

# **Banco de Previsión Social Asesoría Tributaria y Recaudación**

**INTERNATIONAL SEMINAR ON PRIORITY  
CHALLENGES IN PENSION ADMINISTRATION**

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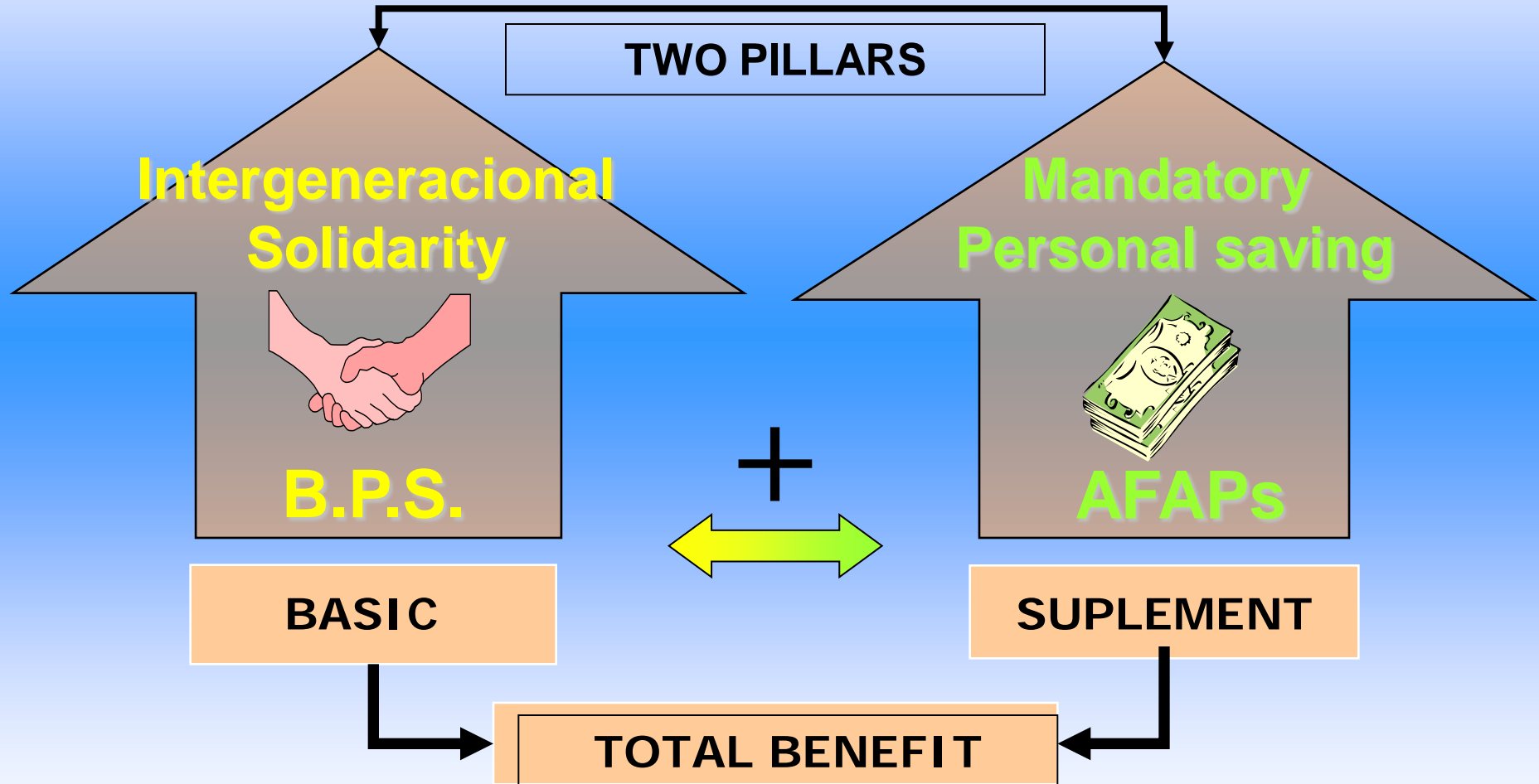
**Tokyo, January 20-22, 2010**

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# PREVISIONAL SYSTEM: characteristics



# REMARKABLE ASPECTS

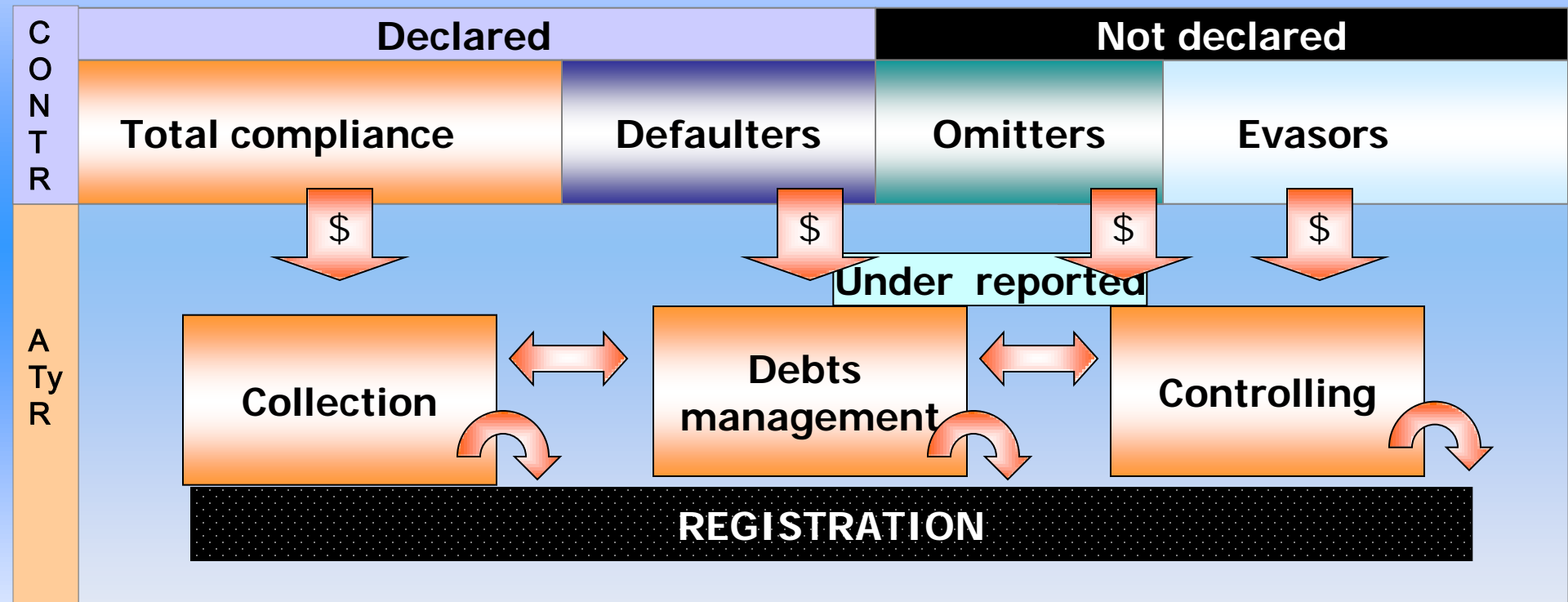


- Social security is mandatory for all kind of workers (dependant and non dependant)
- The repart pillar is public
- The saving pillar is private (although one of the AFAPs is owned by public institutions, included BPS)

# REMARKABLE ASPECTS

- **One regime for all the insured persons**
- **It is mandatory for the BPS to build every worker's Labor History**
- **Benefits only for registered workers and their families, upon what was declared (days worked, salaries, etc.)**
- **If we don't collect the contributions people will not get benefit from the saving pillar**

# COLLECTION ORGANIZATION



# SOME STRATEGIC LINES

- Improve the use of technical and human resources
- Simplify procedures
- Automatize all that is possible and convenient
- Focus on the rules
- Highly automatized organizations, require reliable IT systems
- Integrate processes
- Assure to close the cycles before implementation

# THE CONTRIBUTION REPORTING MODEL



# **BASIS OF THE MODEL**

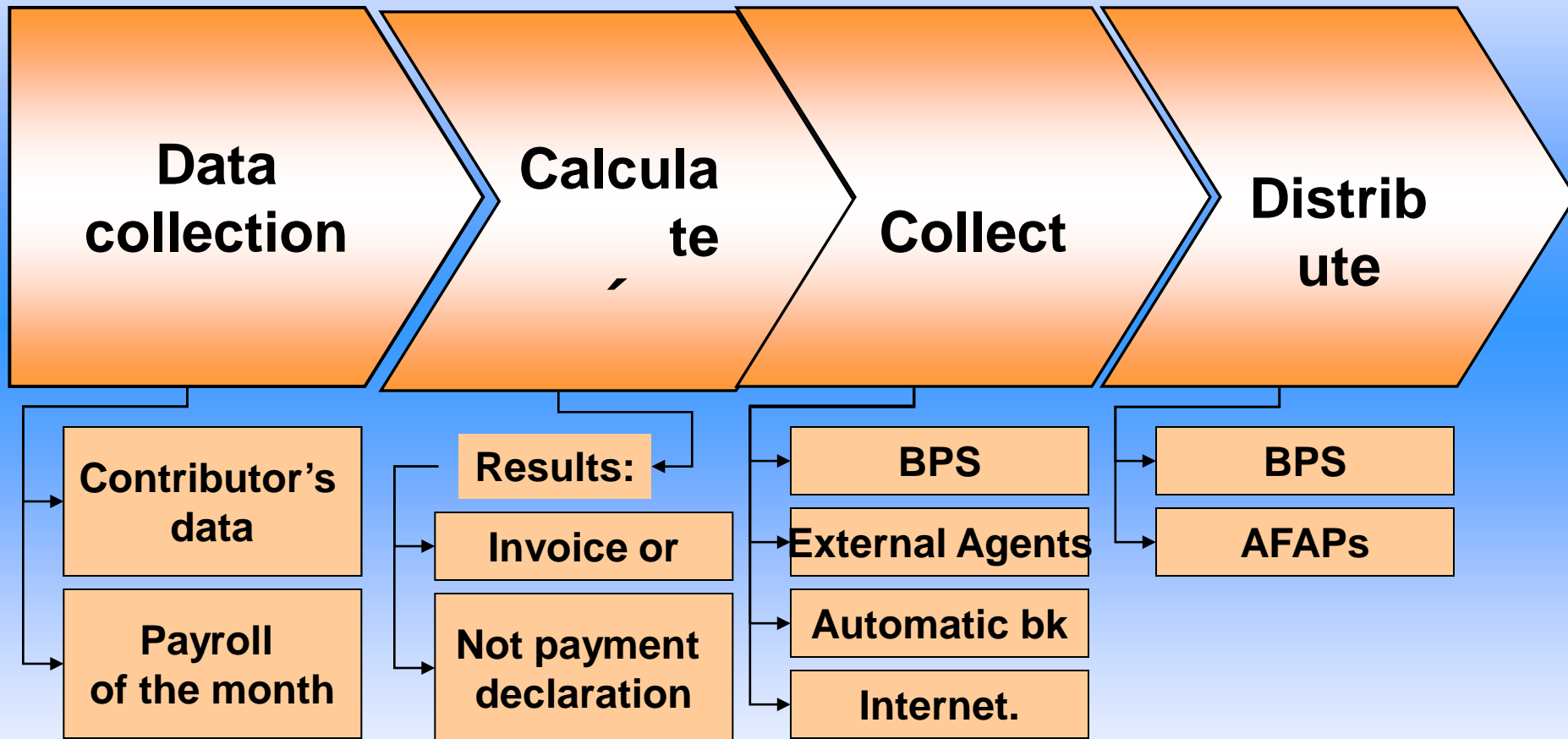
**QUALITY ON THE VALIDATED INFORMATION**

**PROCESSING INFORMATION ON REAL TIME**

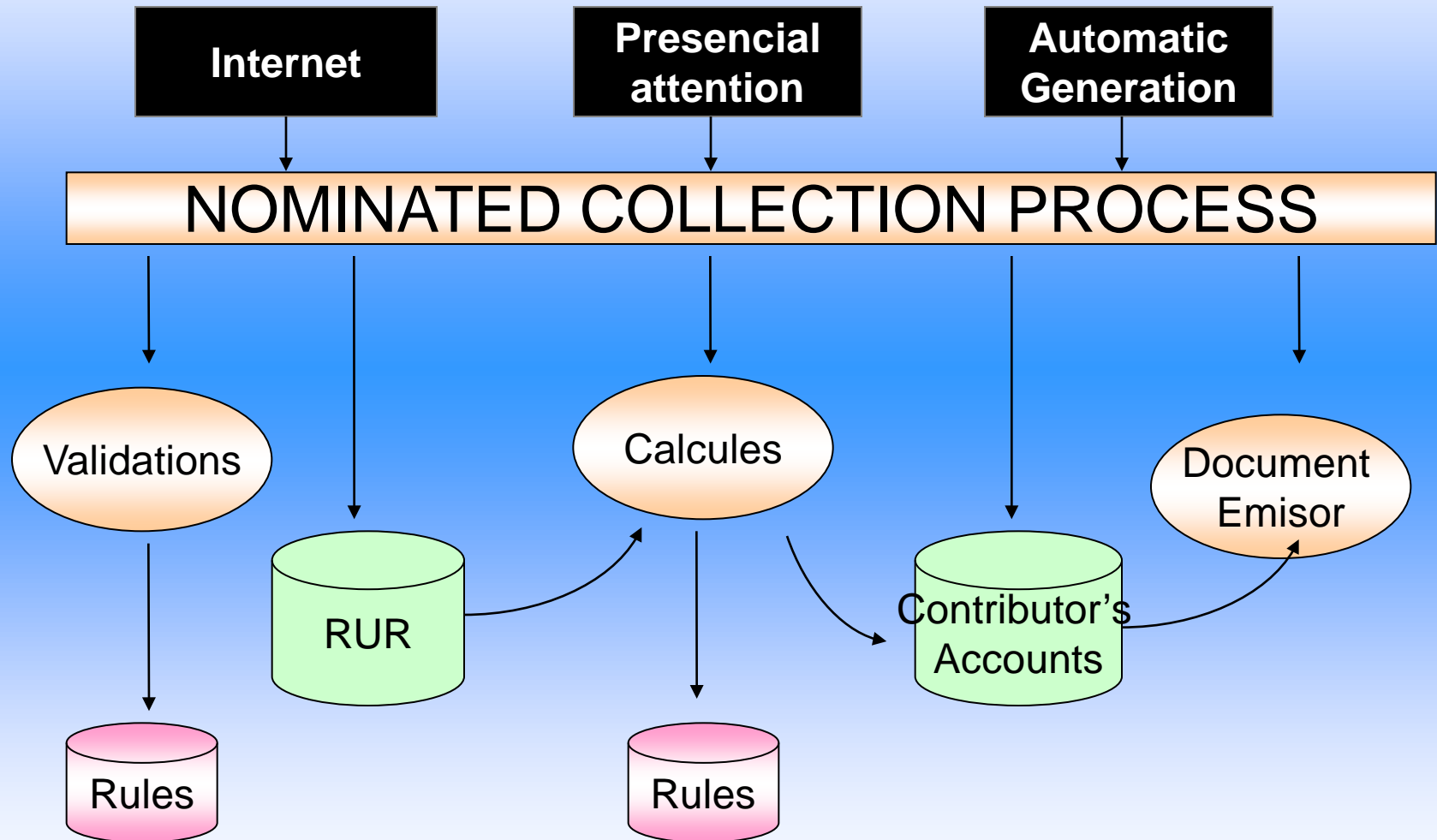
**INVOICING THE LIABILITIES  
BRINGS SURENESS OVER THE AMOUNTS TO PAY**

**WARRANTIES FOR GRANTING BENEFITS TO  
THE WORKERS (ACTUAL AND FUTURE)**

# COLLECTION CYCLE



# PROCESS DIAGRAMA



# PAYROLL STATEMENT

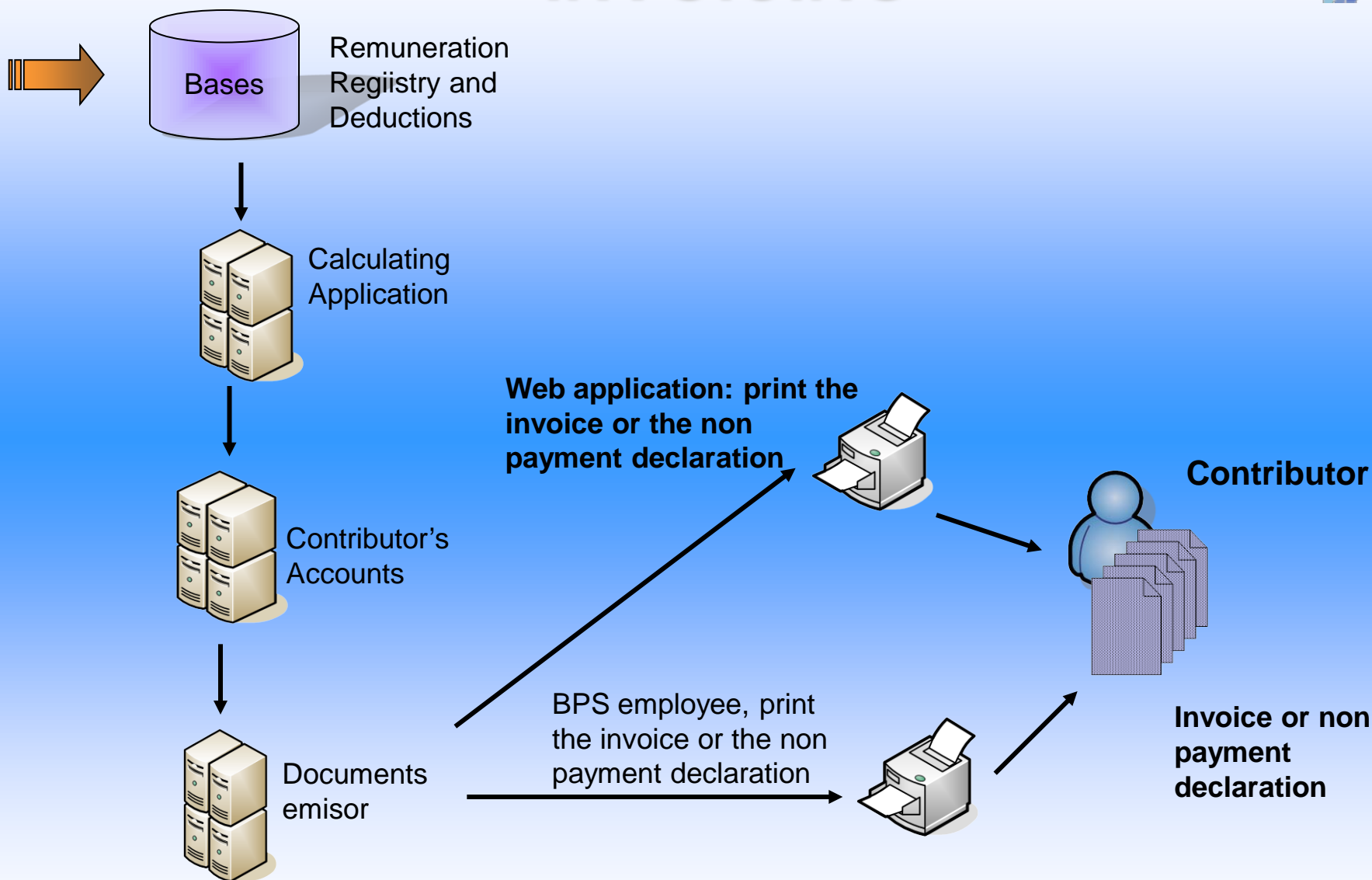
In order to validate and register each payroll statement, the system applies around 230 rules, most of them upon our corporate registers.

The statements are monthly reported, on an individual basis including further information for the personal income tax collection.

# CALCULATION

85 generic rules determine the way the system applies the different rates, parameters, etc., and they gave the results at person level as well as company level. It includes the annual bonification benefit for compliant companies.

# INVOICING



# INVOICING

## RELEVANT CONSEQUENCES

FOR THE  
EMPLOYERS

FOR  
BPS

**Accuracy and reliability:**  
**No differences will be  
claimed**

**Consolidate collection:**  
**High quality information**  
**No benefit fraud**



Referencia de cobro	Periodo de Cargo	Fecha de Emisión	Fecha de Vencimiento
131436867	09/2005 - 09/2005	19/10/2005	20/10/2005

**IDENTIFICACION DEL CONTRIBUYENTE**

NOMBRE O DENOMINACION TITULAR

NUMERO DE CONTRIBUYENTE      NUMERO DE EMPRESA      NUMERO DE OBRA

**Exclusivo para obras por contrato**

NOMBRE O DENOMINACION CONTRATISTA(O SUBCONTRATISTA)

NUMERO DE CONTRIBUYENTE      NUMERO DE EMPRESA

<b>DETALLE DE LA APORTACION</b>	<b>APORTACION</b>	<b>TC</b>
	INDUSTRIA Y COMERCIO	3

DESCRIPCION	Monto Gravado	Importe tributos
2 DEPENDIENTES	222 \$ 1.726.269,00	\$ 258.941,00
3 DEPENDIENTES-PATRONOS	222 \$ 1.739.918,00	\$ 62.564,00
8 DEPENDIENTES (SEG DE ENF.)	222 \$ 1.739.918,00	\$ 52.198,00
<b>Aporte Mínimo: \$ 373.703,00</b>		<b>FACTURA MINIMA</b>

VIA 1 CONTRIBUYENTE      **IMPORTE TOTAL A PAGAR**      \$      **373.703,00**

**INFORMACION AL CONTRIBUYENTE**

ADVERTENCIA: Los cheques SIEMPRE deben emitirse a nombre de B.P.S.

Este documento adquiere valor de recibo solamente si posee autenticación de cobro - Su pago no exonera adeudos anteriores.

**INTERVENCION DEL CAJERO**

EFVO    24    48    72    OTROS

CH. N°.....Banco:.....  
 Son Pesos:.....

# PAGO



CH. N°.....  
 Banco: .....

Referencia de cobro

**131436867**

IMPORTE TOTAL

**\$ 373.703,00**

EPVC    24    48    72    OTROS



# **STRENGTHS AND WEAKNESSES**

# STRENGTHS

- Highly automatized processes
- On line information
- Validated data
- Sureness in granting benefits
- Confidence for employers and employees
- Prepared to support the challenge of big law changes

# **WEAKNESSES**

- **High degree IT dependence**
- **Very complex and changing legal regulations**
- **Not extended use of the digital signature**
- **Increased BPS responsibility on the whole collection process**

- **SPECIAL GROUPS**

# COMMON CHARACTERISTICS

- Social vulnerable population
- Low income
- Changing occupations
- Fear to loose their jobs
- Informal sectors do not need BPS certificate to operate

# SELF EMPLOYED

- Informality has decreased but is still important
- The largest percentage of contributors are only one person companies
- Familiar businesses
- Non located activities
- Short time blindness for the venteges of social security
- Cannot deal with bureaucracy

# OUR EXPERIENCE

- Very easy procedures for compliance
- Monotribute: for very small business
- System coverage: the healthcare system created by the new law, improved registration significantly. Now children are covered from their parents registration

# DOMESTIC SECTOR (housekeeping)



- The employers need very simplified procedures
- Difficult to detect the unregistered activity
- Multi employment is very high
- Close relationship between employer and employee (sometimes are almost family)



# BUILDING SECTOR



- Short time jobs
- Difficult to detect the unregistered activities
- BPS also collects some salary benefits for this group, so contributions' rates are very high
- Multiemployment
- Too many regulations
- Very complex registration procedures

# PENDING CHALLENGES

- Make procedures even easier for the employers of special groups
- Make publicity campaigns on social security rights, a permanent task
- Focus on controlling - develop risk maps
- Incorporate more tools for selecting cases
- Apply further measures for debtors
- Annually notify the labor history

**THANK YOU**