

Covid19: The experience of the National Pension Service of Korea (NPS)

Article provided by the National Pension Service of Korea (NPS)

- *Contribute to overcoming the COVID-19 pandemic via preemptive crisis management system and inter-organizational cooperation*

Introduction

In terms of COVID-19 crisis management, the so-called 'K-quarantine' is globally recognized as an exemplary model, and National Pension Service of Korea has also preemptively established its own crisis management system and leveraged its superb ICT capabilities to strengthen inter-organizational cooperation, assisting in putting up an effective fight against the pandemic.

Especially, NPS has dispersed its investment management personnel across different locations for stable management of its fund and rolled out mandatory remote work plans for employees in high-risk locations as part of its preemptive crisis management system and phased response scenario. As a result, the national pension scheme and the institutional fund of over USD 700 billion were safely managed, and there has been zero confirmed case of the virus infection among its employees.

Externally, NPS is maintaining close coordination with the government to overcome the pandemic that has escalated to a national disaster, while leading the effort to put an end to the outbreak as a social security institution by ①supporting manpower to places such as quarantine stations to aid government efforts to fight the virus, ②utilizing its ICT capabilities to conduct self-monitoring of people from abroad, ③establishing standards for paid-leaves and support system for patients and the isolated, ④supporting government policies such as the operation of community treatment centers via labor-management collaboration.

Preemptive crisis management system

Operation of COVID-19 Emergency Management Safety Committee and phased crisis response scenario

NPS perceived the COVID-19 outbreak at its full gravity from the very outset and expanded the operation of COVID-19 Emergency Management Safety Committee while operating the emergency system 24/7 from March 6.

Under the emergency system, business continuity plans for possible shutdowns of 7 key facilities (HQs, Investment Management HQs, ICT Center, Call Center, Disability Assessment Center, Center for International Affairs, Regional HQs) due to infectious disease and phased crisis response scenarios were established

early on. Employees who are in disaster areas and at high risks were arranged to work from home.

Emergency Situation Response Plans for Pension Benefit Payment Operation

In response to a wider spreading of the virus and continuation of the infection, emergency situation response plans were drawn out with regard to pension benefit payment operation and executed appropriately. Plans were established for different phases of the pandemic's situational development – preparatory phase, phase 1, 2, 3 and after-action phase – to address the situation in a tailored fashion.

Emergency situation teams were also formed to update work manuals, smooth out glitches during change of personnel and prepare for isolation, and temporary covers were designated up to 3 layers, while measures were also devised for continuing benefit payment decision in case of regional office shutdowns.

Monitoring of pension benefit claims and benefit payment decisions was conducted on a national level every day, and timely payment of pension benefit was guaranteed by arranging the delegation of the benefit payment decision operation to regional HQs in case of regional office shutdown (a total of 6 regional offices were shut down over the course of responding against the pandemic.)

Dispersion of fund managers and work-from-home measures

Considering the unique importance of its work, National Pension Service Investment Management(NPSIM) dispersed its fund managers across 4 different locations – Seoul, Daejeon and 2 others – and executed work-from-home measures for overseas office personnel as well. Such measures all played part in ensuring unhampered fund investment, seamless operation of HQs and 109 regional offices, and zero confirmed case of COVID-19 among 7,400 NPS employees.

Relief of contribution burden for the insured

Expansion of contribution exemption for the insured

Whereas before contribution exemption was only granted to those without income for reasons such as business and employment termination, exemption is now temporarily applied to those whose incomes are reduced due to the pandemic, effectively relieving the contribution burden imposed on the insured.

Exemption of arrears for financially challenged members

Pension contribution burden for the insured was further relieved by arrears exemption for workplaces and members that have difficulty meeting due with their arrears liabilities. Targets in special disaster areas and special employment support industries were first relieved, and measure was expanded to the rest of the country. As part of the measure, pension scheme and claim procedure were more broadly advertised to relieve the pension contribution burden on small enterprises and low-wage workers. All in all, NPS performed its part as social security institution in the fight to overcome the unprecedented economic crisis.

Crisis response capabilities were reinforced by change of operational procedure

Transition to non-contact business operation

To ensure seamless business operation in light of government's preventive policies against COVID-19 including social distancing, demand for non-contact operational procedure to avoid employee-client contact increased. As such, business trips were minimized, and operational procedure was diversified to include internet, mobile, mail, fax and other non-contact methods.

In addition, during visits to review beneficiary eligibility, older beneficiaries – due to their unique vulnerability to the virus infection – were notified beforehand of quarantine measures to minimize the risk.

Supporting government's efforts to fight COVID-19

Manpower support

The Korean government requested support from NPS to help its fight against COVID-19, and NPS labor union shared such understanding. To that end, NPS has provided manpower support by drafting personnel to Central Disaster Management Headquarters, National Quarantine Station and Community Treatment Centers and strengthening its cooperative relationship with the government.

Support of self-monitoring

To prevent the spread of the virus and protect the safety of the people, NPS, via consultation with related departments and labor union, established personnel employment plans for flexible monitoring of people from abroad for whom daily monitoring has been conducted via phone calls. We tapped into our call center, multicultural family support centers and Jeonbuk National University for linguistic support, in which process 75 short-term jobs were created.

Use of cutting-edge ICT capabilities to support controlling the spread of the virus

NPS also provided support to businesses that guarantee paid-leaves for the employees that are either hospitalized or isolated due to COVID-19 by utilizing its benefit payment know-hows in paying leave compensations to employees via contractual relation.

In addition, we closely coordinated with the government and used our benefit payment know-hows as well as ICT capabilities to establish paid leave compensation payment system. NPS also supported in meeting the basic needs of the quarantined and hospitalized, thereby preventing their possible violation of isolation measures and further spreading of the virus.

Government's quarantine efforts were also aided by NPS's massive data and ICT capabilities as they were

linked together with immigration data to form an effective system to identify the afflicted among people from abroad.

Operate community treatment centers and temporary housing

At the outset of the virus infection, Daegu saw the largest increase in the number of confirmed cases of COVID-19. Therefore, NPS offered its facilities to be used as community treatment centers and was entrusted by Central Disaster Management Headquarters with the management of Gyeonggi International 2 Community Treatment Center that hosted patients from abroad that have relatively mild symptoms.

Conclusion

In responding against the crisis brought on by COVID-19, NPS has both established internal operational procedures for seamless business operation and closely coordinated externally to ensure continuity of pension services. It has also actively contributed to controlling the spreading of the virus by leveraging its superb ICT capabilities and data in its collaborative efforts with other entities. The abovementioned measures were crucial in ensuring stable pension operation of NPS and should serve as an exemplary K-quarantine model, which would be worthwhile for other organizations to take time to examine as well.