country levels, as it is recognised that getting agreements at the regional level is challenging. More robust tripartite discussions should be encouraged with the relevant social protection agencies."**
>
> Interview with representative of Employers Confederation of the Philippines (ECOP), 21 February 2025, via Zoom.

• **Enhance employers' awareness and understanding of social security benefits and their portability.**
Many employers perceive limited direct benefits in facilitating the portability of social security for migrant workers. To address this, ACE and national employers' organisations can lead initiatives to promote knowledge-sharing and raise awareness of the advantages and obligations associated with social security systems. This includes developing and disseminating practical guidance materials and tools, organising briefings, training sessions, and workshops. These efforts will help improve employers' understanding, promote compliance, and strengthen their engagement in implementing portability measures.

• **Raise awareness about social security rights and obligations among migrant workers.**
By proactively disseminating information through accessible channels, such as multilingual materials, workshops, and collaboration with workers' organisations, employers can ensure that migrant workers are well-informed about their entitlements and the procedures to access them. This proactive engagement not only fosters a culture of compliance but also contributes to a more motivated and secure workforce, ultimately benefiting both employees and employers.

CONCLUSION

ACE **reaffirms** its unwavering commitment to the protection and equitable treatment of migrant workers within the ASEAN region. Recognising the indispensable contributions these individuals make to our economies, ACE emphasises the necessity of ensuring their rights and well-being are upheld consistently across all member states. It is the ACE's commitment to ensure that migrant workers have access to social security benefits and protection as stipulated by the laws and regulations of the destination country.

Central to this commitment is the advancement of social security benefit portability. ACE **reiterates** that advancing the portability of social security benefits must be recognised as a core responsibility of governments through strong government-to-government collaboration. Employers are key stakeholders whose early involvement can significantly enhance the relevance and feasibility of SSAs. Policymakers should proactively engage employers from the outset of SSA discussions to build practical, business-aligned solutions that ensure protection for migrant workers and strengthen regional labour mobility. By taking these concerted actions, we can enhance the social protection for migrant workers and promote a stable and productive workforce, thereby contributing to a more integrated and resilient ASEAN community.

REFERENCES

International Labour Organization. (n.d.). **ILO's support in the development of ASEAN guidelines on portability of social security benefits.** Retrieved from https://www.ilo.org/meetings-and-events/support-development-asean-guidelines-portability-social-security-benefits

International Labour Organization. (2023). **Intervention Model: The eight-step process to negotiating a social security agreement.** Retrieved from https://www.ilo.org/sites/default/files/wcmsp5/groups/public/@ed_protect/@protrav/@migrant/documents/publication/wcms_899553.pdf

International Labour Organization. (n.d.). **Examples of multilateral social security agreements.** Retrieved from https://www.social-protection.org/gimi/gess/ShowWiki.action?wiki.wikiId=953

ANNEX I SOCIAL SECURITY CONTRIBUTION RATES IN ASEAN MEMBER STATES

AMS	SOCIAL SECURITY PROGRAM[a]	CONTRIBUTION RATE (% OF EMPLOYEE'S WAGE)			NOTES
		Employee	Employer	Govt.	
Brunei	National Pension Scheme (SPK)	8.5	8.5 - 10.5	-	SPK was introduced to replace Employees' Trust Fund (TAP) and Supplemental Contributory Pension (SCP) in 2023.
Cambodia	National Social Security Fund (NSSF)	2	4.1[b]	-	
Indonesia	BPJS Ketenagakerjaan (social security)	4[c]	10.24 - 11.74[d]	-	
	BPJS Kesehatan (health insurance)	*1*	*4*	*	**For veterans and their dependents, contributions are paid by government.*
Laos PDR	Lao Social Security Organisation (LSSO)	5.5	6[e]	As employer of public servants	Contribution rate for public sector employee, civil servant, military and police is 16.8% (8 civil servants + 8.5 government as employer).
Malaysia	Employees' Provident Fund (EPF): old-age	11	12 - 13	-	The rate shown is for below 60 years old. For the 60 and above, the contribution rate is employee 5.5% and employer 6-6.5%[f].
	PERKESO (SOCSO) : work-injury and invalidity	*0.5*	*1.25 + 0.5*[g]	-	*Effective on 1 July 2024,* foreign workers under the age of 55 years can enter Invalidity Scheme.
Myanmar	Social Security Board (SSB)	6[h]	7[i]	-	Employees may be subjected to 25% of other welfare insurance (e.g. housing) and thus may have contribution rate of total 31%.
Philippines	Social Security System (SSS)	5	10	-	Increased from 14% (4.5:9.5) starting from Jan 2025.[j]
Singapore	Central Provident Fund (CPF)	20	17	-	The rate shown here is for workers aged 55 and below, and is the maximum rate.[k]
Thailand	Social Security Fund, under Social Security Office (SSO)	5[l]	5	2.75[m]	The rate shown is for Section 33 scheme which is for formal workers in private sector.
Vietnam	Vietnam Social Security (VSS)	8	17.5[n]	As employer of public servants	Effective from 1st July 2025, any foreign individual working in Vietnam under a labour contract with a term of 1 year or more is subject to contributions.
Average % of contribution		**7.5**	**9.96**	**2.75**	

[a] This table focuses on the main social security program for old-age pension, which usually requires several years of contribution to unlock the benefits, thus require portability for totalization of contribution periods.
[b] 2% old-age, 0.8% work-injury, 1.3% health Pension Scheme - National Social Security FundNational Social Security Fund
[c] 1% health, 1%- 2% old-age Employer Contribution in Indonesia
[d] 4% health, 0.24%–1.74% work-injury, 2% - 3.7% old-age, 0.3% death Employer Contribution in Indonesia; https://www.bpjs-kesehatan.go.id/#/jaminan-kesehatan-iuran
[e] Of the total contribution rate for private sector employees at 11.5%; 1.25% health, 0.5% work-injury, 2.5% short-term benefits, 5.25% long-term benefits, 2% unemployment Lao LSSO Revised 2020.pdf
[f] Employer Contribution to Employees - KWSP Malaysia
[g] https://www.perkeso.gov.my/en/our-services/protection/foreign-worker.html
[h] 2% health, 3% long-term benefits, 1% unemployment Social Security Board
[i] 2% health, 1% work-injury, 3% long-term benefits, 1% unemployment Social Security Board
[j] https://www.sss.gov.ph/wp-content/uploads/2024/12/2025-SSS-Contribution-Table-rev.pdf
[k] CPFB | How much CPF contributions to pay
[l] 3% old-age and child allowance, 0.5% unemployment, and 1.5% medical & maternity & invalidity & death
[m] 1% old-age and child allowance, 0.25% unemployment, and 1.5% medical & maternity & invalidity & death
[n] 3% sickness, 0.5% work-injury, 14% retirement and death Vietnam - Individual - Other taxes

The portability of social security benefits ensures that migrant workers can maintain and transfer their entitlements and accrued benefits across borders

...there is a need for improved regional migration policies and enhanced cooperation, including coordinating the portability of social security systems

International Labour Organization