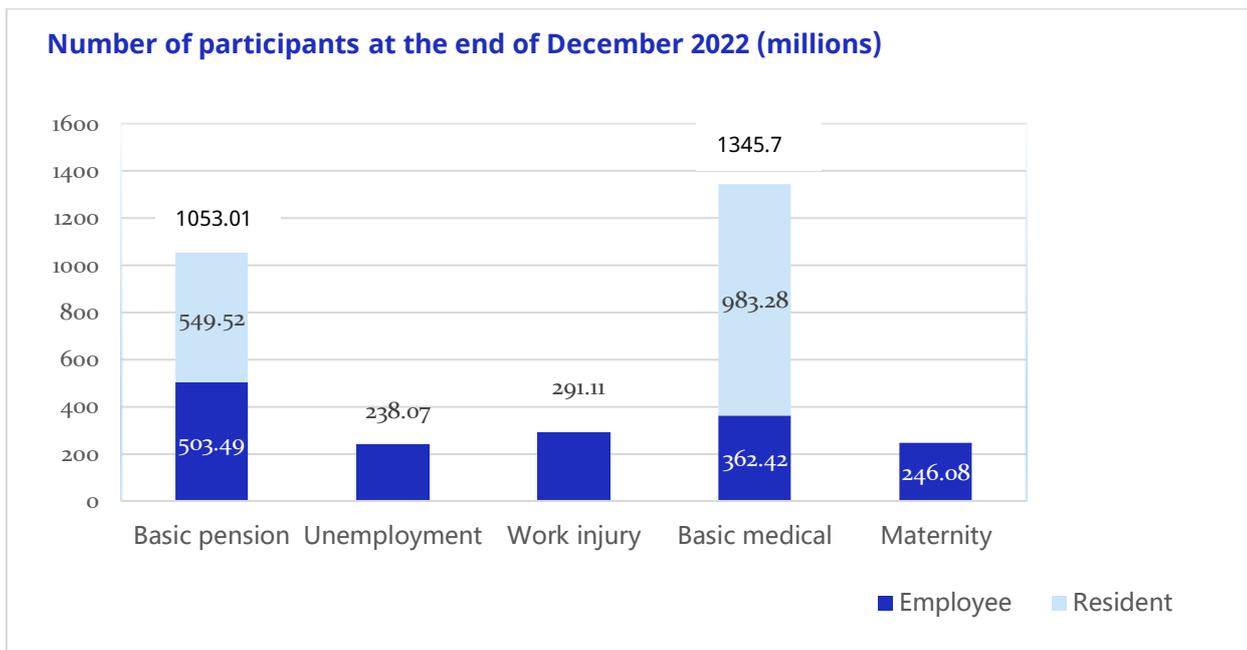




Social Security Policy Monitor China

Issue 12, April 2023

China Social Security Barometer



Latest data available from [MOHRSS](#) and [NHSA](#), 2023

Policy - China

China to establish National Data Bureau

In March 2023, the State Council released its [plan on reforming the state institutions](#) including the establishment of a National Data Bureau [国家数据局] as a deputy ministry-level agency under the National Development and Reform Commission. The new agency will be responsible for advancing the development of data-related fundamental institutions, coordinating the integration, sharing, development and application of data resources, and pushing forward the planning and building of a Digital China, the digital economy and a digital society, among others. Read [more](#).

China further promotes development of rural healthcare system

In February 2023, the Chinese government issued [Opinions on deepening the healthcare system reform in rural areas](#), highlighting the importance of healthcare work in the rural revitalization agenda, aiming for developing a high-quality and efficient rural healthcare system that provides more equitable and accessible healthcare services on a systematic and continuous basis.

The Supreme Court provides judicial services to stabilize employment

On December 27, 2022, the Supreme People's Court issued [Opinions on providing judicial services for stabilizing employment](#). The Opinions aim to protect the legitimate rights and interests of workers in new forms of employment and promote the orderly and healthy development of the platform economy. It contains a series of rules on determining labour relations for new forms of employment. Read [more](#).

Private pension scheme starts implementation in 36 cities in China

China officially launched its private pension scheme in 2022 and started piloting [in 36 cities including Beijing, Shanghai, Guangzhou](#). Private pension is a supplementary pension scheme supported by government policies, voluntarily participated by individuals, and operated by the market. The private pension is individual account-based, with contributions fully borne by the individual participants, who can independently choose to purchase financial products such as saving deposits, wealth management products, commercial pension insurance and public funds that meet the regulations. The private pension is fully funded and tax-deferred in accordance with the relevant national regulations. Read [the regulation \(in Chinese\)](#) and [more](#).

Three months after the implementation of the private pension scheme, the number of participants has reached 28.17 million. At present, the tax incentives include pre-tax deduction of up to CNY 12,000 from the annual taxable income of the participant, no tax levied on investment yields, and a reduction of the tax burden on pension benefits from 7.5% to 3%. According to Vice Minister of MOHRSS the annual contribution limit of CNY 12,000 will be adjusted in due course. Read [more \(in Chinese\)](#)

The policy of reducing contribution rates of unemployment insurance and work injury insurance extended again

Reduction and exemption of social insurance contributions has been implemented since the COVID-19 pandemic. To further revitalize business and stabilize employment, such policy measures continue in 2023, starting from 1 May 2023 until the end of year 2024. The total unemployment insurance rate will be reduced to 1%, and the employer's portion and the employee's portion shall be equal. The work injury insurance rate shall refer to a [Notice \(in Chinese\)](#) issued in 2019. Local governments shall not introduce their own policies to reduce the fund revenues by lowering the contribution base, or reducing social insurance contributions. Read [more \(in Chinese\)](#).

Full coverage of hospitalization costs for COVID-19 patients

In January 2023, in order to ensure that the treatment of COVID-19 patients would not be affected by hospitalization costs, four departments issued a [Notice](#), to guarantee that the hospitalization costs of COVID-19 patients will be fully covered. Read [more \(in Chinese\)](#).

Long-term mechanism for preventing and resolving poverty caused by illness

On November 10, 2022, a [Notice](#) was issued by five departments, which requests that at least 99% of the rural low-income population are enrolled in basic medical insurance. The policy aims to help regular monitor and support the rural low-income population, improve the targeted and timely assistance, and effectively prevent and resolve the risk of returning to poverty due to illness. Read [more \(in Chinese\)](#).

Social Security Administration – China

China furthers the work on cross-region direct settlement of medical insurance benefits

By the end of November 2022, all regions (social pooling units) across China have launched a pilot program for cross-region direct settlement of outpatient expenses for five types of chronic and special diseases. Read [more \(in Chinese\)](#).

Local policies and practices

Beijing: expanded usage of personal medical accounts to family members

Since December 1, 2022, employees in Beijing can expand the usage of their personal accounts of basic medical insurance to family members. Personal accounts can be used to pay contributions of basic medical insurance for urban and rural residents, long-term care insurance, and supplementary medical insurance, for family members. Read [more \(in Chinese\)](#).

Heilongjiang: funeral subsidies established for urban and rural resident basic pension insurance

Since January 1, 2023, participants in the basic pension insurance scheme for urban and rural residents are provided with funeral subsidies. Read [more \(in Chinese\)](#).

Henan: provincial pooling of unemployment insurance fund fully realized

The provincial pooling has been realized since January 2023. Policies, rules and standards for eligibility, contributions, benefits and administration and services are standardized and unified within the province. Read [more \(in Chinese\)](#).

Hainan: the basic pension insurance scheme for urban and rural residents improved

Since May 1, 2023, Hainan Province will implement improved policy measures regarding the basic pension insurance for urban and rural residents. The minimum contribution is CNY 200 per year, and the maximum is equivalent to the minimum annual contribution amount of the flexible workers enrolled in the basic employee pension insurance in Hainan Province. Read [more \(in Chinese\)](#).

Fujian: periodic benefits of work injury insurance increased

In January 2023, Fujian decided to increase three periodic benefits of work injury insurance, including disability allowances, nursing expenses and dependent's pension benefits for the insured workers in the province. Read [more \(in Chinese\)](#).

Guangdong: strengthened coordination for social insurance services for residents of Guangdong, Hongkong and Macao

As of the end of February 2023, a total of 306,200 Hong Kong and Macao residents participated in pension, work injury and unemployment insurances in Guangdong Province, of which 35,500 received social security benefits. The "Bay Area Social Security Portal"["湾区社保通"] improves the social security public service system in the Greater Bay Area, provides unified social security services to residents in the Area, and promotes the mobility of human resources. Read [more \(in Chinese\)](#). On April 6, 2023, Guangdong opens 7 social security service centres in Hong Kong, providing online and offline social security services for Hong Kong residents and people living in Hong Kong and insured in Guangdong, realizing convenient social security services "without leaving Hong Kong". Read [more \(in Chinese\)](#).

European Policy

EU Parliament adopts position on platform workers directive

After months of negotiations, the much-debated and politically sensitive platform workers' file was finally approved in plenary on 2 February 2023, with 376 in favour and 212 against. The text enshrines a legal presumption of employment for self-employed platform workers and reinforces workers' rights and protection in the face of algorithmic management. Read [more](#) and [Legislative Train Schedule](#).

Council adopts recommendation on adequate minimum income

In January 2023, the European Council adopted a recommendation, which aims to combat poverty and social exclusion, and to pursue high levels of employment by promoting adequate income support by means of minimum income, effective access to enabling and essential services for persons lacking sufficient resources and by fostering labour market integration of those who can work. This recommendation builds upon Council recommendation 92/441/EEC on common criteria concerning sufficient resources and social assistance in social protection systems, which it will replace. Read [more](#).

Policies around the world

Belgium: Reform of the statutory pension scheme

The government has recently adopted new reform measures as a first step to ensure the adequacy and financial sustainability of the Belgian statutory pension scheme in the context of an ageing population. From 2021 onwards, the pension of the self-employed is calculated in the same way as for employees, and the minimum old-age pension is being gradually increased for pensioners with an insurance record of at least 30 years (as from 2024, to qualify, future retirees aged 53 or younger at that time will need to have worked at least 20 years excluding assimilated periods). In 2024, a pension bonus will be reintroduced to encourage longer working lives. Read [more](#) and the [ESPN Flash Report](#).

Belgium: Amendments to the Labour Relations Act to recognize the platform economy

Two measures have been introduced to Chapter 4 of the Labour Relations Act, improving the protection of platform workers: criteria have been defined for a 'rebuttable presumption of employment contract' for platform workers; those working for a platform and are deemed self-employed must still have an offer for work accident insurance. Read [more](#).

Denmark: Innovative child leisure allowance

Since January 2023, a reformed Danish social assistance system entered into force. It entitles children in households living on social assistance to receive their own allowance to pay for leisure activities. Read [more](#).

Denmark: Earned income offsets eliminated

Effective January 1, benefits paid under Denmark's universal state pension (folkepension) program are no longer offset when pensioners or their spouses or cohabiting partners have earned income above certain levels. By eliminating these earned income offsets, the government seeks to encourage more old-age pensioners to remain in the workforce. The government estimates that the reforms will benefit around 130,000 pensioners and increase Denmark's structural labour supply by approximately 1,050 workers over the next 2 years. Read [more](#).

Ireland: Social assistance schemes to help workers with cost of living

The cost of living crisis is a major concern for households around Ireland, with many people struggling to afford living expenses. Ireland is extending income limits and opening more assistance schemes to workers (read [more](#)) and increasing payment to help parents with childcare (read [more](#)).

France: Pension age rises from 62 to 64

On 10 January 2023, the Prime Minister Elisabeth Borne announced the government's pension reform would increase the legal retirement age from 62 to 64 in 2030. The gradual increase is planned to begin on 1 September 2023. Read [more](#). The pension reform was officially signed into law by the French president on 14 April, after the Constitutional Council validated the core of the bill. Read [more](#).

France: Deliveroo France estimated to have concealed 60000 jobs between 2018-2021

In September 2022, Deliveroo was found guilty of having concealed 2,000 jobs between 2015-2016. The ruling penalised Deliveroo with a €9.7 million fine, payable to Urssaf (national authority for social protection) for lost social security contributions. A similar procedure is currently underway, assessing the period of 2018-2021. If found guilty of 'hiding' an anticipated 60,000 jobs, Deliveroo is considered to be liable for approximately €100 million in fines to the Court and Urssaf. Read [more](#).

Spain: Unemployment benefit system for cultural workers

In January 2023, Spain's government approved the creation of a special unemployment benefit system for actors, musicians and other culture sector workers designed to protect them in the downtime between jobs. The government estimates around 70,000 people in Spain will qualify for the special unemployment aid, which has long been called for by cultural workers. Read [more](#).

Spain: Legislation introduces paid menstrual leave

Spain passes Europe's first law requiring employers to give female employees leave to recover from severe menstrual pain. Leave can be prescribed annually for individuals with a medical history of recurring menstrual pain. Pay replacement benefits will be provided by social security at 75% of covered earnings from the first day of leave. See [more](#).

UK: Diversity, equality and inclusion guidance for pension fund trustees launched

In March 2023, the Pension Regulator (TPR) published guidance for pension scheme governing bodies and employers on equality, diversity and inclusion (EDI) with a view to improving the EDI of UK pension schemes' boards. Read [more](#).

Slovakia: Reforms of three-pillar pension system

On 1 January 2023, Slovakia's government implemented reforms to the country's three-pillar pension system that include eliminating the retirement age cap, establishing an early retirement option for long-career workers, creating a parental pension supplement, introducing an automatic enrolment provision, and lowering administrative fees. Read [more](#).

Sweden: Retirement age changes

On 1 January 2023, Sweden's government implemented retirement rule changes that include raising the minimum retirement age for contributory pensions, increasing the retirement age for non-contributory pensions and supplemental benefits, and raising the age at which employment protections end. The changes are intended to improve the sustainability of Sweden's pension system as Swedish life expectancy continues to rise. According to Statistics Sweden, the life expectancy of Swedes at birth reached 81.2 years for men and 84.8 years for women in 2021- up from 77.4 and 82.0, respectively, in 2000. Read [more](#).

Portugal: Retirement age lowered

Since 1 January 2023, Portugal's normal retirement age decreases from 66 years and 7 months to 66 years and 4 months following a decrease in the country's average life expectancy during the COVID-19 pandemic. Read [more](#).

Switzerland: Women's retirement age increased

In a national referendum held on 25 September 2022, Swiss voters approved an amendment to the country's social insurance old-age and survivor pension law that will gradually increase the normal retirement age for

women from 64 to 65, matching the normal retirement age for men. Under the amendment, the women's retirement age will increase by 3 months a year starting in 2025 until it reaches 65 in 2028. In addition, to reduce the increase's effects on women nearing retirement, the amendment will allow women born from 1961 to 1969 to retire early under more favourable rules or receive a monthly pension supplement if they retire at the normal retirement age or later. Read [more](#).

Statistics

China's latest worker survey findings

In March 2023, the ninth national survey on the status of the workforce has been completed. [The result \(in Chinese\)](#) shows that the total number of workers in China is about 402 million, with 84 million workers in new forms of employment and 293 million migrant workers; the average age of workers is 38.3 years old and the average year of education is 13.8 years. Workers employed in new forms of employment are mainly truck drivers, ride-hailing drivers, couriers, food delivery workers, dominated by young and middle-aged men, with a high proportion of people with rural household registration (Hukou).

China's social security and employment spending increased by 9.8% in the first two months of 2023

In the first two months of this year, China's general public expenditures increased by 7% year-on-year. Social security and employment expenditures grew by 9.8%, education expenditures by 1.4%, health expenditures by 23.2%, urban and rural community expenditures by 0.7%, agriculture, forestry and water expenditures by 11.4%, and science and technology expenditures by 3.9%. Read [more \(in Chinese\)](#).

Report on the implementation of the recommendation on access to social protection

According to the latest [Report on the implementation of the Council Recommendation on access to social protection for workers and the self-employed](#) adopted by the European Commission on 31 January 2023, there is considerable variation in the level of ambition of Member States in the implementation of the [Recommendation](#). On one hand, a number of Member States have undertaken or planned reforms to improve the situation. On the other hand, most Member States are not aiming at closing all existing gaps in access to social protection. In 2021, almost 40% of the population in employment in the EU (77 million people) were in non-standard forms of work, i.e. with temporary contracts, in part-time work and/or self-employed and many in this group face significant gaps in social protection coverage. In 2022, in 17 Member States there is at least one group of non-standard workers not covered by all branches of social protection. The self-employed are not covered by all branches in 19 Member States. Read [more](#).

2022 Statistical report of coordination of social security systems in EU

The coordination of social security between Member States is one of the oldest pillars in EU social policy. It guarantees continuous coverage of social security rights and expectations when moving to another Member State, whether it is for work, on holiday, to retire or for planned healthcare. The 2022 statistical reports focus on the most recent developments that still were affected by the COVID-19 pandemic which strongly reduced intra-EU mobility in 2020 and 2021. Read [more](#).

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[ILO | Social Protection Platform \(social-protection.org\)](#)

[International Social Security Association Monitor](#)

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