



**Employees' Compensation Commission  
2012 Annual Report**

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**2012 ECC ANNUAL REPORT**

**Employees' Compensation  
Commission @ 37**

**Thirty S*Even***

*Better years!*

# I.

## OUR MISSION

*The ECC champions the welfare of the Filipino worker.*

*Its mission is to:*

- *Build and sustain among employees and employers a culture of safety and healthful environment in the workplace;*
- *Ensure at all times that workers are informed of their rights, benefits and privileges under the Employees' Compensation Program;*
- *Develop and implement innovative policies, programs and projects that meet the needs of workers with work-connected contingencies;*
- *Promptly and fairly resolve all cases brought before it;*
- *Restore dignity and self-esteem among occupationally disabled workers; and*
- *Safeguard the integrity of the State Insurance Fund.*

## II.

### OUR VISION

*A nationally-acclaimed institution*

*in social security promotion that is in full control of the*

*Employees' Compensation Program, managing a sound, strong, and wisely invested*

*State Insurance Fund*

*and delivering promptly, effectively*

*and efficiently to the Filipino worker*

*a comprehensive package of services*

*and benefits for work-connected contingencies*

*through pro-active, humane and dynamic*

*policies, programs and activities.*

### III.

## MESSAGE FROM THE CHAIRMAN



**HON. ROSALINDA DIMAPILIS-BALDOZ**  
SECRETARY OF THE DEPARTMENT OF LABOR AND EMPLOYMENT

The ECC has been an advocate for promoting social security protection to our occupationally-disabled workers by restoring their dignity and self-esteem with the prompt disposition of employees' compensation appealed cases, and through various programs such as livelihood and entrepreneurial training in order to make our occupationally disabled workers (ODWs) active members of our workforce once again.

I urge you to continue providing excellent service; providing innovative, adaptable, and dynamic programs and policies; strengthening your Employees' Compensation Program (ECP) information dissemination; broadening areas of compensation and rehabilitation; and protecting the integrity of the State Insurance Fund.

I encourage you to strive in achieving President Benigno S. Aquino III's policy agenda of investing in our human resource to make them more competitive and employable while promoting industrial peace in the workplaces, through intensified programs on worker's welfare and protection on areas of prevention, compensation, and rehabilitation of work-related contingencies.

This also serves as an opportunity for me to commend you on your development of a strong partnership with our stakeholders, a close coordination and convergence with DOLE agencies, other government and non-government agencies. I challenge you to remain steadfast to your noble mandate of delivering meaningful and appropriate compensation to our countrymen.

Mabuhay and congratulations!

**ROSALINDA DIMAPILIS-BALDOZ**

Secretary

Department of Labor and Employment

## IV.

### MESSAGE FROM THE EXECUTIVE DIRECTOR



**T**hroughout the years, the ECC has issued policies and implemented programs and projects for workers with work-connected contingencies, maintained an above average case disposition EC appealed cases, and strengthened information dissemination, with the objective of affording public awareness on Employees' Compensation Program (ECP) to the far flung areas of the country.

The ECC, however, recognizes the fact that mere compensation for workers who suffered from work-related contingencies, does not suffice to bring them back to economic mainstream, fully capable of supporting themselves and their families. Hence, a theme "*Higit pa sa benepisyo ang binibigay na serbisyo*" was coined to exemplify the agency's evolution into an organization with a holistic approach on prevention, compensation, and rehabilitation for workers.

Included in this holistic approach, and as a measure of social protection mandated by the Constitution, the agency intensified its KaGabay (Katulong at Gabay sa Manggagawang may Kapansanan) Program, which offers: physical/occupational therapy sessions and medical appliances for the occupationally disabled workers (ODWs); skills and livelihood trainings; basic business management courses; and a start-up capitalization for a small business, in cases where the ODW opts to engage in entrepreneurial ventures.

To all these, it is our constant goal to come up with dynamic policies to better serve our workers, today and in the years to come.

Mabuhay!

**STELLA ZIPAGAN-BANAWIS**

Executive Director

Employees' Compensation Commission

## V.

### THE ECC COMMISSIONERS and their DESIGNATES

#### CHAIRMAN

**HON. ROSALINDA DIMAPILIS-BALDOZ**  
Secretary  
**Department of Labor and Employment**

ALTERNATE:

**HON. CIRIACO A. LAGUNZAD III**  
Undersecretary  
**Department of Labor and Employment**

#### COMMISSIONERS

**HON. EMILIO S. DE QUIROS**  
President and CEO  
**Social Security System**

*Designate:*

**HON. AGNES E. SAN JOSE**  
VP, Benefits Administration Division  
**Social Security System**

**HON. ROBERT G. VERGARA**  
President and General Manager  
**Government Service Insurance System**

*Designate:*

**HON. DIONISIO C. EBDANE, JR.**  
SVP, VisMin Group  
**Government Service Insurance System**

**HON. ENRIQUE T. ONA**  
Secretary  
**Department of Health**

*Designate:*

**HON. ALEXANDER A. PADILLA**  
EVP and COO  
**Philippine Health Insurance Commission**

**HON. FRANCISCO T. DUQUE III**  
Chairman  
**Civil Service Commission**

*Designate:*

**HON. DAVID E. CABANAG, JR.**  
Assistant Commissioner  
**Civil Service Commission**

**HON. CARLITO P. ROBLE**  
National Executive Vice-President  
**Alliance of Filipino Workers**

**HON. MIGUEL B. VARELA**  
Chairman  
**Philippine Chamber of Commerce and Industry**

**HON. STELLA ZIPAGAN-BANAWIS**  
Executive Director  
**Employees' Compensation Commission**



## VI.

### THE ECC - An overview

The Employees' Compensation Commission (ECC) is mandated to provide meaningful and appropriate compensation to workers and their dependents in the event of work-related contingencies such as sickness, injury, disability or death, by virtue of its charter, P.D. 626, as amended, which took effect on January 1, 1975 and was fully operational on March 17, 1975.

Employees' Compensation benefits are processed by ECC's administering agencies, the Government Service Insurance System (GSIS) and the Social Security System (SSS) for the public and the private sectors, respectively.

The ECC is an attached agency of the Department of Labor and Employment. It is a quasi-judicial corporate entity which provides policy coordination and guidance on the Employees' Compensation Program. It is also an appellate body, deciding EC claims denied by the GSIS and the SSS.

The ECC has five ex-officio members, namely: the DOLE Secretary as Chairman, the GSIS President and General Manager, the SSS President and CEO, the Chairman of PhilHealth, and the Civil Service Commission Chairman. It has three appointive members for a term of one year each, namely: the ECC Executive Director and representatives from the employers and employees sectors.



## VII.

### ACCOMPLISHMENT FOR 2012 IN REVIEW

#### AS A POLICY-MAKING BODY

As the program manager of the Employees' Compensation Program, the ECC is mandated by law to provide meaningful and appropriate compensation to workers. One of its main functions is to formulate policies and guidelines for the improvement of the employees' compensation program.

In 2012, policy issuances approved by the Commission, pursuant to its mandate include:

1. Increase in the Amount of EC Benefits for Employees in the Public Sector to make it at par with the Private Sector, namely: Temporary Total Disability (TTD) benefits; Funeral benefits; Professional Fees for medical services; and the grant of Carer's Allowance to EC Permanent Partial Disability and EC Permanent Total Disability pensioners.
2. Lifting the Suspension of Payment of EC Death Benefits in the Public Sector Beyond the Five-Year Guaranteed Period.
3. Amending the Conditions for Compensability of Pneumonia, Bronchial Asthma, Pneumoconiosis and Asbestosis and other Pulmonary Conditions of Annex A of the Amended Rules on Employees Compensation.
4. Declaring the Compensability of Injuries and its Resulting Disability or Death Sustained by Stay-In Local Employees in the Quarters Furnished by the Employers.
5. Declaring the Compensability of Death of an Employee due to Assault when the same occurred in the Course of the Performance of Official Functions notwithstanding the Fact that the Motive is Personal in Nature.
6. Admissibility of Certified True Copies of Official Receipts in the Filing of Claims for EC Medical Reimbursement.



The ECC likewise facilitated the conduct of a focus group discussion on the *Possibility of Expanding ECP Coverage to Self-Employed Members of SSS* on May 24, 2012. It was

participated by officers and representatives from BWSC, BWC, ILS, NWPC, SSS, SSC, NAPC and Council Members of the NAPC-WISC.

### **AS AN APPELATE BODY**



The ECC reviews and decides on the appeal of all EC claims disapproved by the GSIS and SSS. A system of monitoring/tracking every action taken on the case has been installed to ensure prompt disposition of appealed EC claims.

The ECC handled 194 appealed cases in 2012. Of these, 191 cases were resolved by the Commission for a disposition rate of 98%.

### **ON INFORMATION DISSEMINATION**

The ECC endeavors to increase public awareness on the Employees' Compensation Program (ECP) and to ensure at all times that workers are informed of their rights, benefits and privileges under the ECP. This involves the conduct of seminars/lectures on the ECP and Occupational Safety and Health (OSH) right at the workplaces in coordination with the employers and the employees' unions. Target participants of ECP seminars/lectures are rank and file workers, labor union representatives and human resource officers in priority industries like pharmaceutical, transportation, maritime, manufacturing, hospitals and construction industry, which are perceived to be relatively more hazardous. IEC materials are likewise developed, such as flyers, posters, brochures, press releases, website materials, and the ECC handbook.

In 2012, the ECP awareness campaign was intensified nationwide.

The advocacy programs in the regions and the in-house seminars focused primarily on the three aspects of the employees' compensation program: (1) prevention; (2) compensation; and (3) rehabilitation service.

These three equally important aspects of the ECP ensure a safe and healthful workplace thereby minimizing the incidence of work-related sickness, injury or death. It also provides livelihood and entrepreneurial trainings to the occupationally-disabled workers (ODWs) in order to make them a more productive members of our workforce and society.



As part of its information campaign, the following were accomplished in 2012:



- **211** ECP advocacy seminars were conducted. These include in-house, regional, on-site, and ECP advocacy seminars which were conducted in convergence with DOLE regional offices in cities and provinces with high density of workers and high incidence of work-connected contingencies. The ECP information module continues to be included in the Basic Occupational Safety and Health Trainings, Construction Safety Trainings, Technical Advisory Visits, Mandatory Labor Law Education Seminars, Tripartite Industrial Peace Councils and Update on Labor Law and Welfare Seminars conducted by private institutions.



- Target participants in the seminar focused on industries such as manufacturing, BPOs, ship manning agencies, domestic shipping, wholesale & retail industries and educational institutions. Coordination with other partners such as OSHC, private companies and institutions, government offices and LGUs were made in the conduct of these seminars/lectures. These were attended by **3,073** companies with **11,866** participants.



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- Information dissemination through radio was outsourced to **5 radio stations**, namely: DZBB, Radyo Inquirer DZIQ, DWBL, DWDD and DZAR, which partnered with ECC in the broadcasting of 30-second ECP radio plugs pertaining to the ECC, the ECP benefits, how to file an EC claim, and the ECC-KaGabay Program. Live or phone patch interviews on radio, TV live streaming, and press releases through print media, such as the Inquirer Bandera, Inquirer Libre, and the on-line Inquirer.net, were also conducted.

- **Six press conferences** were conducted in Cebu, Bacolod, Baguio, Butuan, Pampanga, and Legazpi City, with labor beat reporters of TV, radio and the print media.
- **Eight** flyers were updated/simplified namely: (1) the ECC; (2) the ECP; (3) list of occupational diseases; (4) how to file a claim for EC benefits at the SSS; (5) How to file a claim for EC



benefits at the GSIS; (6) KaGabay Program; (7) ECC-Quick Response Team Program; and, (8) Employers' Responsibilities under the ECP.

- The **ECC e-reporter**, a **monthly newsletter** has been uploaded in the ECC website and sent via email to stakeholders, DOLE offices and workers to inform them about the latest EC policies, decisions on appealed cases, and ECC programs and activities.
- **54** press releases were published in various broadsheets and tabloids like the Philippine Star, Manila Bulletin, Baguio Midland Courier, Baguio Chronicle, Bandera, Sun Star Bacolod, Negros Daily Bulletin, Watchmen Daily Journal, Mindanao Goldstar Daily, Daily Zamboanga Times, et. al.
- **1,279** clients were extended assistance through the Public Assistance Center which was manned by a designated Officer of the Day. All ECC personnel take turns in providing basic ECP information to the public. Queries were mostly on the EC benefits, how to file an EC claim, prescriptive period in filing an EC claim, and eligibility to receive benefits under the EC Program.



### **ON REHABILITATION SERVICES FOR ODWS**

ECC's primary objective in providing rehabilitation services is to help bring back occupationally disabled workers into the economic mainstream as productive and self-reliant members of society. Responding to the demand for a more direct and proactive approach in the rehabilitation of ODWs, the ECC implements the KaGabay program.

The KaGabay program provides qualified ODWs with free **physical or occupational therapy** to mitigate the effects of permanent disability and as much as possible facilitate an early return to work or improvement of basic functional activities for daily living.



Physical Restoration of ODWs is an assistance project to facilitate ECC-funded rehabilitation services for ODWs like physical therapy by partner hospitals and provision of free rehabilitation appliances.

In 2012, the KaGabay program ushered its prosthesis replacement benefit to 525 qualified ODWs who sustained leg and arm amputations from work-



connected injury.

The Physical Restoration component of the KaGabay program was able to facilitate the physical or occupational therapy of 72 ODWs, provided arm, hand and finger prosthesis to 6 ODWs and another 2 ODWs received protective gloves to protect post-burn scars sustained at work.

Memorandum of Agreements (MOAs) with 3 hospital program partners namely, Philippine General Hospital, Philippine Orthopedic Center, and Rizal Medical Center, to sustain its services in the NCR, were successfully renewed.



The KaGabay program also explored the feasibility of new rehabilitation services to expand its coverage and cater to the needs of different sectors of ODWs. Initial consultations were done with Better Hearing Philippines, Inc. on hearing aid devices and hearing conservation programs and ACTRIEV Computer School for the visually impaired.

It also facilitates the provision of **skills training courses** in partner institutions to enhance or upgrade their capabilities to prepare them for re-hiring or new employment. Qualified ODWs who are unable to return to their work can also avail of livelihood/entrepreneurial courses to become self-employed and productive.



In 2012, the ECC Central Office facilitated the skills and entrepreneurial training of 68 ODWs through its program partners such as TESDA, Negoskwela, Inc. and Ultima Entrepinoy Inc. 18 ODWs completed Skills Training courses while another 16 completed Livelihood or Entrepreneurial courses. Through the Center for Small Enterprises (CSE) Foundation, 35 ODWs attended an orientation course on small business start-up and management. Among the

most commonly availed of skills courses are computer hardware servicing, basic car maintenance and driving. Meat processing was a popular entrepreneurial course among the ODWs.

The ODWs also formed their own cooperative, **ODWCCI (ODW Credit Cooperative, Inc.)** in December 2012 to help its members sustain their small livelihood and business enterprises. The ECC was instrumental in organizing the said cooperative. The ODWs were provided a venue for meetings, seminars and trainings to equip them with the necessary skills, and business management courses.

## ON THE ECC QUICK RESPONSE PROGRAM

ECC came up with the ECC Quick Response Program to provide immediate assistance to workers afflicted with work-related disease or suffering from injuries due to work-related accidents. For deceased workers, the QRP provides assistance to the beneficiaries who may be the spouse, and/or the children or the parents of the victim.



The ECC intervention includes psycho-social counseling services, and assistance in the filing of the necessary claims with the System. Upon complete knowledge on the details of the case, the Team visits or calls to assist the victim, victim's company or his beneficiaries. After the visit the Team monitors the progress of the victim to encourage rehabilitation and re-employment through the KaGabay and monitors the processing and release of claims by the Systems.

### ECC REGIONAL EXTENSION UNITS

In 2012, the Employees' Compensation Commission established Regional Extension Units which served as the extension arms of the Agency to reach far flung areas of the country and make its various programs easily available.

In 2012, there were **four (4) ECC REU's** established in different regions: Baguio City, Cebu City, Zamboanga City, and Koronadal City.

The personnel assigned to man the REUs delivers programs set by the Information and Public Assistance Division and the Work Contingency Prevention and Rehabilitation Division.

On the Information Dissemination aspect of their function, which data form part of the accomplishment for 2012, the REUs conducted the following seminars/lectures in coordination with DOLE Regional offices and other DOLE agencies like



Occupational Safety and Health Center (OSHC) and Bureau of Working Conditions (BWC): **(a) REU VII-** two (2) In-house seminars, six (6) On-site, three (3) BOSH, two (2) CST, four (4) TAV, and four (4) Labor Education Seminar **(b) REU IX-** one (1) In-house seminar, four (4) On-site, three (3) BOSH, two (2) CST, and three (3) TAV **(c) REU X-** Six (6) In-house seminars, four (4) On-site, eight (8) BOSH, two (2) CST **(d) REU XII-** one (1) In-house seminar, four (4) On-site, and one (1) CST **(e) REU CAR-** two (2) On-

site, five (5) BOSH, and five (5) TAV.

To implement the programs of the Work Contingency Prevention and Rehabilitation of the Agency, the REU personnel responded to cases/victims of work contingencies as part of their Quick Response Program and assisted in the filing of EC claims. For the KaGabay program, the ODWs were referred for skills training and entrepreneurial training. Several visitations were also conducted to the homes/companies of the ODWs. And as part of the Physical Restoration program, the REU personnel sought partnerships with hospitals and training centers for the provision of physical or occupational therapy services, and skill courses and seminars for re-employment or self-entrepreneurship of ODWs. They also made sure that the accredited hospitals within their regions are adequately equipped with facilities for physical medicine rehabilitation (PMR) to properly accommodate the ODWs.



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and seminars for re-employment or self-entrepreneurship of ODWs. They also made sure that the accredited hospitals within their regions are adequately equipped with facilities for physical medicine rehabilitation (PMR) to properly accommodate the ODWs.

### **SECRETARIAT ADMINISTRATION**

The **Administrative Division (AD)** carried on its major role as a support arm of the operating divisions of the ECC, particularly in the effective management of the agency's manpower.

**Human Resource Development.** AD has provided continuing interventions necessary for the improvement of the capability and competence of the staff to perform their respective duties and responsibilities. For 2012, thirty three (33) external trainings and eleven (11) in-house trainings were conducted/facilitated for ECC's 70 manpower complement. Two (2) CESO training were likewise facilitated as well as seven (7) international trainings/seminars for nine (9) ECC staff.

Believing that a healthy workforce is a productive workforce, weekly wellness program has been provided, such as dance aerobics, zumba and yoga classes.



In 2012, the ECC hired and assigned seven staff to man the regional extension units in five regions, as follows: CAR, Region 3, Region 7, Region 9, Region 10 and Region 12.

**Supply and Property Management.** The judicious management of the agency's physical resources in 2012 was achieved through the prudent implementation of the 2012 Annual Procurement Plan, the provision of immediate repair for all equipment and vehicles and the disposition of unserviceable properties. The Sup-



ply Section also provided administrative support to the Bids and Awards Committee.

**Good Governance through the Transparency Seal.** The Employees' Compensation Commission complied with the Transparency Seal Provision of the General Appropriations Act of fiscal year 2012. This results to the portions of the following information in the agency website: ECC's mandates and functions, names of officials with their position and designation, and contact information; Annual Reports for the last three years; the ECC's approved Corporate Operating Budget and corresponding targets for the fiscal year 2012; major programs/projects categorized in accordance with the five key results areas under Executive Order No. 43, s. 2011; program and project beneficiaries; status of implementation and program/project evaluation and/or assessment report; and Annual Procurement Plan, contracts awarded and the name of the contractors/suppliers/consultants.



ECC transparency seal is prominently located on the home page of the ECC website and the same will remain unchanged unless otherwise necessitated by circumstances, such as updates, clerical corrections, and similar causes.

**Central Records Management.** Since ECC is a quasi-judicial body, it is imperative to have an efficient and systematic records keeping in the office. The effective implementation of the computerized Document Tracking System (DTS) has fast tracked the internal flow of appealed cases from the Systems to other documents. A total of 3,323 documents were recorded through the DTS as well as 720 Court of Appeals/Supreme Court documents. A Records Disposition Schedule has also been adopted by the members of the Records Management Improvement and Development Committee (RMIDC). In 2012, a database program for the inventory of Records was developed for the easy access, maintenance and disposition of records.



**Building Maintenance Services.** In 2012, the Building Management Unit has satisfactorily improved the lighting needs and the proper ventilation of the ECC offices and its tenants. It has maintained a day-to-day management and upkeep of the ECC building and premises, and oversee the services which were outsourced, such as security and janitorial services.

**Skills and Training Development.** The Policy, Programs and Systems Management Division (PPSMD) led the Gender and Development (GAD) Programs for

2012 with the theme *Women Weathering Climate Change: Governance and Accountability, Everyone's Responsibility*. Earthquake Preparedness Drill Seminar and Typhoon Preparedness Seminar were conducted and participated by all ECC employees.

On top of these, employees also attended the Disaster Risk Management Seminar sponsored by the Bureau of Workers with Special Concerns (BWSC) and Occupational Safety and Health Center (OSHC).

Other noted accomplishments for the year was the conduct of four (4) sessions of armed and unarmed self-defense skills training in cooperation and partnership with Carmelo T. Ayson, President and CEO, and Ms. Mildred A. Austria, Training Director of the Commander Security Services Incorporated. It was attended not only by ECC employees but also by the security guards deployed at the ECC building including the janitors and janitress.

## VIII.

### THE 2012 PERFORMANCE SCOREBOARD

Targets	Accomplishments
<b>Work Accidents/Illnesses Prevention, Compensation and Rehabilitation Services</b>	
<b>1. EC Appealed Claims Disposition</b>	
<ul style="list-style-type: none"> <li>Disposition of EC Appealed Claims</li> </ul> <p>Disposed <b>100%</b> of appealed cases docketed within 40 days</p>	<p>98.5% disposition rate. 195 cases handled and 192 cases disposed</p>
<b>2. Policy Formulation</b>	
<ul style="list-style-type: none"> <li>Policy Development</li> </ul> <p>Approved <b>6 policy issuances</b> and submitted <b>13 policy recommendations</b>.</p>	<p><b>8 Board Resolutions</b> pertaining to policies and procedure on ECP were approved and <b>14</b> were prepared and recommended to the Board.</p>
<b>3. Rehabilitation Services</b>	
<ul style="list-style-type: none"> <li>Katulong at Gabay sa Manggagawang May Kapansanan (KaGabay Program)</li> </ul> <p>Facilitated the provision of <b>80</b> vocational/entrepreneurial skills training and 15 start-up kits to ODWs</p>	<p><b>68</b> ODWs were facilitated and enrolled in the ECC funded vocational/technical skills and entrepreneurship training.</p>
<p>Conducted <b>66 home visits</b> to ODWs provided with services</p>	<p><b>71 home visits</b> conducted</p>
<p>Job Placement Facilitation</p> <p>All qualified ODWs assisted/referred for job placement</p> <p>Facilitated SPES Program for <b>10</b> children of ODWs.</p>	<ul style="list-style-type: none"> <li>ODWs were referred for job placement</li> </ul> <p><b>14</b> children of ODWs were identified as SPES beneficiaries.</p>
<ul style="list-style-type: none"> <li>Physical Restoration Assistance</li> </ul> <p><b>80</b> PT/OT of ODWs facilitated</p> <p><b>15</b> ODWs provided with prosthesis</p>	<p><b>82</b> ODWs availed of rehabilitation services</p> <p><b>15</b> ODWs provided with prosthesis</p>

<ul style="list-style-type: none"> <li>• Conceptualization of ODWs Rehabilitation wing in Partner Hospital</li> </ul> <p>Concept paper prepared and submitted</p>	<p>Research paper on ODWs Rehabilitation Wing prepared and submitted</p>
<ul style="list-style-type: none"> <li>• Expanding the ECP coverage to voluntary and self employed SSS members</li> </ul> <p>Research paper prepared and submitted</p>	<p>Research paper prepared and submitted. Consultation with stakeholders conducted.</p>
<p><b>9. Intensification on ECP Information Campaign</b></p>	
<ul style="list-style-type: none"> <li>• ECP Advocacy</li> </ul> <p>Conducted <b>116</b>ECP lectures nationwide</p>	<p>Conducted a total of <b>211</b> advocacy seminars with <b>11,866</b> pax</p>
<ul style="list-style-type: none"> <li>• Developed and produced <b>5</b> IEC materials</li> </ul>	<p>All flyers were simplified</p>
<ul style="list-style-type: none"> <li>• Disseminated/published <b>24</b> press releases monthly</li> </ul>	<p><b>47</b> press releases prepared and disseminated in various newspapers and tabloids nationwide</p>
<ul style="list-style-type: none"> <li>• Conducted <b>6</b> press briefing every two months</li> </ul>	<p>press conference conducted</p>
<ul style="list-style-type: none"> <li>• Contracted <b>3</b> radio stations to air ECC radio spots</li> </ul>	<p>Entered a contract with <b>4</b> radio stations.</p>
<ul style="list-style-type: none"> <li>• Public Assistance</li> </ul> <p>Assisted 100% of clients</p>	<p>100% walk-in clients and phone queries were assisted</p>
<p><b>5. SIF Monitoring</b></p>	
<ul style="list-style-type: none"> <li>• Monitoring/Analysis of SIF</li> </ul> <p>Prepared and submitted financial analysis of the 2011 GSIS and SSS-managed SIF report</p>	<p>SIF report prepared, submitted and analyzed</p>
<ul style="list-style-type: none"> <li>• Integrity Development Program</li> </ul> <p>Submitted report on the status of cases filed against officials and employees of the agency.</p>	<p>Reports submitted.</p>

<ul style="list-style-type: none"> <li>Strategic Performance Management System</li> </ul> <p>Monitored <b>100%</b> the preparation and implementation of individual performance commitment</p>	<p><b>100%</b> monitored.</p>
<ul style="list-style-type: none"> <li>Rationalization Plan</li> </ul> <p>Rationalization Plan submitted</p>	<p>Rationalization Plan for submission.</p>
<ul style="list-style-type: none"> <li>Good News reporting</li> </ul> <p>Submitted monthly report on at least 3 program related achievement to PS not later than the end of the month.</p>	<p>Reported 3 program related achievement every month.</p>
<ul style="list-style-type: none"> <li>Statistical performance Reporting System</li> </ul> <p>Monthly report submitted thru online SPRS</p>	<p>Monthly report submitted.</p>
<ul style="list-style-type: none"> <li>HRD interventions</li> </ul> <p>Capability Building of Staff</p>	<p>33 external training facilitated for 70 staff</p>
<ul style="list-style-type: none"> <li>Succession Management Program</li> </ul> <p>Provided 100% support to employees selected to SMP</p>	<p>Staff selected to SMP assisted.</p>
<ul style="list-style-type: none"> <li>Green our DOLE Program</li> </ul> <p>GODP Plan submitted</p>	<p>GODP Plan submitted</p>
<ul style="list-style-type: none"> <li>Gender &amp; Development (GAD)</li> </ul>	<p>Revised GAD plan submitted in accordance with ILO PGA Audit findings and 2013 GAD Plan.</p>
<ul style="list-style-type: none"> <li>ECC Citizens Charter Implementation geared towards ISO certification of systems and procedures</li> </ul> <p>Work processes documented.</p> <p>Citizen feedback system adopted</p>	<p>Citizen charter prepared.</p> <p>Citizen feedback mechanism adopted</p>

**IX.**

**INDEPENDENT AUDITOR'S REPORT**

(will attach a scanned copy of the Independent Auditor's Report)

## X.

### FINANCIAL STATUS OF THE STATE INSURANCE FUND As of December 31, 2012

#### A. ASSETS

As of December 31, 2012, the State Insurance Fund (SIF) has total assets of Php 40.82B; seventy two percent (72%) or Php 29.22B under the Social Security System (SSS) while twenty eight percent (28%) or Php 11.60B is under the Government Service Insurance System (GSIS).

Total assets were increased by 10% or Php 3.78B in 2012 brought about by the increase in Cash and Cash Equivalents of the SSS and the increase in financial assets and income receivables from the investment of the GSIS.

#### B. RESERVES/NETWORTH

Total reserves of the SIF for future payment of EC claims in private sector as of December 31, 2012 amounted to Php 29.22B is managed by the SSS with 5% or Php 1.51B increase from December 31, 2011.

The GSIS SIF-managed fund total Networth amounts to Php 11.58B. From Php 9.27B in 2011, there was an increase of 25% or Php 2.31B.

The GSIS ECIF Networth of Php 11.58B, consist of Php 1.096M reserved for payment of future claims, claims pending settlement, rehabilitation services, ECC and OSHC operating fund and for contingencies and Php 10.48B Surplus. Reserves were increased by Php 462.55M in 2012 from Php 633.40M in 2011. The GSIS started setting up reserves in its Financial Report in 2010 at the amount of Php 613.96M. Total Networth in 2011 amounts to Php 9.27B and Php 7.45B in 2010.

#### C. REVENUE

As of December 31, 2012, the **SIF generated total revenue of Php 4.98B**: Seventy percent (70%) or Php 3.50B came from the collection of members' contributions while thirty percent (30%) or Php 1.48B from investment and other income.

The SSS earned fifty-four percent (54%) or Php 2.69B of the total revenue while forty-six percent (46%) or Php 2.29B by the GSIS.

Total Revenue has a **net increase of 3.75% or Php .18B; 5% or Php .16B increase in collection of members' contribution and .7% or Php .01B increase in investment and other income compared in 2011.**

SSS revenue has **gone up by .75% or Php .016B** while the GSIS has **gone up also by 7.51% or Php .16B.**

## D. INVESTMENT

As of December 31, 2012, the **Social Security System (SSS)** has total investment of Php 13.04B and earned total investment income of Php 719.86M. Return of Investment is at six percent (6%).

One percent (1%) or Php 175.96M of the Total Investment is placed under short-term money placement with Php 146.44M Interest income while ninety-nine percent (99%) or Php 12.86B is placed at the following non-current investment :

Particulars	Investment Amount	Investment Income
<b>Available-for-sale financial Assets -</b> Marketable Securities (Gain on sale/disposal)		Php 32.32 M
<b>Held to Maturity investment</b> - Govt. bonds	Php 5.02 B	Php 221.39 M
<b>Loans and Receivables</b>		
Members Loans	5.72 B	311.44 M
NHMFC	1.71 B	(30.34 M)
Housing Loan	.41B	38.07 M
Commercial and Industrial Loans	.005B	.54 M
<b>TOTAL</b>	<b>Php 12.86B</b>	<b>Php 573.42M</b>

SSS investment has gone down by 7.25% or Php 1.02B from December 2011 to December 2012. Investment Income at Php 908.81M in 2011 was decreased by 21% or Php 188.95M in 2012.

The **Government Service Insurance System (GSIS)** has a total investment amounting to Php 6.87B as of December 31, 2012 broken down as follows:

- (1) High Yield Short Term placements amounts to Php 1.46B; and
- (2) ROP Notes & Bonds – AFP-Peso in the amount of Php 5.41B.

Revenue from these investments amounted to Php 270.76. Return of Investment is at 3.94%.

GSIS investment has gone up by 37% or Php 1.84B from December 2011 to December 2012. Investment Income at Php 164.61M in 2011 has gone up by 64% or Php 106.15M.



## E. EXPENDITURES

Total expenditures as of December 31, 2012 at Php 1.35B was spent by the Systems for benefits payments and operating expenses/management fee; Eighty-three percent (83%) or Php 1.12B by the SSS while seventeen percent (17%) or Php 232.52M by the GSIS.

**SSS spent Php 1.02B for payment of 261,645 EC benefits claims in the private sector and Php 94.26M for its operating expenses.** The Operating Expenses is computed using the benefit payment ratio re the percentage of the total ECC claims over the combined SSS and ECC claims from the total PS and MOOE of the entire SSS.

The **GSIS spent Php 38.24M for 5,603 for payment of EC benefits claims in the public sector and charged Php 194.27M as Management fee.**

Per financial presentation, the SSS share in the ECC and OSHC operating expenses (loading fund) are directly deducted from the Reserves of the SSS SIF-managed funds while the GSIS share in the ECC and OSHC operating expenses form part of the operating expenses in the Income Statement.

## F. EC BENEFITS CLAIMS AND PAYMENTS

The table below shows the breakdown of the number of claims and benefits payments made by the Systems from January to December 2012.

PARTICULARS	SSS		GSIS	
	NO. OF CLAIMS	AMOUNT	NO. OF CLAIMS	AMOUNT
DEATH AND PENSION	211,802	<b>783,614,446.00</b>	641	4,539,759.00
DISABILITY	20,753	<b>107,458,822.00</b>	2,525	<b>17,624,056.00</b>
SICKNESS	26,474	<b>95,646,919.00</b>	340	1,617,921.00
MEDICAL SERVICES	2,225	<b>35,407,216.00</b>	<b>1933</b>	<b>12,081,057.00</b>
FUNERAL BENEFITS	360	<b>3,578,000.00</b>	144	<b>2,358,545.00</b>
REHABILITATION SERVICES	31	<b>149,610.00</b>	20	24,233.00
SPECIAL MEDICAL EXAM	0	-	0	-
<b>T O T A L</b>	<b>261,645</b>	<b>1,025,855,013.00</b>	<b>5,603</b>	<b>38,245,571.00</b>

**Death and pension benefits** comprised the highest share in the EC benefit payments made by the SSS in the private sector while **Disability benefit** comprised the highest share in the EC benefit payments made by the GSIS in the public sector.

The 62,115 claims processed by SSS in 2011 were increased to 261,645 claims in 2012. However, benefit payments cost were reduced by 4.74% or Php 51.12M from Php 1.08B in 2011 to Php 1.025B in 2012. In GSIS, however, the 7,925 claims processed in 2011 were reduced to 5,603 claims in 2012. Likewise, payments of benefits from Php 67.81M in 2011 was reduced by 44% or Php 29.57M in 2012.

## G. LOADING FUND

PARTICULARS	SSS	GSIS	TOTAL
Member's Contribution	1,482,501,169.00	2,022,875,274.67	3,505,376,443.67
Investment and other income	1,204,245,703.00	270,763,423.41	1,475,009,126.41
<b>TOTAL</b>	<b>2,686,746,872.00</b>	<b>2,293,638,698.08</b>	<b>4,980,385,570.08</b>
<b>12% Loading Fund Ceiling</b>	<b>322,409,624.64</b>	<b>275,236,643.77</b>	<b>597,646,268.41</b>

As provided for under Art. 178, Chapter III of PD 626, as amended, the Commission, SSS and GSIS may disburse each year not more than twelve percent (12%) of the contributions and investment earnings collected for operational expenses, including occupational health and safety programs, incidental to the carrying out of the program.

**As of December 31, 2012, the total amount available for disbursement by the SSS, GSIS, ECC and OSHC amounted to Php 597.65M.**

The total operating expenses, as shown in the table below of the SSS, the management fees collected by the GSIS and the remittance received by ECC and OSHC for CY 2012 amounting to Php 464.77M are **at 78% of the 12% loading fund ceiling.**

Particulars	SSS	GSIS	TOTAL
ECC CY 2012 COB*	56,667,800.00	24,286,200.00	80,954,000.00
OSHC CY 2012 COB*	66,699,250.10	28,585,392.90	95,284,643.00
Management fee		194,271,178.78	194,271,178.78
Operating expenses	94,260,404.00		94,260,404.00
<b>TOTAL</b>	<b>217,627,454.10</b>	<b>247,142,771.68</b>	<b>464,770,225.78</b>

\*amount stated is the SSS and GSIS shares in the approved CY 2012 COB of the ECC and OSHC

COB of the ECC and OSHC

**COMPARATIVE STATEMENT OF FINANCIAL POSITION**  
**At December 31, 2012 and 2011**

Particulars	SSS		GSIS	
	2012	2011	2012	2011*
<b>ASSETS</b>	<b>29,221,165,505.00</b>	<b>27,712,432,967.00</b>	<b>11,603,535,155.21</b>	<b>9,446,925,491.99</b>
Current Assets				
Cash and Cash Equivalents	16,036,305,310.00	13,503,600,000.00	2,607,305,769.16	5,694,582,463.07
Held on Maturity Investments	175,956,915.00	638,888,392.00	-	-
Receivables (net)	107,219,615.00	111,443,999.00	3,531,305,017.45	3,706,923,456.29
Non-current Assets				
Financial Assets	12,864,766,610.00	13,421,246,818.00	5,415,128,601.99	-
Other non-current	36,917,055.00	37,253,758.00	49,795,766.61	45,419,572.63
<b>LIABILITIES</b>	<b>51,513.00</b>	<b>52,204.00</b>	<b>26,490,489.08</b>	<b>60,610,861.03</b>
Funds held in trust	51,513.00	52,204.00		
Claims and Benefits Payable			10,887,384.23	11,044,100.44
Sundry Accounts Payable			15,603,104.85	49,566,760.59
<b>RESERVES</b>	<b>29,221,113,992.00</b>	<b>27,712,380,673.00</b>	<b>1,095,947,289.00</b>	<b>633,400,532.00</b>
<b>UNASSIGNED SURPLUS</b>			<b>10,481,097,377.13</b>	<b>8,633,332,770.51</b>
<b>TOTAL NETWORTH (Reserves + Surplus)</b>			<b>11,577,044,666.13</b>	<b>9,266,733,302.51</b>

\* 2011 GSIS RESTATED

\*\* GSIS - Contribution and Premiums receivables are net of Accounts for Clearing

## COMPARATIVE STATEMENTS OF COMPREHENSIVE INCOME

As of December 31, 2012 and 2011

Particulars	SSS		GSIS	
	2012	2011	2012	2011**
<b>REVENUES</b>	<b>2,686,746,872.00</b>	<b>2,670,495,158.00</b>	<b>2,293,638,698.08</b>	<b>2,134,298,643.28</b>
Members Contribution/EC Insurance Premium	1,482,501,169.00	1,368,601,907.00	2,022,875,274.67	1,969,636,204.35
Interest on Premium Arrearages			-	48,781.11
Investment and Other Income	1,204,245,703.00	1,301,893,251.00		
Revenue from Financial Assets - Interest on ROP Notes and Bonds -AFS			252,851,776.16	-
- Other Investment Revenue Other revenue - Interest on bank deposits			17,911,652.03 (4.78)	164,613,660.29 (2.47)
<b>EXPENDITURES</b>	<b>1,120,115,417.00</b>	<b>1,174,761,107.00</b>	<b>351,770,645.95</b>	<b>315,233,364.92</b>
Benefit payments	1,025,855,013.00	1,076,971,175.00	38,245,571.93	67,811,949.95
Operating Expenses	94,260,404.00	97,789,932.00	61,132,096.00	54,738,876.90
Management fee Impairment Loss on Loans, Premiums and other Receivables			194,271,178.78 58,121,799.24	192,682,538.07 -
<b>NET INCOME</b>	<b>1,566,631,455.00</b>	<b>1,495,734,051.00</b>	<b>1,941,868,052.13</b>	<b>1,819,065,278.36</b>
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>				
Available-for-sale financial assets	50,955,736.00	(107,778,676.00)		
Unrealized gain on investments			368,443,311.49	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,617,587,191.00</b>	<b>1,387,955,375.00</b>	<b>2,310,311,363.62</b>	<b>1,819,065,278.36</b>

\* GSIS operating expenses = loading fund of ECC and OSHC

\*\* 2011 - Restated

\*\*\*2012 Unaudited GSIS Financial Reports

## XI.

### **WAY FORWARD**

The ECC has set goals on developing policies which could further expedite the claims for compensation, widen the coverage of the ECP, increase the amount of compensation that the workers would receive, and strengthen the public awareness on the ECP. The major thrust of the ECC in the coming year includes the following:

- **Streamline the documentary requirements to expedite claims for EC benefits**
- **Further increase the EC benefits**
- **Expand the coverage of the ECP**
- **Partner with stakeholders and other DOLE Agencies in the prevention aspect of the ECP**
- **Increase ECC presence in the regions**



