

SOCIAL SECURITY AND OCCUPATIONAL SAFETY AND HEALTH MODERNIZATION: MEASURES TO MOVE FORWARD

- *The pension reform should not be restricted to ensuring financial balance in public accounts.*
- *Brazil needs to reformulate the management of the benefit-granting system (social security and accident-related benefits) and harmonize social security and occupational safety and health standards.*
- *The Social Security System should be improved without losing focus on the main objective of stimulating measures to prevent injuries and medical leaves and ensuring the necessary conditions for people to fully resume their professional lives upon their return from medical leave.*

The pension reform agenda goes beyond changing minimum age and retirement rules. There is an important agenda that involves reformulating the management of the benefit-granting system (social security and accident-related benefits) and harmonizing social security and occupational safety and health (OSH) standards.

It is an agenda with impacts on the fiscal sustainability and legal certainty of companies and workers. It is in the interest of companies, government and employees that contribute to the Pension Fund on a shared basis.

The challenge lies in carrying out a reform of aspects related to occupational safety and health and the benefit-granting system - focusing on transparency, responsibility and safety. The reform should be based on stimulating measures to prevent work-related injuries and medical leaves and on creating conditions for people to fully resume their professional lives after sick leaves.

Transparency. Excessive regulation and lack of standardized social security management should be eliminated and an effective communication channel should be established for workers and companies to provide information to the National Social Security Institute (INSS) and to receive information if they so request.

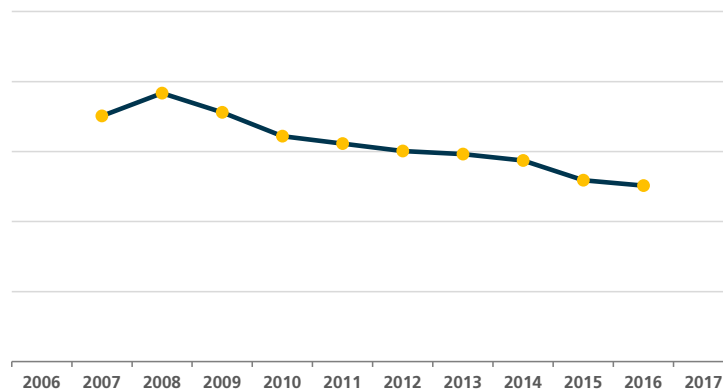
Responsibility. The administrative processes of the social security system should be reviewed with the aim of increasing their availability to the general public and facilitating the filing of appeals, especially so that companies have their full defense right effectively granted.

Safety. Social security and occupational safety and health rules should be structured in a reliable and clear manner, mainly by applying objective criteria based on appropriate technical grounds and support.

Brazil can benefit from a work environment that awakens in employees and employers a sense of greater care and attention to health and hygiene issues, not only to ensure appropriate conditions for people returning from medical leave to fully resume their professional lives but also to ensure benefits to workers in the future.

New paradigm. A new paradigm is required for social security and occupational health and safety rules to benefit all workers, not to overburden the system, not to encourage people to leave the labor market, not to transfer government responsibilities to companies, and not to undermine the social and economic balance that should characterize public policies in relation to imposed obligations and intended objectives.

OCCUPATIONAL ACCIDENTS BY 10,000 WORKERS IN BRAZIL (2007-2016)



Source: AEAT Historical Database of Work-Related Accidents.

Main recommendations

There are many and important advances to be promoted through an agenda designed to improve the management of the benefit-granting system (both social security- and accident-related benefits) and to harmonize social security and OSH standards, among which the following ones stand out:

1 Companies should have the right to access information about employees on medical leave in order to better organize their activities and to be able to perform better follow-up on active benefits.

2 The medical units of companies should be allowed to contribute to examinations performed by medical experts of the social security system and have access to their report to make sure that incidents administratively deemed accidents are actually work-related.

3 The procedures established by the National Social Security Institute (INSS) to define occupational accidents should be standardized, in order to ensure legal certainty and to guarantee the right of companies to defend themselves.

4 Additional rates for special retirement pensions should only finance the reduction in the years of contribution to the social security system provided for special retirement, so as to avoid mixing contribution funds designed to cover

regular retirement pensions with those designed to cover special retirement pensions.

5 Companies should be called to participate in lawsuits against the INSS as a requirement for filing a third-party claim.

6 The RAT methodology should be reviewed to provide that the methodology applied will be made public and based only on accident-related medical leaves that generate the right for a worker to be granted benefits according to actuarial criteria.

7 The NTEP methodology should be reviewed to provide that medical experts will apply it when they find a cause-and-effect relationship between an injury and work.

8 The need to assess carcinogenic agents in humans using a technical and specific method should be established with the aim of lending greater legal certainty to the payment of higher social security contributions due to the special nature of the activity.

9 The competence and criteria for acts of interdiction and embargoes should be established so as to lend greater legal certainty to these acts.

10 Rules for the procedure to regulate occupational safety and health standards should be established and the criteria to be complied with in such procedure should be clearly defined.

The full version of the document can be accessed through the QR code on the side or at: <http://www.cni.com.br/eleicoes2018/downloads/> This summary is part of the series Proposals of Industry for the 2018 Elections comprising 43 documents. The series, which is based on the *2018-2022 Strategy Map for Industry* is a CNI contribution to the new federal administration and presents analyses and proposals of priorities to increase Brazil's competitiveness. Any part of this publication may be copied, provided that the source is acknowledged. Brasília-DF, July 2018.

