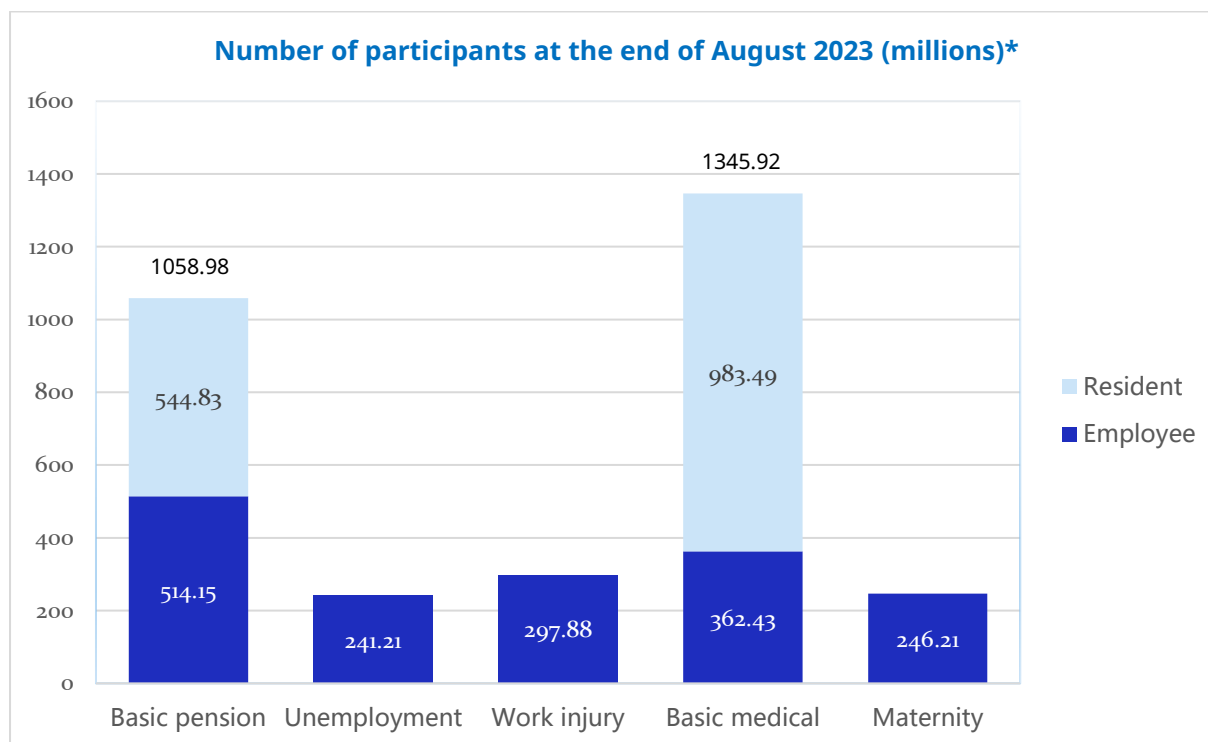


# Social Security Policy Monitor China

Issue 14, August - October 2023

## China Social Security Barometer



\* Basic medical insurance & maternity insurance data as of the end of December 2022

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

## Policy – China

### China to improve dynamic monitoring of low-income population

China will enhance dynamic demographic monitoring of the low-income population for a better multi-tiered and categorized social assistance system, according to [a circular \(in Chinese\)](#) released by the State Council in October 2023. To improve the multi-tiered and categorized social assistance system, efforts will be made to enhance both basic living assistance and special social assistance concerning medical care, education, housing, employment and disaster relief, the circular said. In addition, emergency assistance will also be intensified for people encountering severe, sudden and disastrous difficulties that made them unable to afford basic living necessities temporarily, regardless of their household registration and original residence. [Read more.](#)

## Public opinions solicited for draft measures for assessing disability levels of long-term care insurance

In September 2023, in order to strengthen the management of long-term care insurance incapacity rating assessment and safeguard the legitimate rights and interests of the participants, the National Healthcare Security Administration (NHSA) drafted the *Measures for the Management of Long-term Care Insurance Incapacity Rating Assessment (Trial)* (in Chinese) and the *Measures for the Management of Designated Institutions for Long-term Care Insurance Incapacity Rating Assessment (Trial)* (in Chinese) to solicit opinions from the public. The deadline for feedback is September 27, 2023. [Read more \(in Chinese\)](#).

## Regulation on Social Insurance Administration and Services unveiled

On the 1st of September, the State Council released the *Regulation on Social Insurance Administration and Services* (in Chinese) (the "Regulation"), which will come into force on 1 December. The Social Insurance Law, enacted in 2010, contains a specific chapter on the administration of social insurance. As the economy and society develop and evolve, new issues and situations arise in the administration of social insurance, requiring adjustment and improvement in the legal system. [Read more \(in Chinese\)](#).

## China promotes high-quality development of work injury rehabilitation

On August 17, 2023, the Ministry of Human Resources and Social Security (MOHRSS), together with a number of departments, issued the *Guiding Opinions on Promoting the High-quality Development of Work Injury Rehabilitation* (in Chinese). The Opinions recognize the key role of rehabilitation in the work-related injury insurance scheme, and its significance in promoting the return of injured workers to the society, return to work and dignity in life. [Read more \(in Chinese\)](#).

## National standards for basic public services updated

An updated version of the *National Basic Public Service Standards* (in Chinese) was jointly issued in August 2023 by China's National Development and Reform Commission and nine other departments. It's the first adjustment since the standards were issued and enacted in 2021. The 2023 version has great significance since it pins down the range and standards for the government's public services, the last line of social security. Regions should adjust specific standards for basic regional public services not lower than the national standards. [Read more](#).

## China aims to improve basic medical protection for urban and rural residents

In July 2023, NHSA, the Ministry of Finance (MOF), and the State Taxation Administration (SAT) issued a *Circular* (in Chinese), which called for improvements in basic medical insurance for urban and rural residents in terms of financing mechanism, benefit payments, and extension of coverage. In 2023, the financing standard for residents' basic medical insurance is 1,020 yuan, of which 640 yuan comes from the government subsidy and 380 yuan from the individual contributions. [Read more \(in Chinese\)](#).

## Local policies and practices

### Guizhou: Improving the maternity protection system

In August 2023, the Guizhou Provincial Healthcare Security Administration issued the *Notice on Improving the Maternity Protection System* (in Chinese), specifying that from 1 October 2023, flexibly employed persons will be covered by maternity insurance if they have participated in employees' basic medical insurance and met the contribution threshold, and they are entitled to maternity health care and maternity subsidy. Currently the maternity benefit is over 6,000 yuan.

## Hunan: Broadening benefit coverage for chronic and special diseases

Hunan Province, from 1 September 2023, began to broaden the coverage of residents' medical insurance to outpatient care of 47 chronic and special diseases including malignant tumors, coronary heart disease, rheumatoid arthritis, and pneumoconiosis. [Read more \(in Chinese\)](#).

## Guangxi improves maternity protection

In August 2023, Guangxi Zhuang Autonomous Region issued the *Interim Measures on Maternity Insurance for Employees*, which unified and standardized the policies on maternity insurance for employees in Guangxi, and further improved maternity support policies. The Measures extend the period for maternity benefit payment: in case of giving birth to the first or the second child, additional 30 days will be given on top of the national statutory maternity leave of 98 days to reach 128 days; and a further 30 days for the third child, to reach 158 days. The Measures also raise the payment ceiling for maternity medical expenses and include outpatient prenatal check-ups in the maternity insurance coverage. [Read more \(in Chinese\)](#).

## Qingdao City, Shandong Province: New work injury protection system piloted

Starting this year, Qingdao City, Shandong Province, became the first city in the country to implement a new type of work injury protection system that combines supplementary work injury insurance with injury care services. The Work Injury Fund pays for treatment and rehabilitation expenses that are within the scope of work injury insurance. The expenses incurred for nursing care will be borne by individuals according to the level of dependence on nursing care, and will be settled according to the guideline price and subsidized by the commercial insurance. As of the end of June, more than 50,000 people from 580 enterprises in Qingdao had participated in the supplementary work injury insurance program. [Read more \(in Chinese\)](#).

## European Policy

### The Council of the European Union calls for action to address remaining gaps in social protection for the self-employed

On 9 October 2023, the Council approved [\*conclusions on social protection for the self-employed\*](#), the first-ever set of conclusions on social protection focused exclusively on the self-employed. These conclusions build on the Council [\*recommendation\*](#) on access to social protection for workers and the self-employed adopted in 2019 and on the lessons learnt from its implementation. The Council invites member states to close any remaining gaps in their national schemes in order to improve access of the self-employed to social protection, with a focus on unemployment and sickness benefits. Read [more](#).

### European care strategy – One year after the adoption

One year ago, the European Commission presented the European Care Strategy. Once year after, several actions were launched to ensure high-quality affordable and accessible care services and to improve the situation of care providers, in close cooperation with Member States, social partners and stakeholders. Those include:

- Supporting policy reforms for high-quality affordable long-term care.
- Improving working conditions in the care sector.
- Early child education and care.

The European Care Strategy supports the implementation of the principles enshrined in the European Pillar of Social Rights, in particular the principles on gender equality, work-life balance, childcare and support to children

and long-term care.

Read [more](#).

### **European Commission proposes steps towards a more digital social security coordination**

In September 2023, the European Commission proposed concrete steps to further digitalise the coordination of social security systems in Europe, in a dedicated Communication. The [Communication](#) lays out actions to make access to social security services quicker and simpler across borders by making full use of digital tools, reducing administrative burden for citizens and business. Read [more](#).

## **Policies around the world**

### **Belgium announces Pension Reform Agreement**

On July 10, Belgium's coalition government announced an agreement to reform the country's old-age pension system, which includes introducing a pension bonus for longer work careers, changing minimum pension rules, capping benefit adjustments for retired civil servants, and doubling the solidarity contribution. The agreement still requires parliamentary approval, and it builds on a partial agreement reached in July 2022. The reforms in the agreement are intended to improve the pension system's financial sustainability, which is a condition for Belgium to receive further assistance from the European Union's pandemic recovery fund. Read [more](#).

### **Poland makes 14<sup>th</sup> Pension permanent**

On July 24, Poland's government enacted a law that makes an annual supplement for old-age and disability pensioners, known as the 14th pension (14. Emerytura), permanent. The government has paid the 14th pension on a discretionary basis every year since 2021, which followed the introduction of the 13th pension in 2019. (The 13th pension is disbursed in the first half of a year, and the 14th pension is disbursed in the second half.) Although the new law still allows the government to set the 14th pension amount each year, it stipulates that the amount cannot be less than the minimum monthly old-age pension (1,588 zloty [US\$385] in 2023) and that it must be determined by October 31. According to the government, making the annual allowance permanent will help pensioners meet the economic challenges they face due to rising prices. For 2023, the government estimates that 8.3 million old-age pensioners will receive the 14th pension—with 5.8 million receiving the full supplement—at a total cost of 11.6 billion zloty (US\$2.8 billion). Read [more](#).

### **Monaco approves creation of mandatory occupational pension program**

On April 13, Monaco's National Council approved a law that creates a mandatory occupational pension program for private-sector employees—the Monaco Complementary Retirement Fund (CMRC)—to replace pension coverage currently provided by France's main occupational pension program (AGIRC-ARRCO). Monaco's private-sector employees have participated in the AGIRC-ARRCO program since 1964 under a bilateral agreement with France. However, over the past decade, Monaco's government and its social partners have been developing the CMRC program to give the country more flexibility in setting its social security and employment policies. Under the new law, the CMRC program will cover all private-sector employees beginning on January 1, 2024 and will affect around 168,000 current and past employees. Read [more](#).

### **Australia implements scheduled pension changes**

On July 1, Australia's government implemented several scheduled changes to its Age Pension and superannuation programs, which include raising the Age Pension eligibility age, adjusting the Age Pension's income and asset tests, increasing employers' minimum superannuation contribution rate, and ending a temporary reduction in age-related minimum superannuation distributions. The means-tested Age Pension program covers Australian retirees with lower financial resources, while the superannuation program consists of mandatory occupational pension plans covering employees aged 18 or older and those younger than 18 who

work more than 30 hours a week. Voluntary superannuation coverage is possible for self-employed persons. Read [more](#).

### **India allows certain individuals to opt for higher social insurance pensions**

In response to a Supreme Court ruling issued in November 2022, the Employees' Provident Fund Organisation (EPFO) allowed certain participants in the country's social insurance program—the Employees' Pension Scheme (EPS)—to opt for higher pensions by July 11. According to EPFO, around 1.6 million participants (out of 46 million participants in 2022) had applied for the higher pension option as of June 26. The higher EPS pensions are financed through additional contributions and transferring funds from the Employees' Provident Fund (EPF) to the EPS. Under the higher pension option, employers still contribute 8.33 percent of employees' monthly basic earnings to the EPS, but there is no longer an earnings ceiling. In addition, employers must pay an additional 1.16 percent of monthly basic earnings exceeding 15,000 rupees to the EPS, but their EPF contribution rate for this income bracket is reduced by a corresponding amount (from 3.67 percent to 2.51 percent). Read [more](#).

### **UK. DWP taskforce launches new pensions guide consultation**

The Department for Work and Pensions (DWP) set up a taskforce and launched a consultation on a new guide. The guide includes 30 recommendations for how the UK pensions sector can better incorporate social factors into investment decisions. The Taskforce on Social Factors (TSF) consultation aims to help pension schemes address the risks and seize opportunities of the “social” element in environmental, social, and governance (ESG) investing. Read [more](#).

### **Japanese pension funds with \$600 billion to ink ESG pact**

Japanese pension funds managing 90 trillion yen (\$600 billion) will join a global initiative for responsible investment, Prime Minister Fumio Kishida said in a speech on October 3. Seven of the nation's public retirement funds will start preparations to sign the Principles for Responsible Investment (PRI). The PRI was started by the United Nations in 2006 to encourage investment that takes environmental, social and governance factors into consideration. Read [more](#).

### **Bangladesh starts universal pension scheme**

In August, Prime Minister Sheikh Hasina inaugurated the Universal Pension Schedule to bring all the people of the country aged above 18 under the scheme. The scheme includes four packages: the Pragati scheme applicable for private job holders, the Surokkha for self-employed persons, the Samata for low-income people and the Prabashi scheme for expatriate Bangladeshis. Read [more](#).

### **Rajasthan of India passes a new legislation to protect gig workers' rights**

In July, the Government of Rajasthan passed the Rajasthan Platform Based Gig Workers (Registration and Welfare) Act. With this initiative, Rajasthan has become the first state in India to pass a legislation, which regulates the engagement of gig workers and aims to provide social security and other benefits to platform-based gig workers. The Act provides for constitution of a Welfare Board and envisages establishing a welfare fund for platform-based gig workers. Read [more](#).

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