



Compensation Statistics: Challenges in Prevention of Employment Injury and Diseases

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Compensation Practice

SOCSSO Malaysia

- Currently insuring 14.5 million workers & 856,354 employers (*All workers with income of RM4000 (\approx €900) and below*).
- Contribution of 2.25% of the average salary (*1.25% Employment Injury Scheme – Funded by Employer & 1% for Invalidity Pension scheme – Equally Shared by Employer & Employee*)
- Manage over 100,000 Claims/per year
 - *Over 60,000 accidents*
 - *Over 30,000 permanently disabled*
 - *Over 10,000 Claiming for invalidity (\approx 3000 certified invalid)*



EMPLOYMENT INJURY

INSURANCE SCHEME

- Rated of contribution: 1.25% of employee's monthly wage
- Paid solely by employer
- Rate determined and not changed since 1971
- Fully Funded scheme
- Protection for work related commuting accidents; industrial injury & Occupational Diseases
- **Benefits:**
 - **Medical Disablement Benefit**
 - **Temporary Disablement Benefit**
 - **Permanent Disability Benefit**
 - **Constant Attendance Allowance**
 - **Dependants Benefit**
 - **Funeral Benefit**
 - **Rehabilitation Benefit**
 - **Educational Benefit**

INVALIDITY PENSION

SCHEME

- Rated of Contribution: 1% of monthly wages equally shared between employer and employee
- Scheme introduced in 1974
- Partially Funded
- 24 hr. Protection for Invalidity from illness or accident or death irrespective of cause. Death coverage from 1985
- **Benefits:**
 - **Invalidity Pension**
 - **Survivors Pension**
 - **Constant Attendance Allowance**
 - **Funeral Benefit**
 - **Rehabilitation Benefit**
 - **Educational Benefit**

COMPENSATION TO OCCUPATIONAL AND COMMUTING ACCIDENTS & OCCUPATIONAL DISEASES

EMPLOYMENT INJURY INSURANCE SCHEME

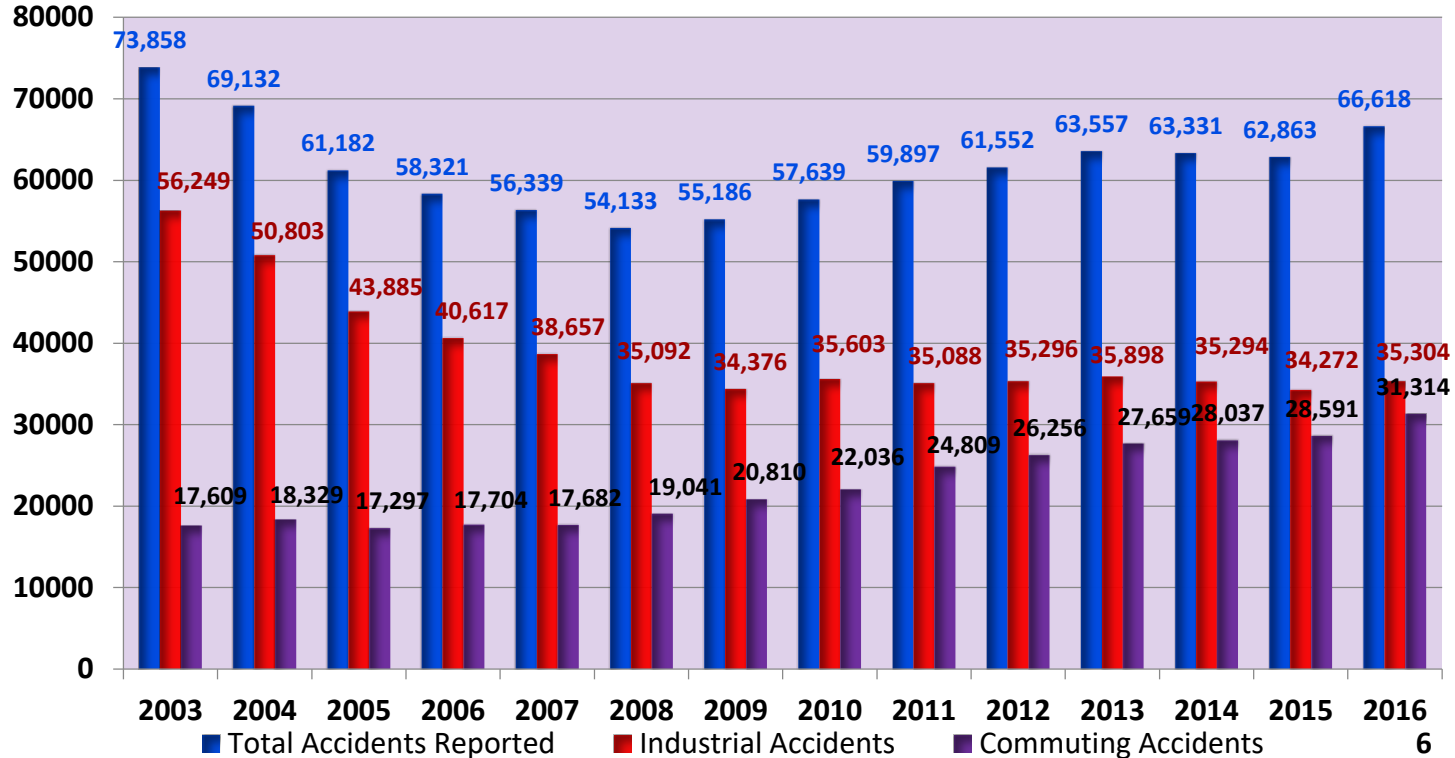
- **Medical Disablement Benefit** - free treatment at SOCSO panel clinics or government hospital
- **Temporary Disablement Benefit** – 80% of daily average salary; Min: RM30
Max: 105.33
- **Permanent Disability Benefit** – 90% of average daily salary; Max RM118.49
Payment based on salary, age and assessment by medical board; > 20% assessment
- **Constant Attendance Allowance** – monthly payment of RM500.00
- **Dependants Benefit** – payment to dependent in the event of fatal -90% of salary to wife, children, spouse, parents, next of kin or grandparents depending on the priority list.
- **Funeral Benefit** – RM1500.00
- **Rehabilitation Benefit** – training on vocational & rehabilitation- orthotic and prosthetics- Dialysis and RTW
- **Educational Benefit**



Analysis on current Compensation Practices....

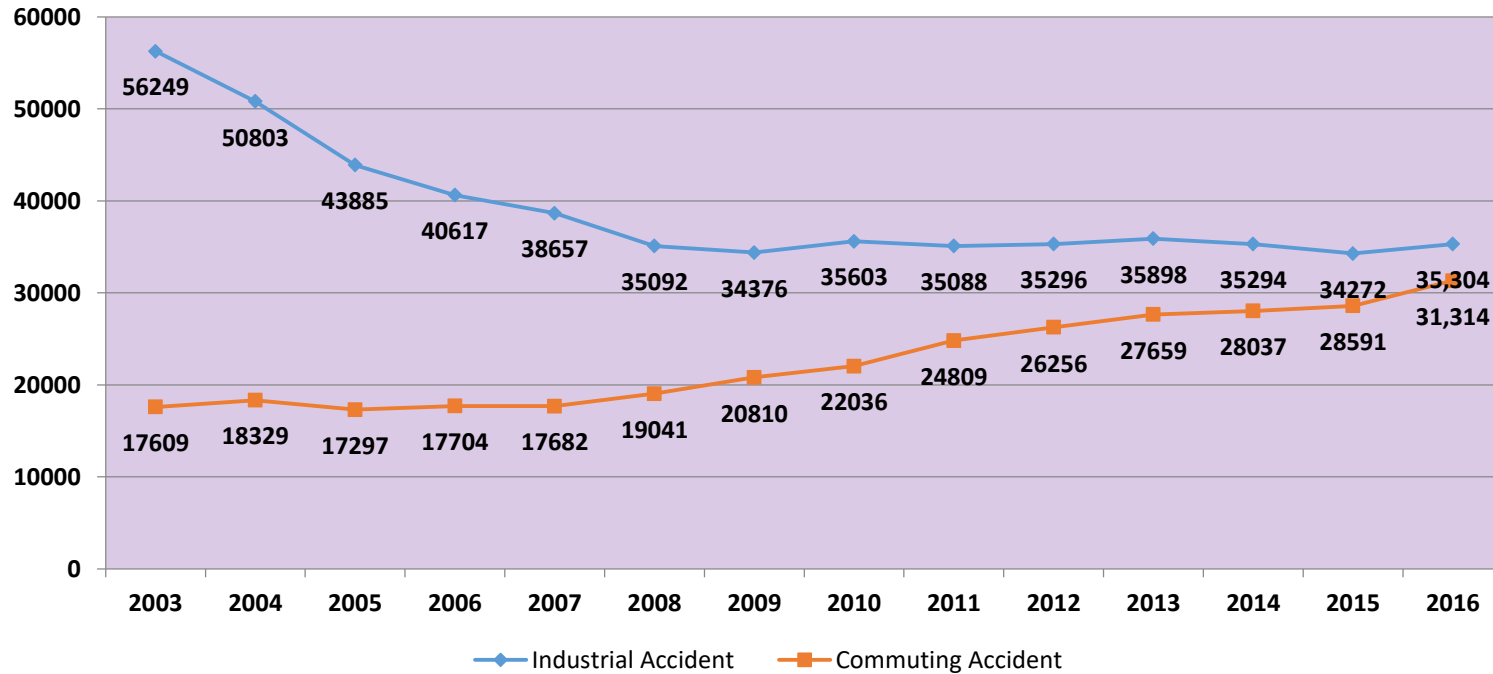


TOTAL NUMBER OF REPORTED ACCIDENTS 2004 -2016p



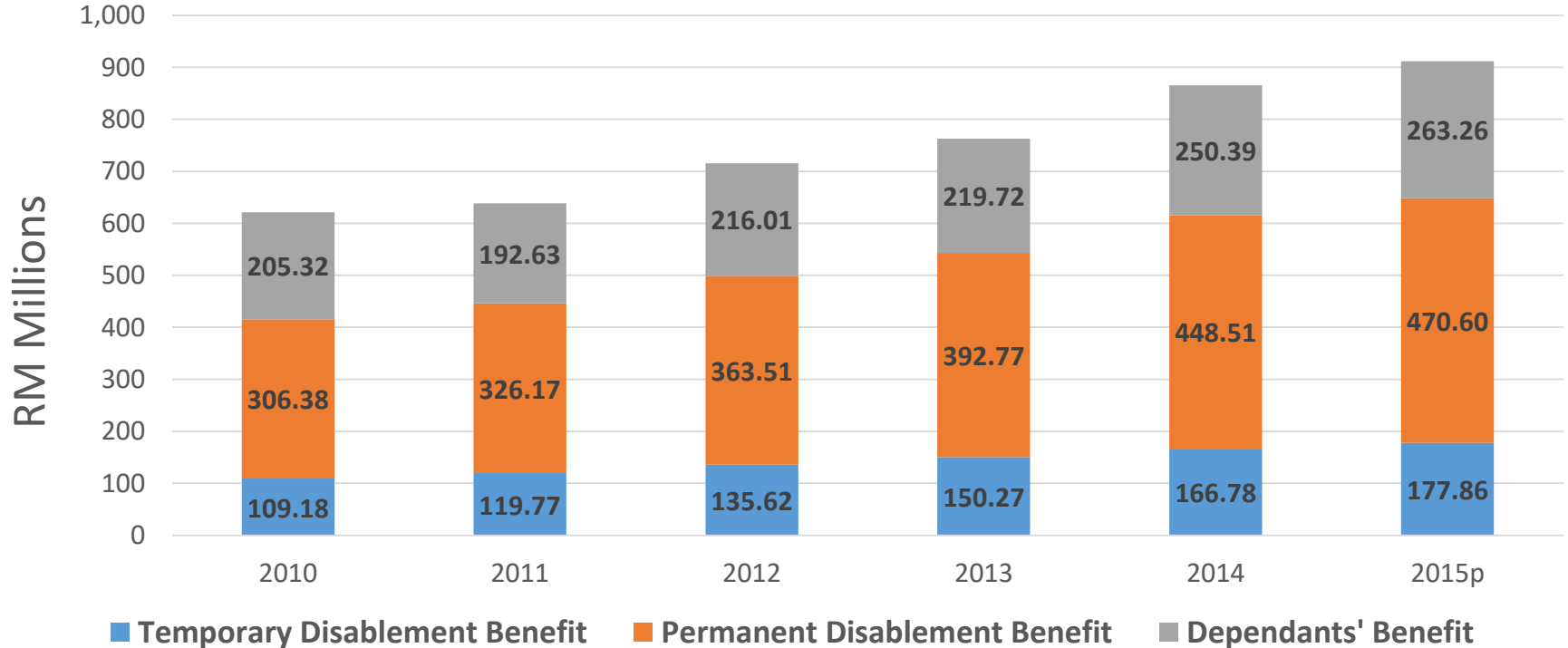


INDUSTRIAL ACCIDENTS VS COMMUTING ACCIDENTS 2002-2016p



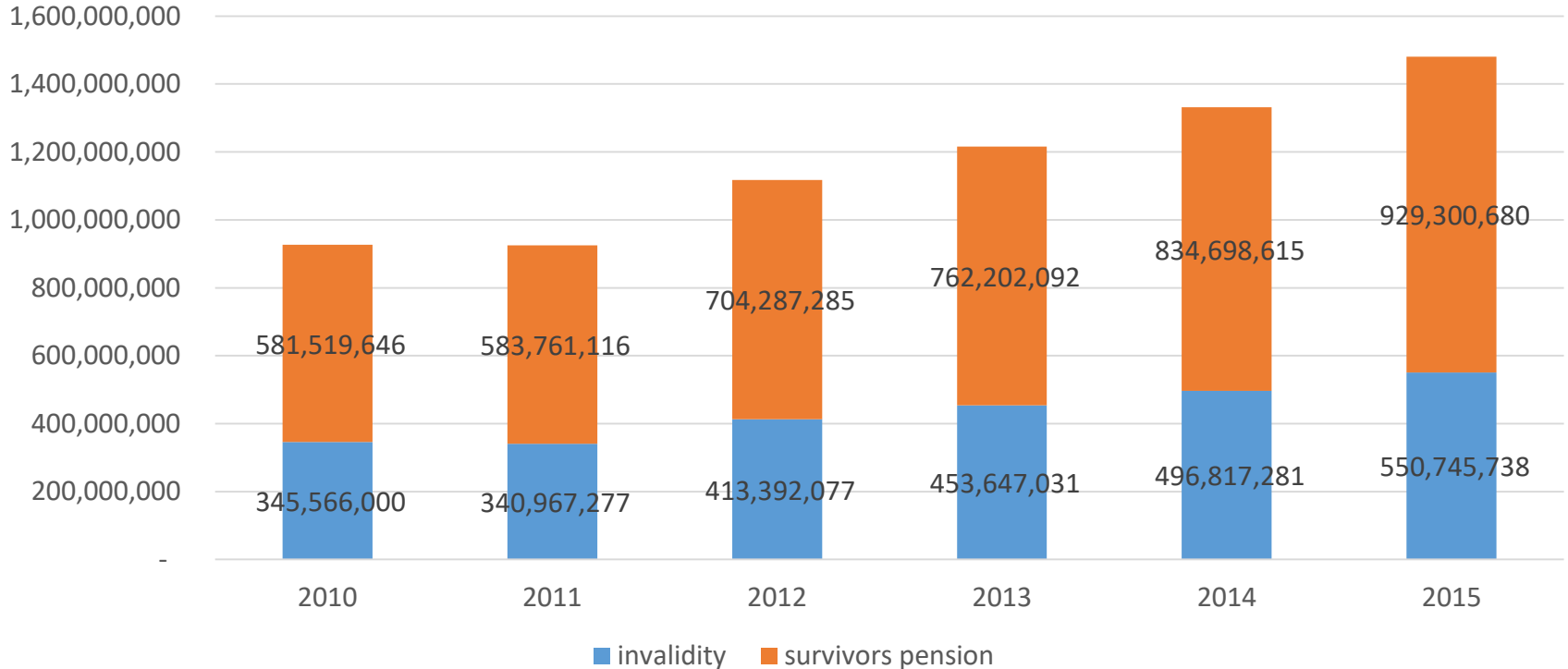


Compensation: Employment Injury



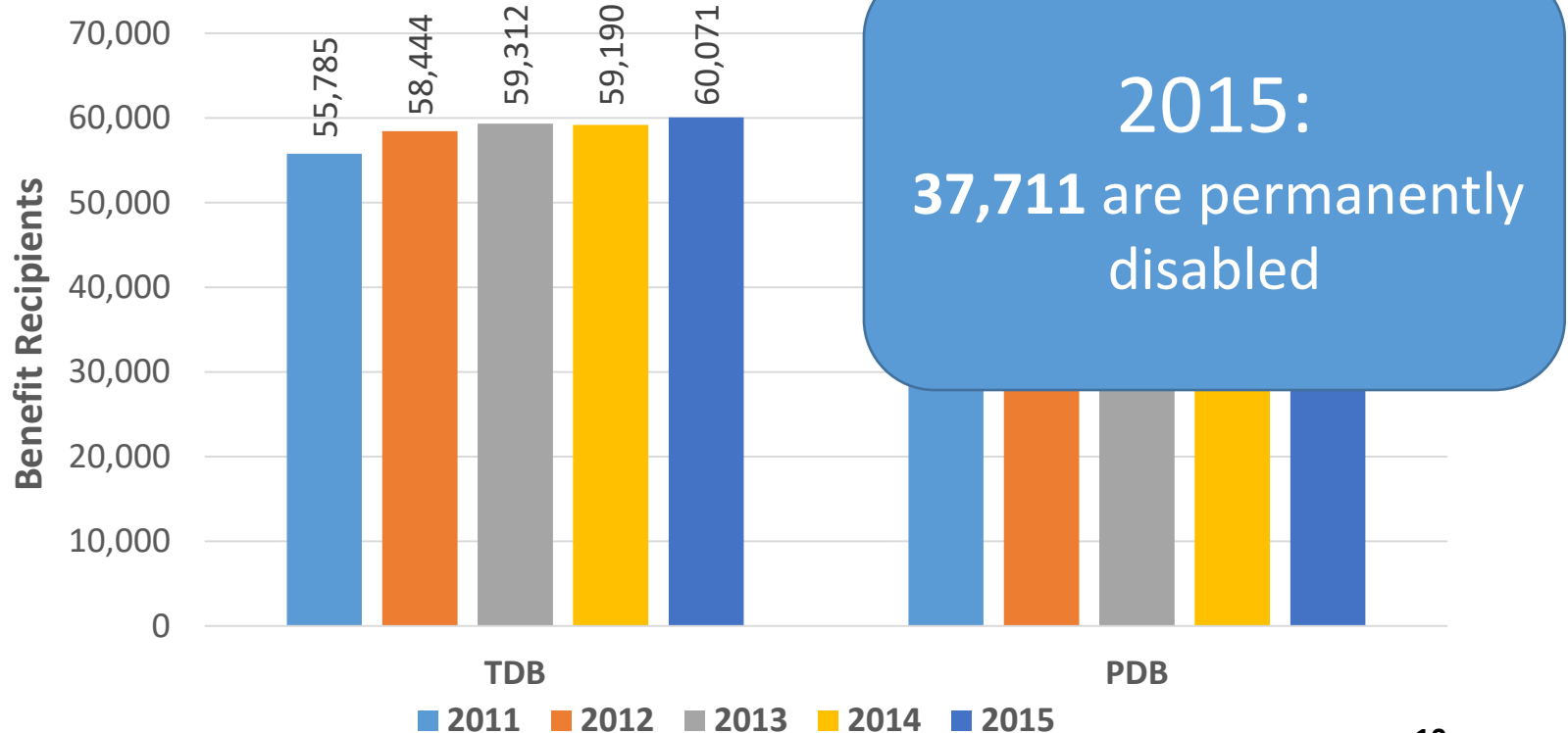


Compensation: Invalidity and Survivor's Pension





Human capital cost -Disability

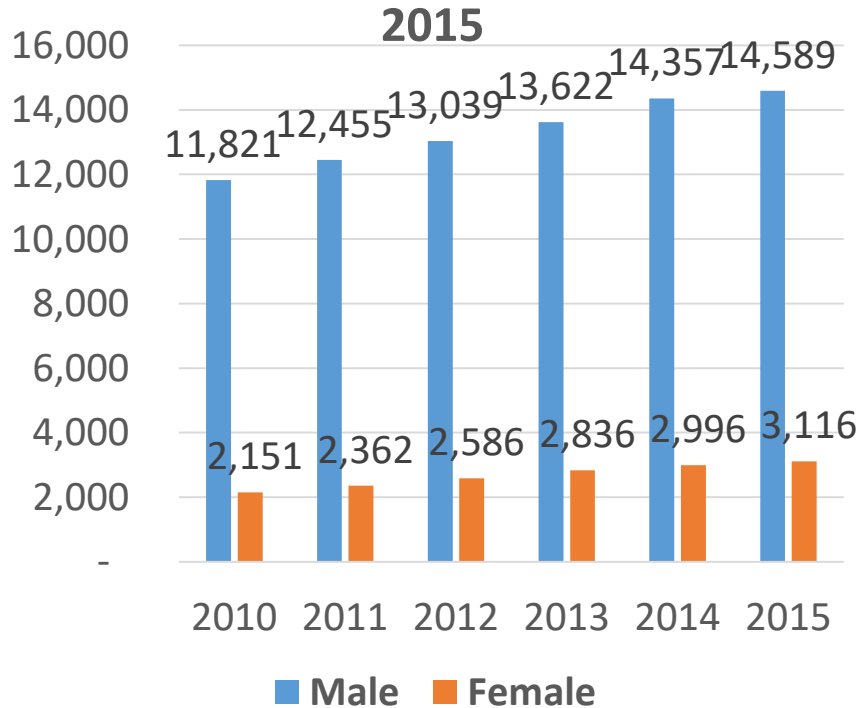


Values

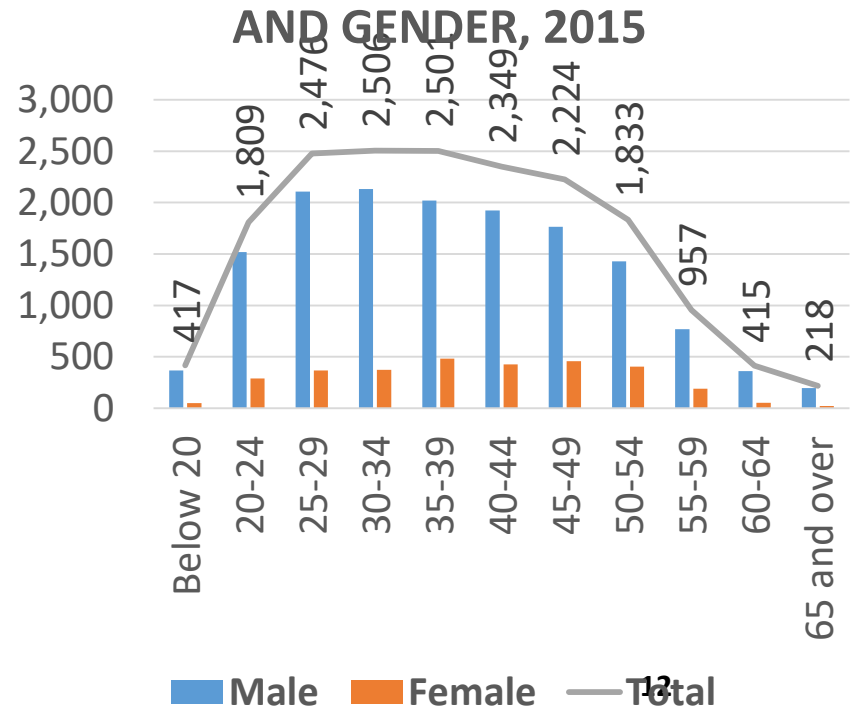




NUMBER OF PDB RECIPIENTS ACCORDING TO GENDER, 2010-

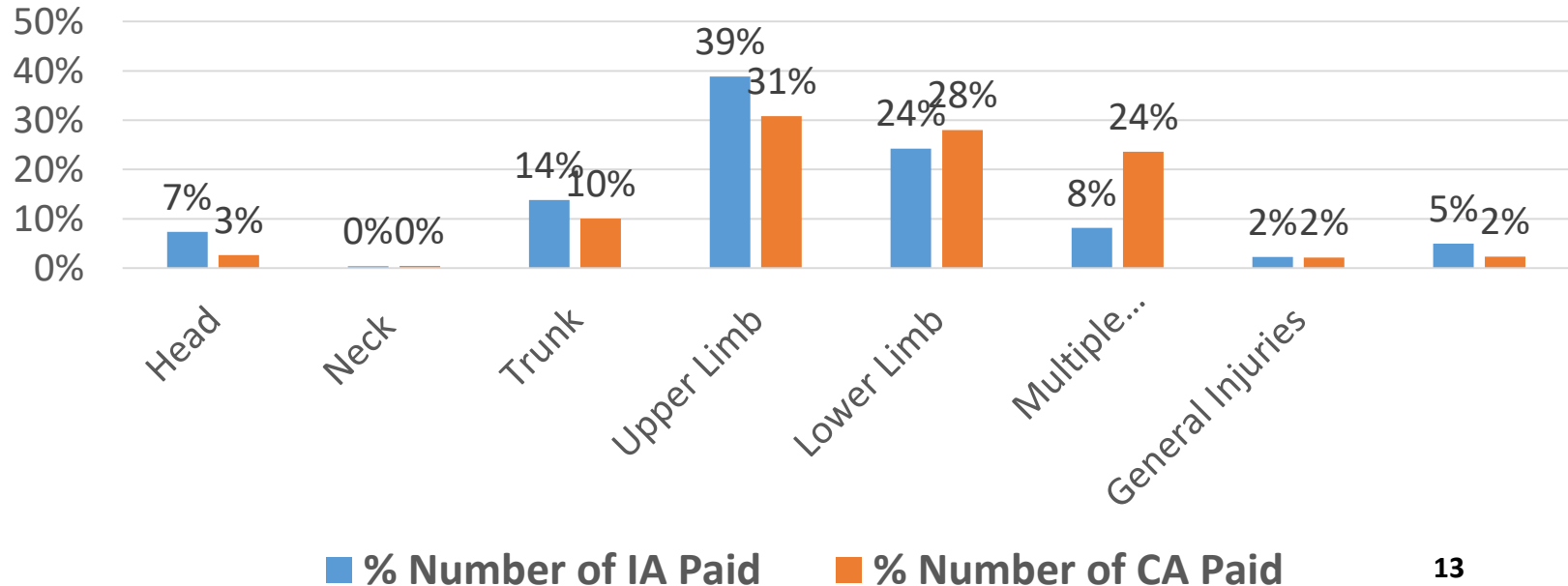


NUMBER OF PDB RECIPIENTS ACCORDING TO AGE GROUP





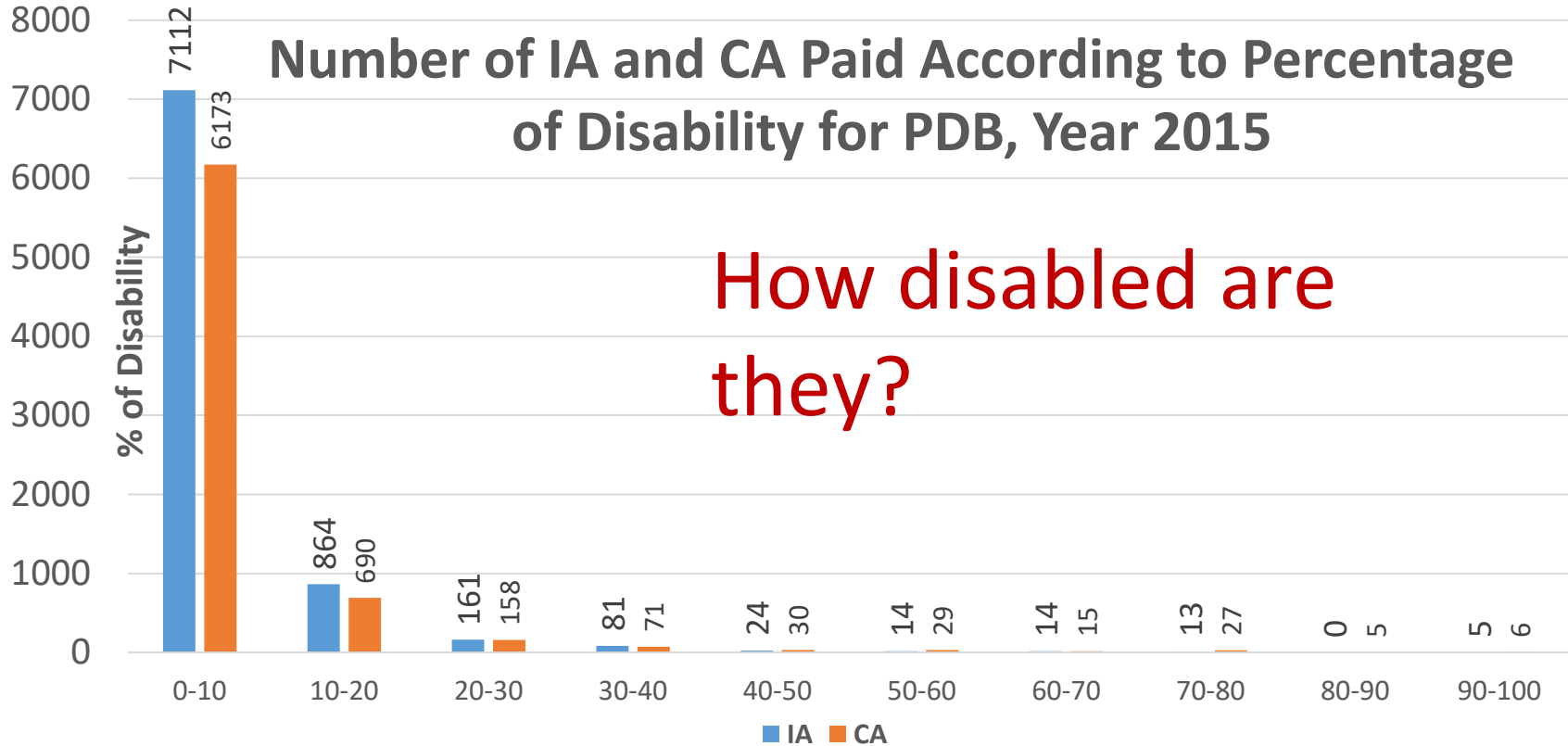
Percentage (%) Number of CA and IA Paid According to Location of Injury for PDB, Year 2015





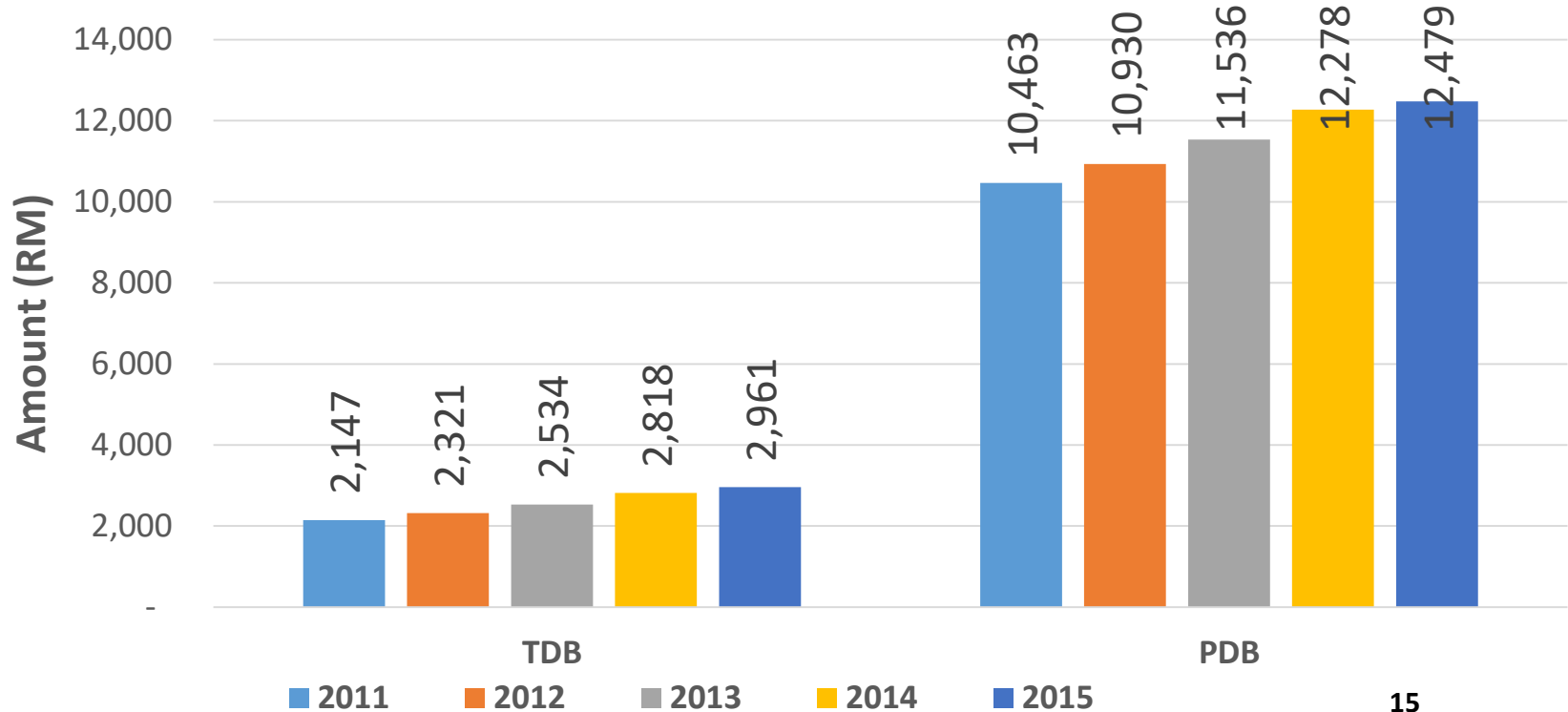
Number of IA and CA Paid According to Percentage of Disability for PDB, Year 2015

How disabled are they?

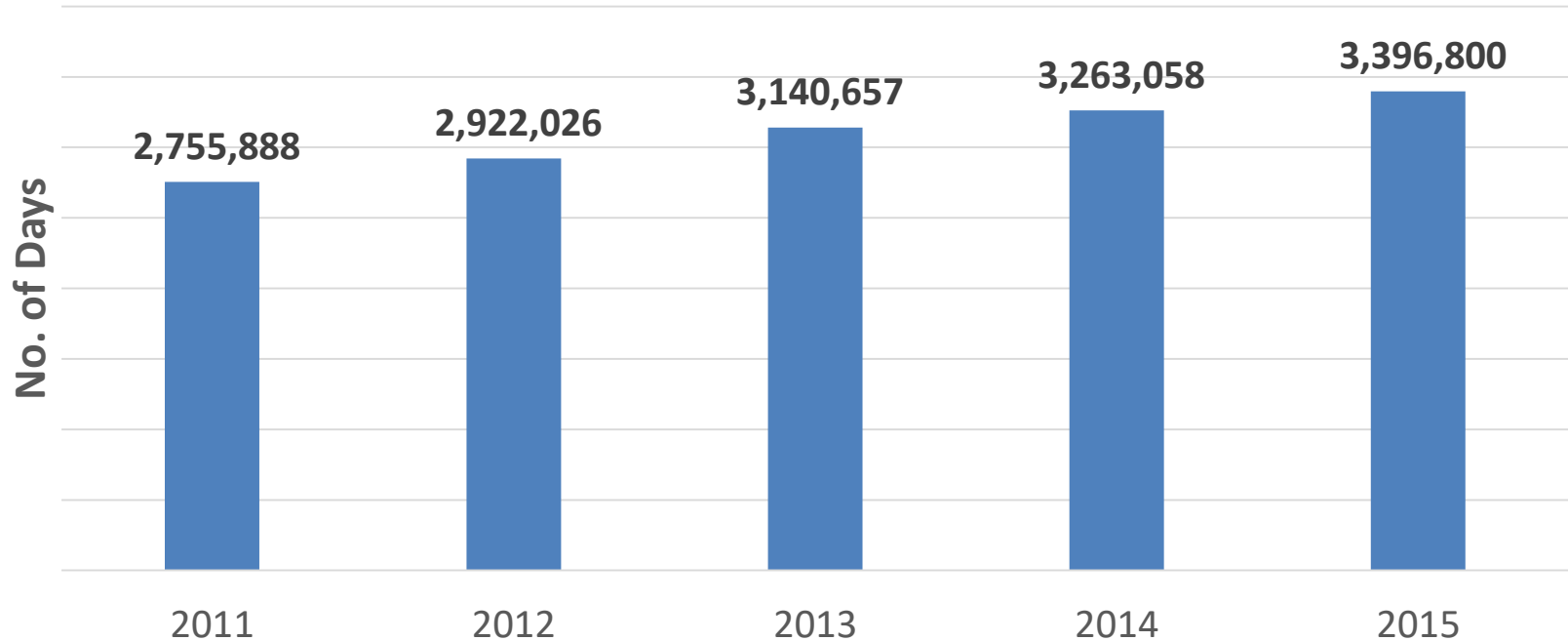




Average (Mean) per person Cost of compensation for TDB and PDB

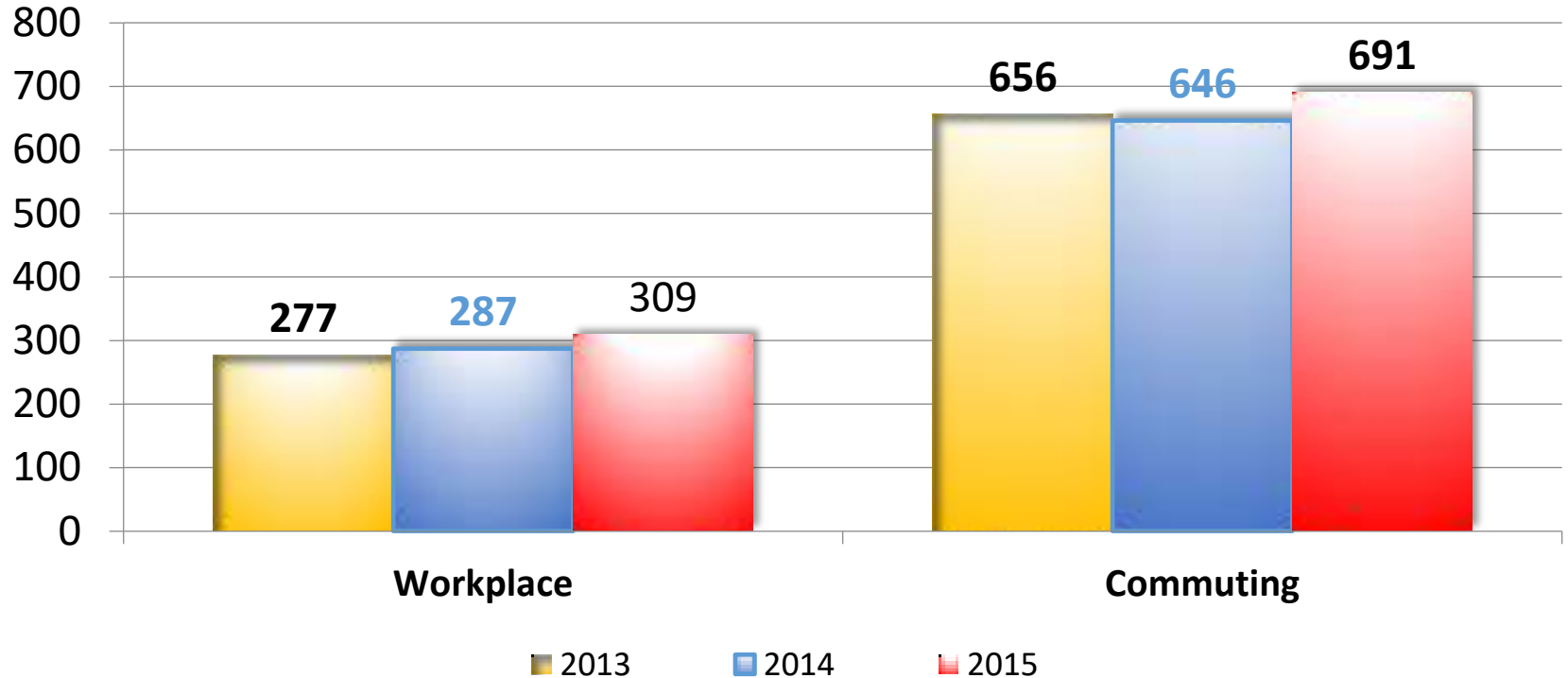


No. of Man-days Lost Due To Workplace Accidents and Diseases

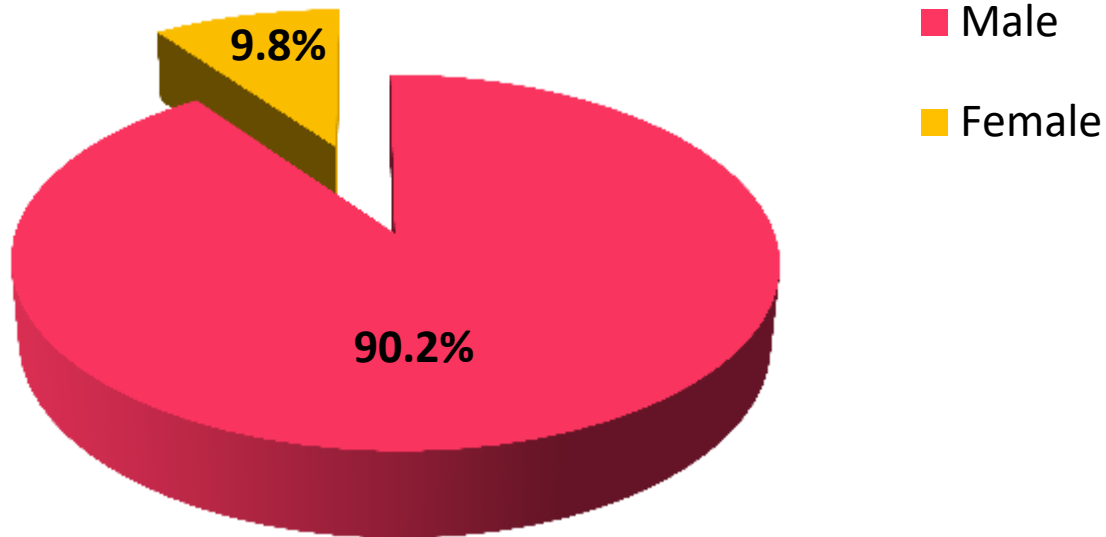




Human capital cost- FATALITIES

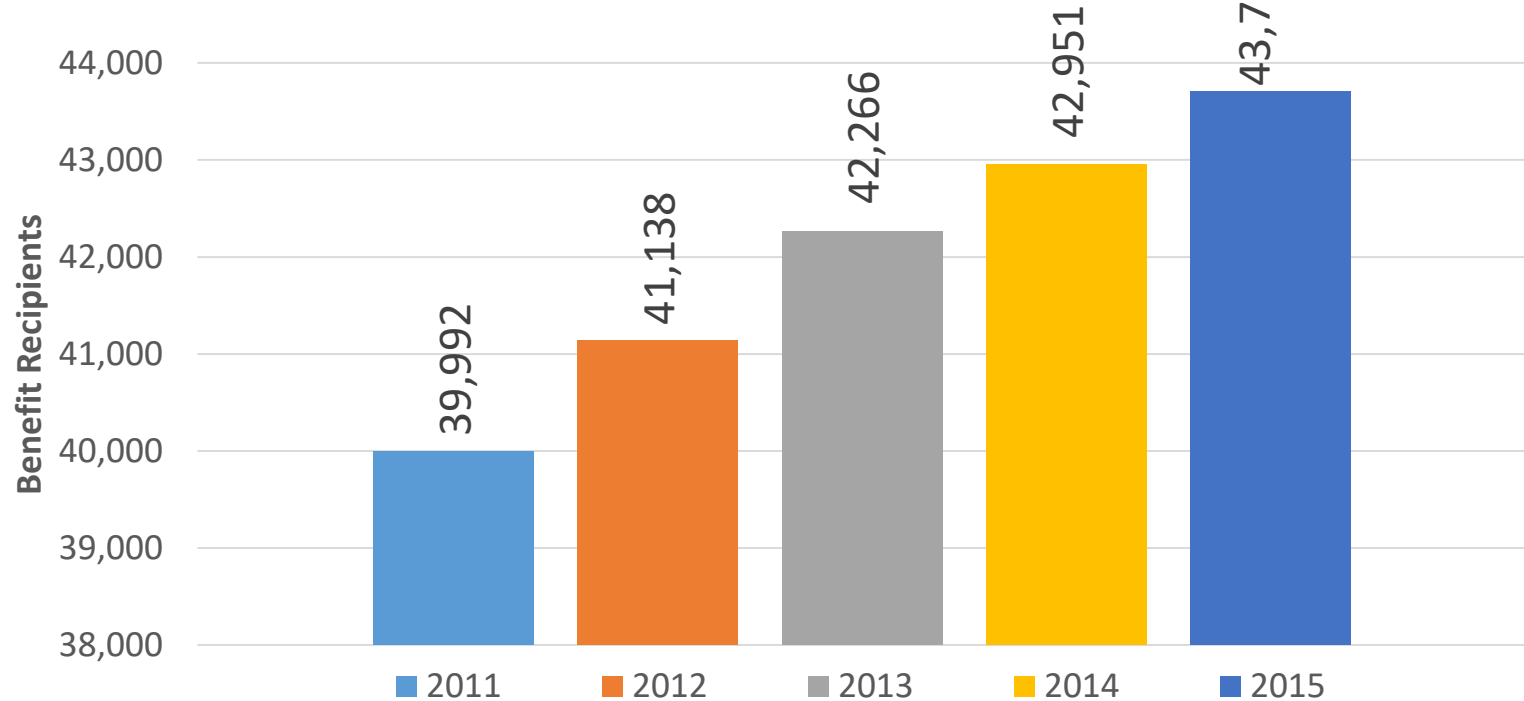


Loss of bread winner, male figures in the family..Fatalities due to accidents 2015



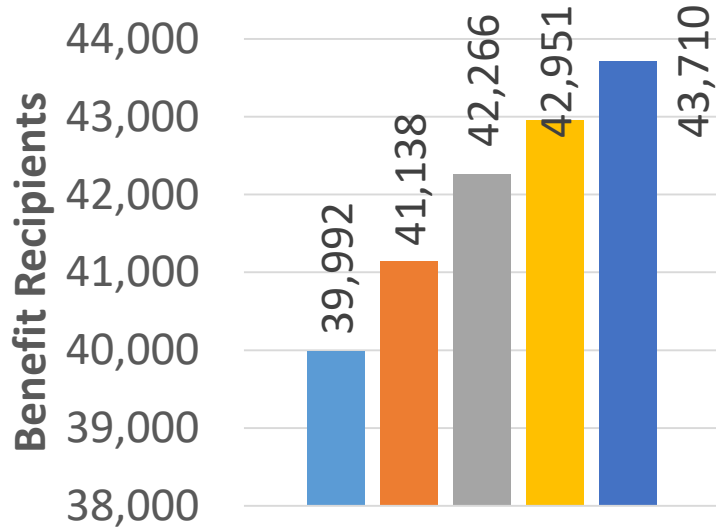


Dependents benefit recipients

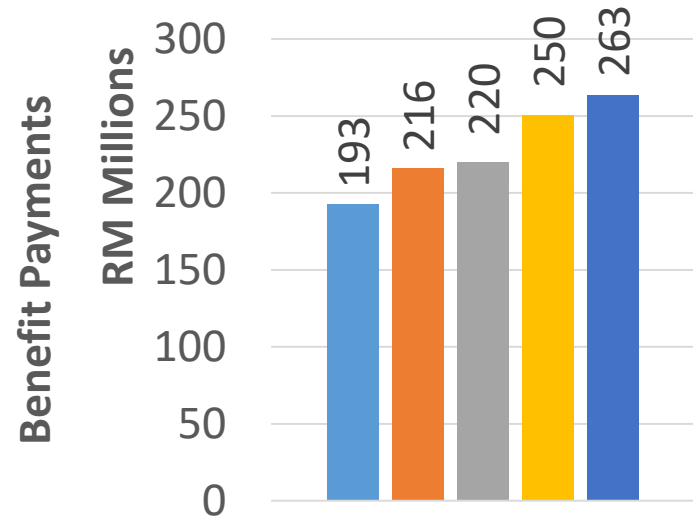




Dependents benefit recipients and cost



■ 2011
 ■ 2012
 ■ 2013
■ 2014
 ■ 2015



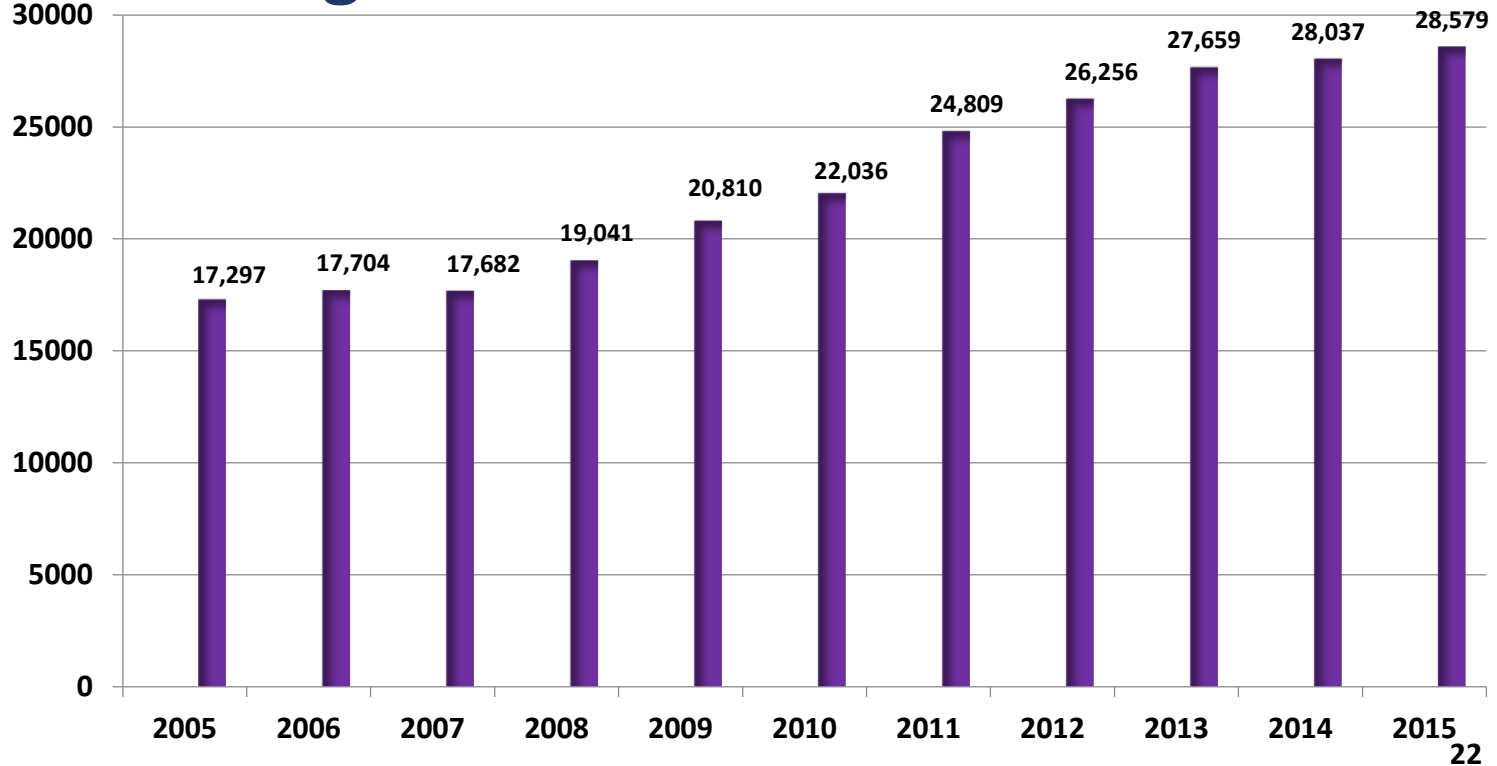
■ 2011
 ■ 2012
 ■ 2013
■ 2014
 ■ 2015



Challenges to Compensation Practices

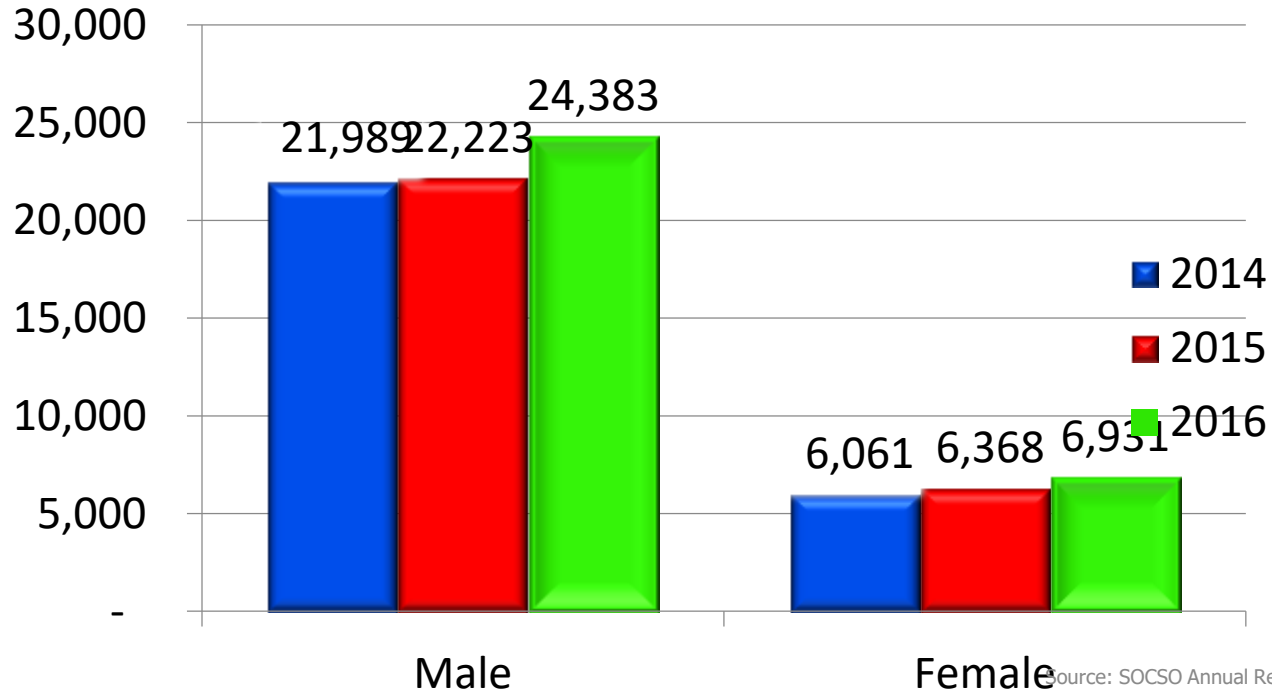


Commuting accidents



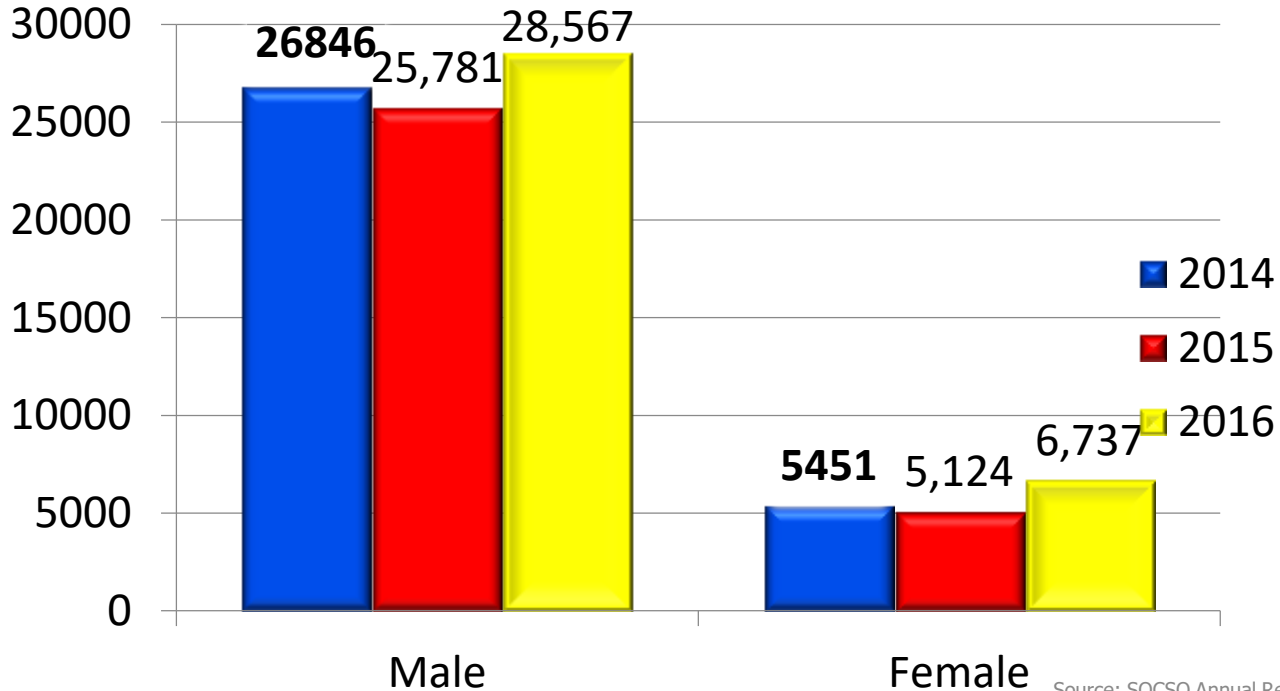
Commuting Accident by Gender 2014-2016p

Male is 4 times likely to get accident compared to Female



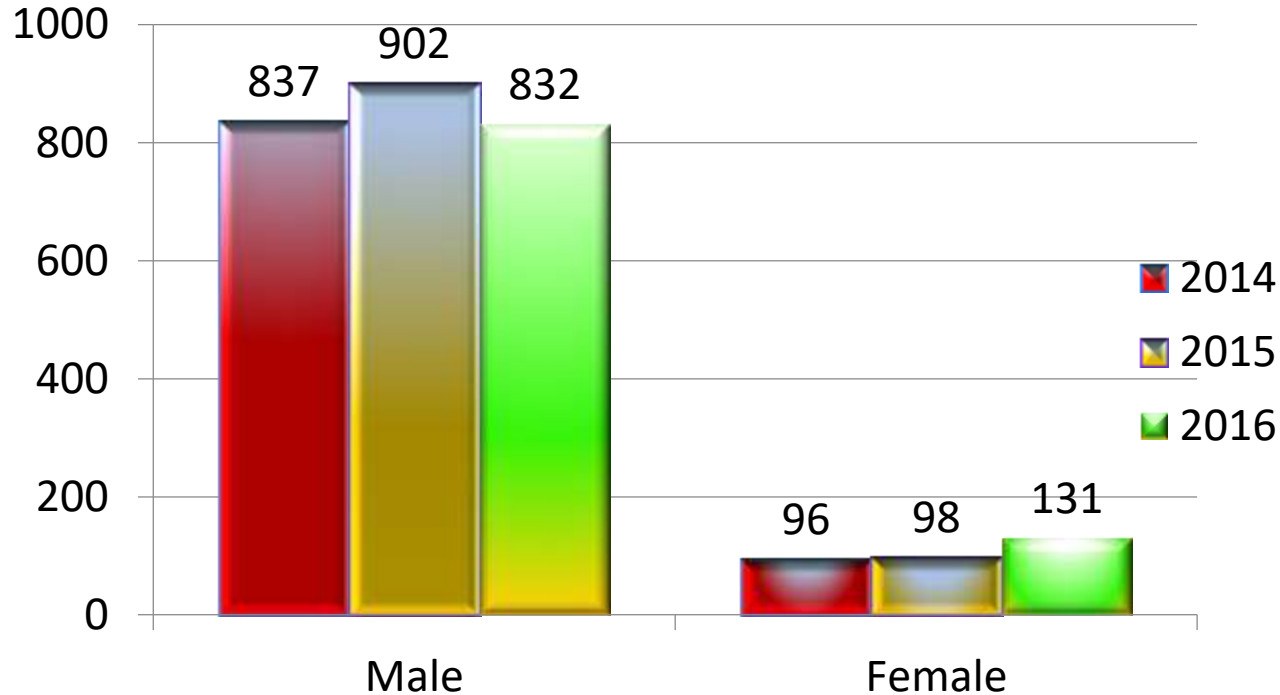


Industrial Accident by Gender 2014-2016p



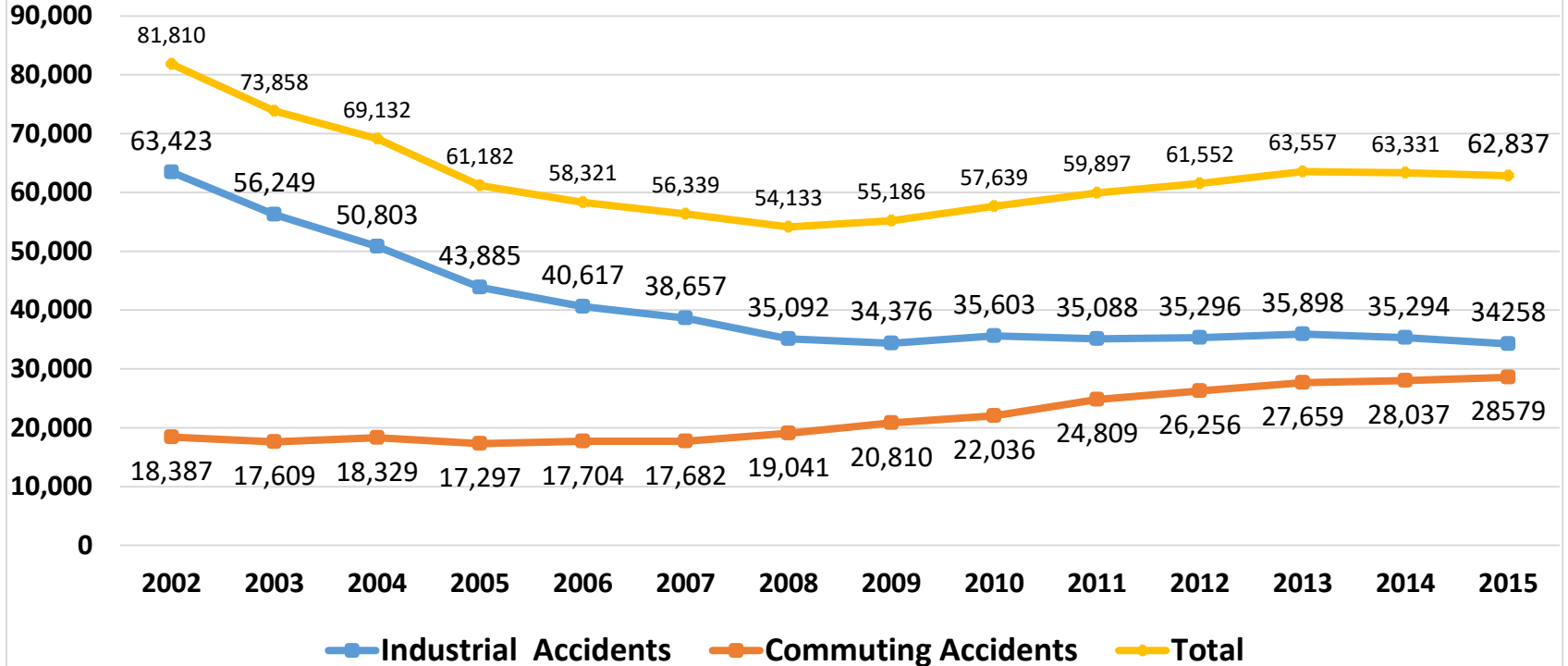


Fatal Accident by Gender 2014-2016p





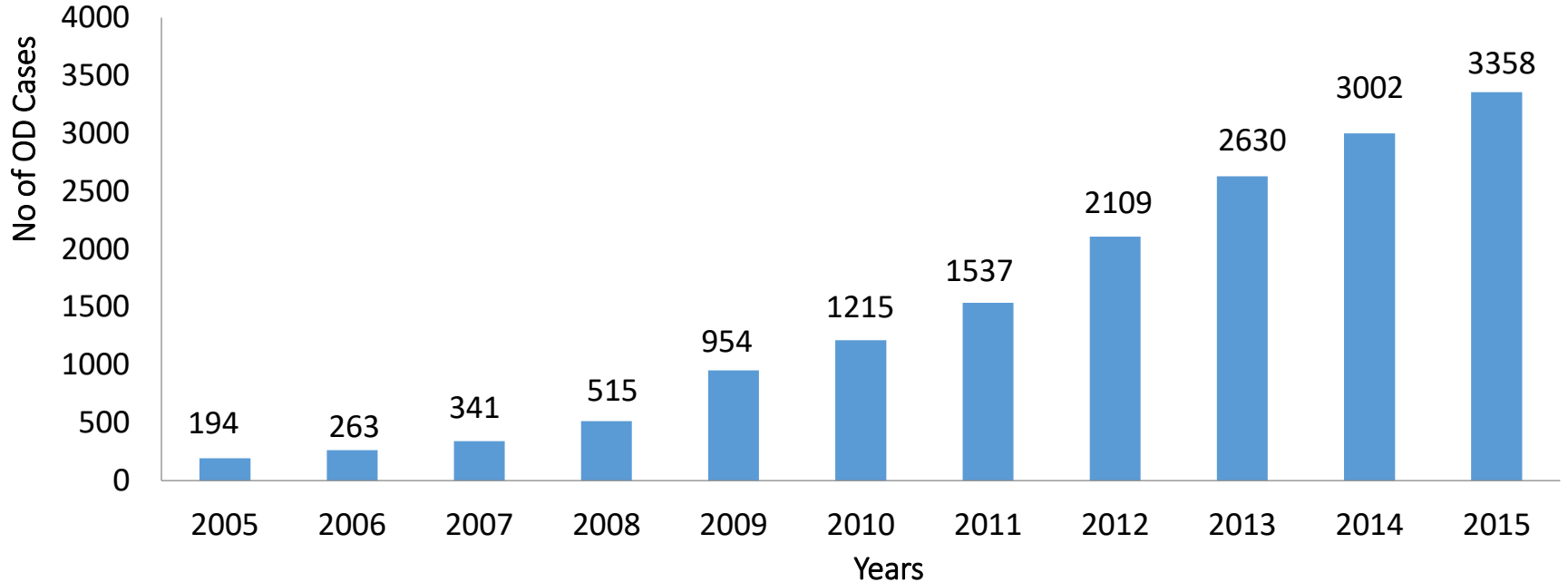
INDUSTRIAL ACCIDENTS AND COMMUTING ACCIDENTS 2002-2015







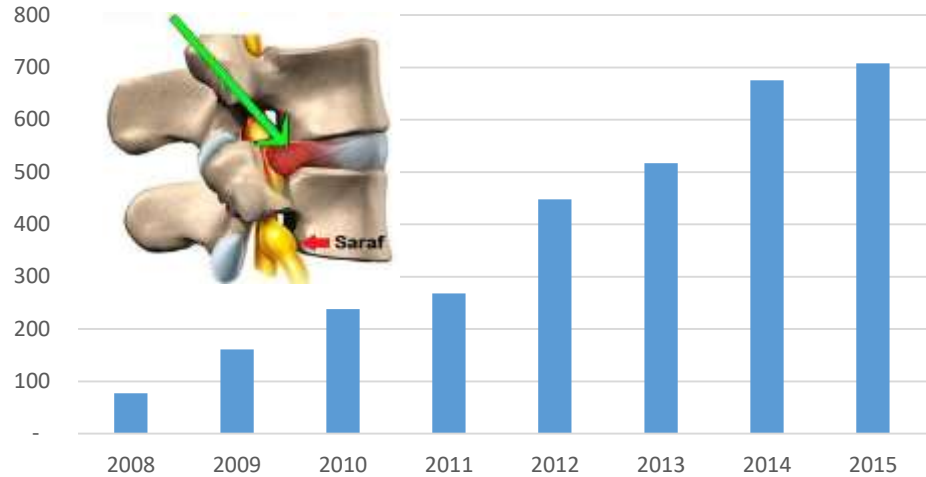
Occupational diseases



New Disease?

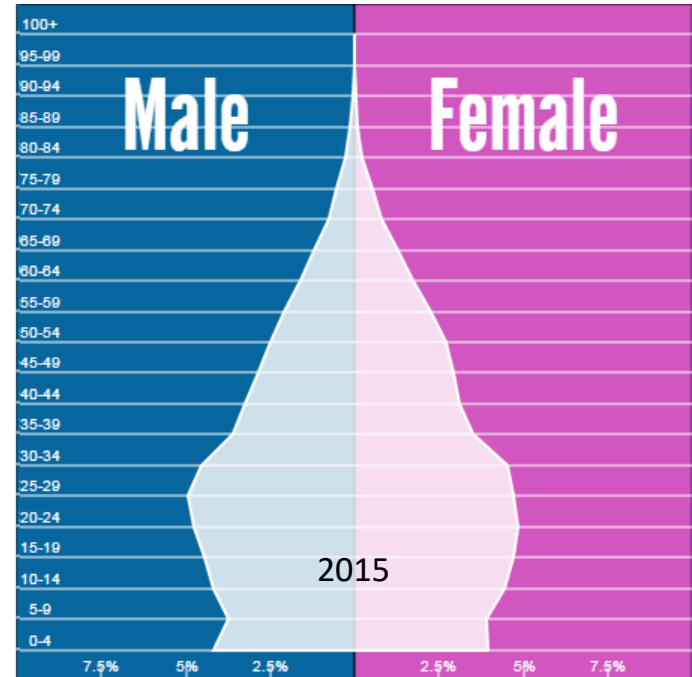


Occupational Musculo -Skeletal Disorders



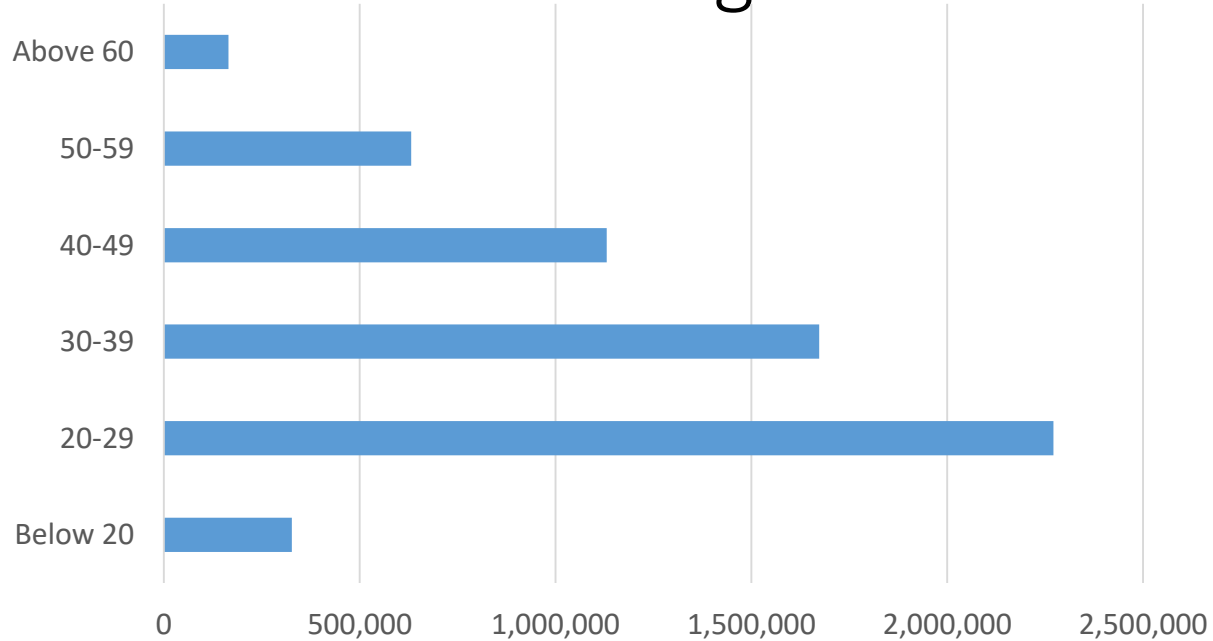
EMERGING ISSUE

- Worker demographic is changing; in line with the population demographic
- Our workers are getting older. What effect will this bring to the diseases trend?



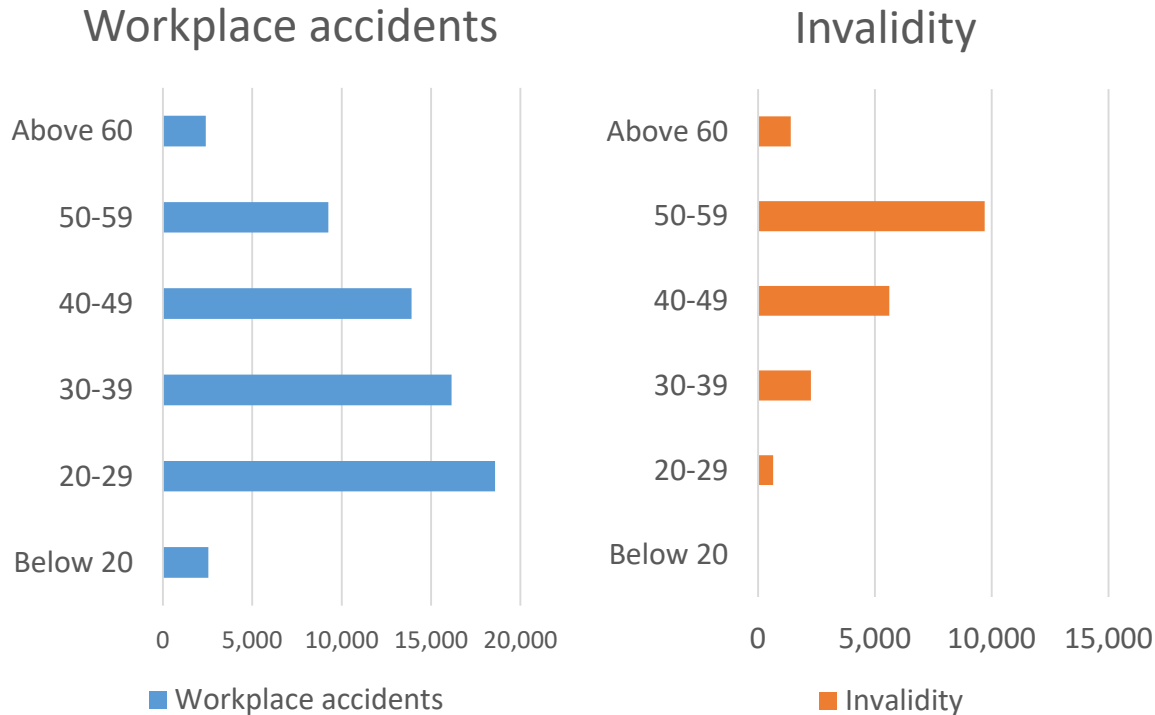


SOCSO Insured Persons: Age distribution

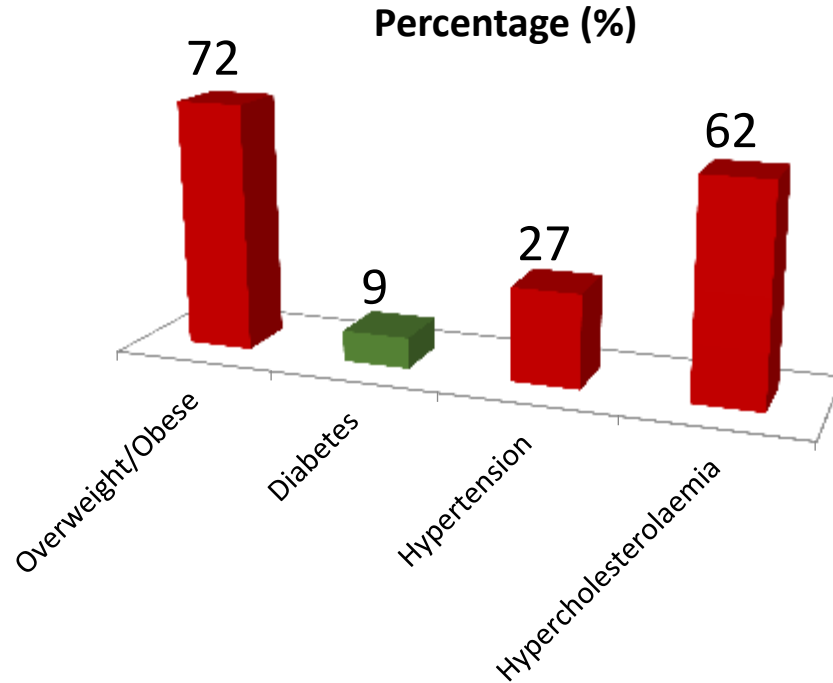




Accidents and invalidity by age (2015)



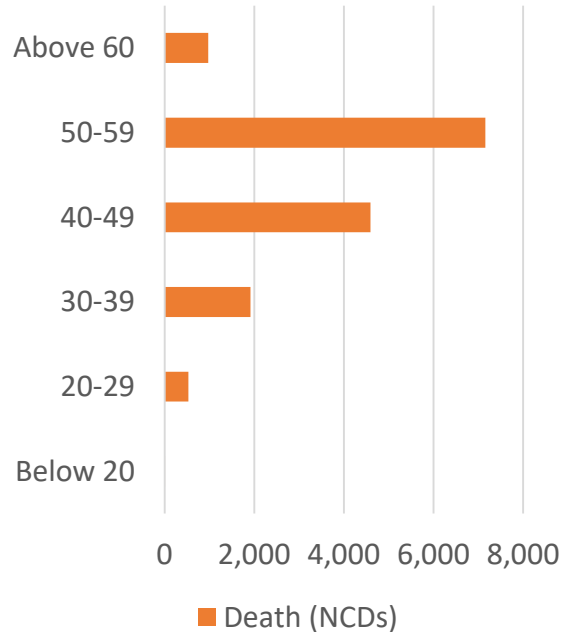
Challenges – employee wellbeing



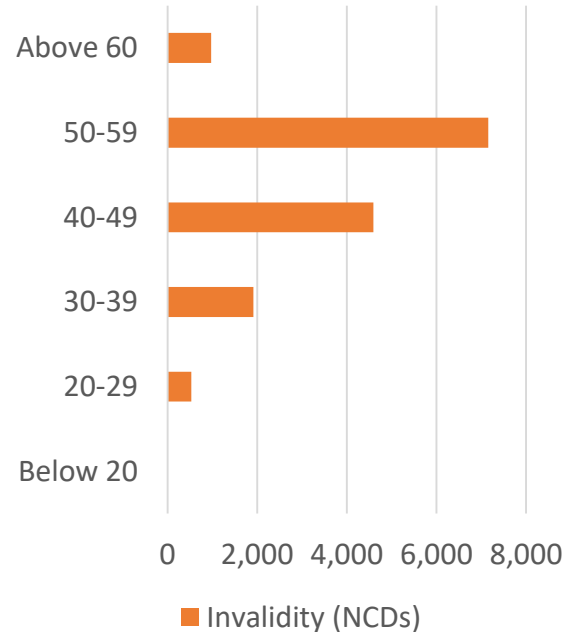


Impact of NCDs to Malaysian employees

Death (NCDs)

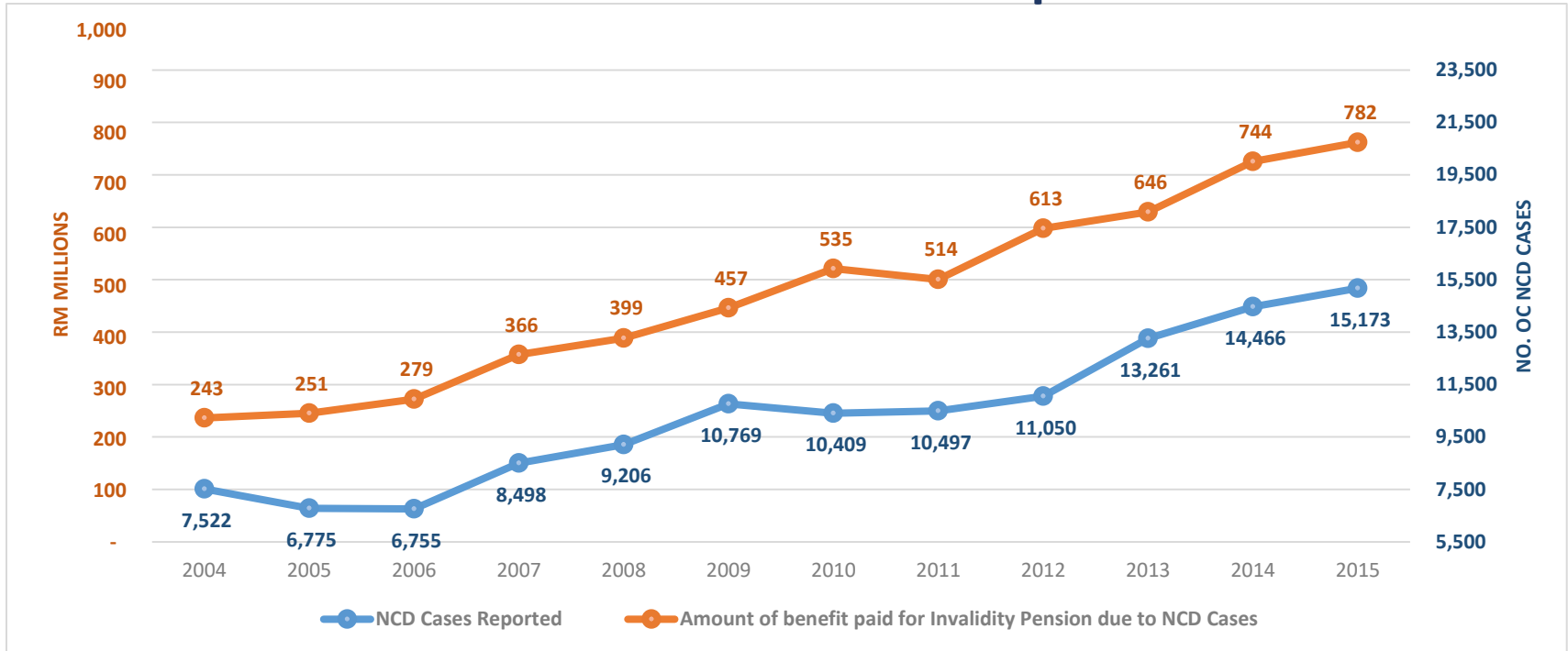


Invalidity (NCDs)



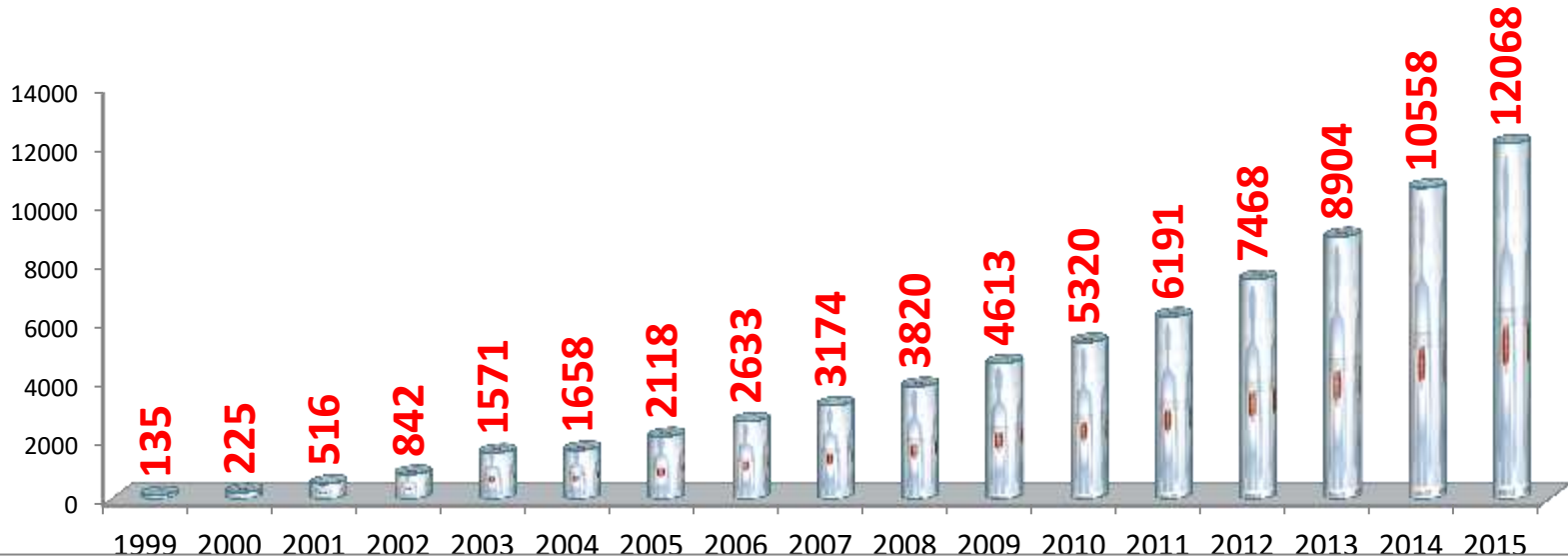


Non-Communicable Diseases vs Compensation



Impact of NCDs – End Stage Renal Failure

Number of SOCSO hemodialysis assistance recipients



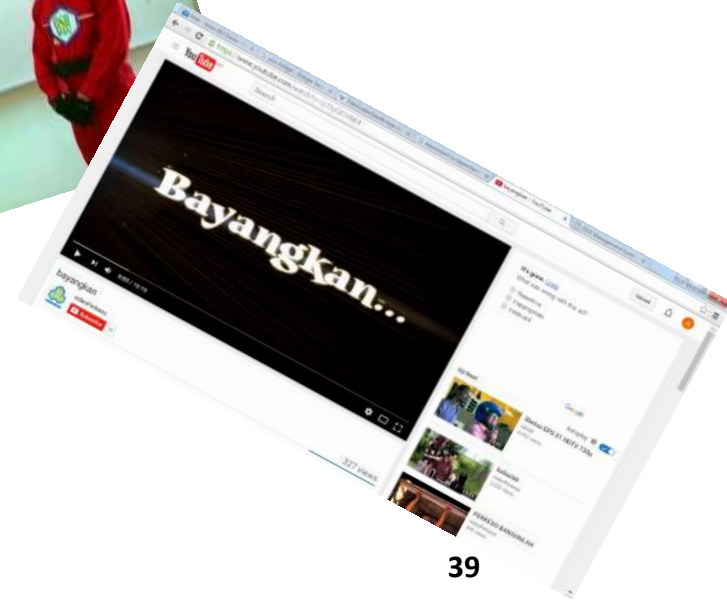
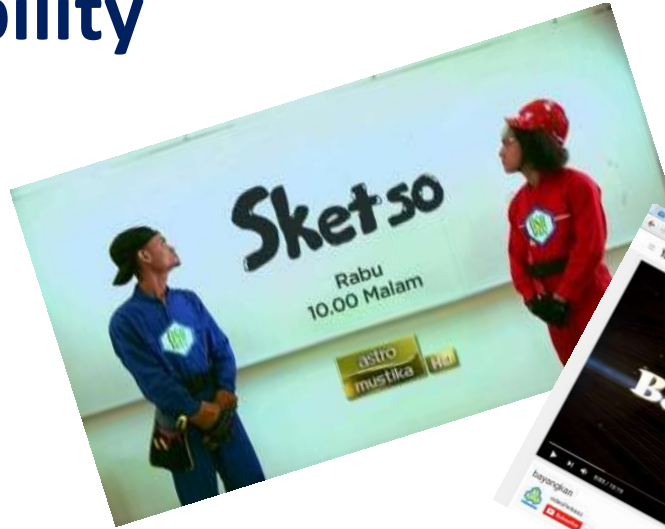
Prevention – current SOCSO activities towards OSH Culture

Prevention as Priority

- Social Security Organization in the national OSH Plan
- OSH prevention activities as an organizational priority through Prevention Committee
- OSH training as priority for NGO activities

Increasing visibility

- Community
 - Exhibition
 - Road shows
 - Pamphlets
 - CDs
- Mainstream media
 - TV series in OSH
 - Radio
- Alternative platform
 - HyppTV
 - Youtube



Supportive environment for prevention

- Guideline on Commuting Safety Management; Workplace Health Promotion
- Budgetary allocations for OSH awareness and education
- Smart collaboration with NGOs and OSH agencies
 - Minimizing resources for maximized gain
 - OSH Compliance Support for SMEs
 - Commuting Safety Support Program

Evidence based intervention

- Research grants
- Working collaboration for OSH research
- Largest database of worker health and commuting accidents in Malaysia.



The way forward

Prevention Agencies

- Back to basics – strengthen the core functions
 - Enforcement /Promotion/Research
- Tackle the root cause- emphasis on problematic areas first
- Collaborate and share resources

Employers & Employees

- Re-establish their commitment on safety and health
- Integrate safety and health at work
- Change mindset about compensation- it will not compensate everything you've lost

OSH Practitioners and Political Will

- Walk the talk
- Equal focus on **safety** and **health**
- **Realign focus on Commuting Safety Management**
- Integrate safety and health in every day's life
- Paradigm shift about prevention and compensation

Conclusion

- Prevention and Compensation are inter related and should complement each other – even with the difference in focus
- Escalating cost of compensation shows there are room for improvement in prevention
- Prevention fails - Compensation fails – society pays
- Paradigm shift towards prevention culture (Excellent SHO) is vital towards OSHMP 2020



Thank you

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