



December 2019 – March 2020

► Social Security Policy Monitor China

► Policy - China

- **On 7 March 2020 China further protects the poor and vulnerable population due to COVID19 国发明电〔2020〕9号**

Although the qualifying criteria of Dibao and other assistance programmes remain unchanged, new implementation guidance reaffirms social assistances' (including Dibao) coverage of low-income population, considering epidemic's impact. Measures include a guarantee of the coverage and adequacy of social assistance, timely benefit adjustment, coverage of population that has fallen or returned to poverty due to the epidemic. It increases assistance or temporary assistance to the infected and impacted families, additional assistance to stranded population. It provides assistance to quarantined population and their relatives e.g. carers and dependants, increase budgetary allocation to affected areas, and other administrative and communications measures.

- **On 25 February 2020, State Council adopts a new policy on comprehensive healthcare reform**

The policy gives a comprehensive reform structure, which aims at building a multi-level medical security system by 2030, composed of basic medical insurances, medical assistance, supplementary medical insurances, commercial health insurances, charitable donations, and mutual medical assistance.

- **On 20 February 2020, China reduces or waives employers' contribution for old-age, unemployment and employment injury insurance schemes, 人社部发〔2020〕11号**

MOHRSS, the MOF and the State Taxation Administration jointly issued a Notice on Periodic Reduction and Exemption of Enterprises' Contribution to Social Insurance. The policy allows provinces to exempt medium, small and micro sized enterprises from employers' contribution to three social insurance schemes namely pension, unemployment and employment injury up to five months. Larger enterprises can reduce their contribution by half and up to three months. Hubei can apply more favorable measures: all employers are exempt from employers' contribution up to five months. The measure waives SMEs' contributions for up to five months (depending on impact), and halves large enterprises' contributions for up to three months (depending on impact). Enterprises with operational crisis can apply to delay contribution

payment for up to six months. Enterprises can apply to refund contributions paid for the month of February 2020. It increases the inter-provincial allocation reserve of the basic old-age pension fund from 3.5% to 4% to better support low-income regions.

► **On 30 January 2020 China increases use of online platforms for social security services**

Increased use of online platforms, e.g. for unemployment insurance, to avoid physical contact for claim approval, payment and related services, MOHRSS issued a notice on managing social insurance services during the outbreak of COVID-19. It requests the social insurance administrations at all levels to consult with financial departments and explore ways to secure pension paid monthly by online services. Employers and individuals are allowed to postpone social insurance obligations e.g. enrolment in social insurance, paying contributions.

► **On 23 January 2020, Medical staff and related staff contracted COVID-19 due to performance of work are eligible for employment injury benefit, 人社部函(2020) 11号**

► **Other measures:**

China provides unemployment social assistance for workers: Unemployed workers who do not meet the conditions for unemployment social insurance can apply for an unemployment social assistance (lower than unemployment insurance).

China raises layoff rate threshold for refunding unemployment insurance contribution: SMEs with a layoff rate lower than 5.5% (estimated unemployment rate) can apply for a refund 50% of previous year's unemployment contributions. The threshold is 20% for enterprises with less than 30 employees. Some cities refunds up to 80%. Enterprises in key sectors e.g. medical supplies, public utilities, can apply for a refund of 6 months unemployment insurance contributions. The measures facilitate online request and speedy approval.

Health insurance reimburses online consultations: Online consultations for chronic and common diseases can be reimbursed by health insurance.

- **Local governments** released policies to implement the central level social security policies in response to COVID-19 to provide more concrete guidance. Examples: Shanghai Municipal Human Resources and Social Security Bureau issued a notice on social insurance services during the COVID-19 outbreak. It includes provisions for extending the period for paying contributions, ensuring all benefits paid in full and on time, advancing online services, and establishing "green channel" for employment injury benefits. Beijing Social Insurance Administration issued a series of policies provide guidance for online services, extending the period for paying contributions, etc.

► Policy - EU

- ▶ 19 February 2020 [European Commission Communication: Shaping Europe's digital future](#).
- ▶ 19 February 2020 [Debate on the Future of Work and the European Pillar of Social Rights](#). The values of the ILO and those of the Pillar of Social Rights are closely aligned, directing us towards a future of work that is fair and inclusive, the ILO Director-General said in a speech to the European Economic and Social Committee.
- ▶ 14- 15 January 2020 European Commission Workshop "[Mutual learning on access to social protection for workers and the self-employed](#)" contributing to the implementation of the principles set out in the [Council Recommendation on access to social protection for workers and self-employed](#).
- ▶ 14 January 2020 European Commission [Strong social Europe for just transitions](#). The EC presented reflections on building a strong social Europe for just transitions contributing to the implementation of the European Pillar of Social Rights.
- ▶ 8 November 2019 EU [Council Recommendation COM/2018/0132 final - 2018/059 on "access to social protection for workers and the self-employed"](#)

► International policy

- ▶ 9 March 2020, United States, California sets new regulations for paid sick leave and unemployment benefit

Confirmed Coronavirus (COVID-19) cases have risen swiftly in California and in response, administrative agencies have released guidance to employers regarding wage and hour issues and paid sick leave. [These are a set of measures to support households in the context of the coronavirus](#) epidemic. Employers experiencing a slowdown in their businesses or services as a result of the coronavirus impact on the economy may apply for the [Unemployment Insurance Work Sharing Program](#) as an alternative to layoffs. Most OECD Countries enjoy sickness benefits. In US, only 11 states — Arizona, California, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, Oregon, Rhode Island, Vermont and Washington — and the District of Columbia have enacted paid sick leave mandates. Michigan's [law](#) takes effect 29 March 2019.

- ▶ 4 March 2020, Pension Reform Law passed in France instituting a universal social security pension system

[The pension reform](#) aims to unify the country's 42 different profession specific retirement schemes. See also [Objectives and challenges in the implementation of a universal pension system in France](#). OECD 2019

- ▶ 1 January 2020, Egypt implements extensive pension system changes

Egypt's government implemented a new law that makes extensive changes to the country's social insurance pension system. The new law (Law No. 148 of 2019) replaces many existing social security laws and regulations, and consolidates several different social insurance programs into one.

- ▶ 12 November 2019, Brazil enacts old-age pension reform

Brazil's government enacted a constitutional amendment that reforms the country's social insurance old-age pensions. There is now a minimum retirement age to qualify for an old-age pension—age 65 for men or age 60 (gradually rising to age 62 by 2023) for women—regardless of an individual's contribution record.

- ▶ 6 November 2019, Poland approves draft law eliminating second-pillar individual accounts

Polish cabinet approved law that eliminates the second pillar of privately managed individual accounts and transfers the account balances of participating workers—currently held by open pension funds (*Otwartych Funduszy Emerytalnych*, or OFEs)—to the public first-pillar notional defined contribution (NDC) program or to third-pillar voluntary individual accounts (*Indywidualne Konta Emerytalne*, or IKEs)

▶ International Standards

- ▶ Recommendation (No. 134 on Medical Care and Sickness Benefits, 1969) says that a person protected for sickness should be granted a cash benefit in cases of absence from work involving loss of earnings which is justified on the ground that this person is required to undergo curative or preventive medical care and is isolated for the purpose of quarantine. (Chinese version of the Recommendation).

▶ Statistics

- ▶ 11 February 2020 2019 Statistical reports on social security coordination published. The EU rules on social security coordination protect the social security rights of mobile citizens. These reports provide an overview of the data provided by Member States on the functioning of these rules.
- ▶ 13 January 2020 Updated MISSOC information on national social protection systems in Europe. Online source of **up-to-date comparable information** on social protection systems in European countries. For this update, the information in **Table III - Sickness – cash benefits** is improved.
- ▶ 7 February 2020 Eurostat latest figures on the gender pension gap in the EU

- ▶ [ILC 20th ICLS \(2018\) International Conference of Labour Statisticians resolution on work relationships](#)

▶ Publications

Highlights

- ▶ [Positive externalities of mandating paid sick leave](#), 2020, Pichler, S. & Wen, K. & Ziebarth, N. When people do not have access to sick leave, they go to work sick and spread diseases. Nicolas Ziebarth, associate professor of economics at Cornell University and co-author of the study notes the top reasons for not taking leave when needed are having too much work, fearing negative repercussions or being unable to afford a day off.
- ▶ [Weathering the storm: employment policy and the coronavirus, 2020](#), Pedro Martins, Professor of Economics at Queen Mary University of London wrote a blog on the labour market effects of the coronavirus and indicates that: “many countries offer sick pay benefits but make them available only from the fourth day of sickness – i.e. there is a waiting period of three days. This acts as a screening device to deal with moral hazard issues. However, this may dissuade many from suspending work at a time when they may be highly contagious. It will make sense to shorten or even eliminate this waiting period”

Other publications

[Extending social security to workers in the informal economy: Lessons from international experience](#), ILO 2019

[Extension of social security to workers in informal employment in the ASEAN region](#), ILO 2019

[Issue brief: Why should countries ratify ILO social security conventions?](#) ILO 2019

[Universal social protection: Key concepts and international framework](#), ILO 2019

[Improving social protection of workers migrating between China and the EU countries](#) ILO 2019

[Improving social protection for internal migrant workers in China](#) ILO 2019

[Global social security and economic development: Retrospect and prospect](#) CAOSS, ILO & FES 2019

[World Employment and Social Outlook: Trends](#) ILO 2020

[Telework in the 21st century: an evolutionary perspective](#) ILO 2019

[The gender gap beyond retirement: how men and women compare in relation to pension benefits](#) ISSA 2020

[Are social security systems adapted to new forms of work created by digital platforms?](#) ESIP 2019

[Promoting adequate social protection and social security coverage for all workers, including those in non-standard forms of employment](#) OECD and ILO 2018

Pensions at a Glance OECD 2019 [English](#) [Chinese](#) summary;

Employment outlook: the future of work 2019 OECD Chapter on [Labour protection of non-standard work](#) and another on [adaptations of social protection to new forms of work](#) (English)

[The sharing and gig economy: effective taxation of platform sellers](#) Forum on Tax administration OECD 2019

[Objectives and challenges in the implementation of a universal pension system in France.](#) OECD 2019

[Pension indexation for retirees revisited – Normative patterns and legal standards](#)

Hohnerlein, E. M. 2019

[Paid sick leave in OECD Countries](#) 2018 Several authors

► Campaigns

2 March 2020 Campaign Eu4Fairwork: Commission launches campaign to tackle undeclared work

[European campaign for declared work](#), intends to raise awareness amongst workers, companies and policymakers that undeclared work does not pay off: it deprives workers of social protection, it distorts competition between businesses and it leads to huge gaps in public finances. It includes dissemination of [information and tools available per EU country](#), social media campaign (March-June 2020) #EU4FairWork and [week for action for declared work](#) (16-20 March 2020) - involving a range of activities; inspections in sectors at risk, information sessions, visits in secondary schools and more.

► Podcasts

[OECD Podcast on SP and the gig economy 2019](#)

[ILO Global Social Protection Week 2019: audio files](#) and [Session ‘Achieving social justice in a globalized world: Social protection for workers on digital platforms’](#)

<https://socialprotectionweek.org/>

► Info Story

ILO [The rising tide of non-standard employment](#)

► World Press Review

Social security measures for Coronavirus [Accessed online as of 13.03.2020.]

- [International Monetary Fund](#) (article available in [Chinese](#)) analysed the economic fallout of the COVID-19, reviewed some measures implemented to support people and businesses and recommends that: “for those laid off, unemployment insurance could be temporarily enhanced, by extending its duration, increasing benefits, or relaxing eligibility. Where paid sick and family leave is not among standard benefits, governments should consider funding it to allow unwell workers or their caregivers to stay home without fear of losing their jobs during the epidemic.”
- **Italy** extended tax deadlines for companies in affected areas and broadened the wage supplementation fund to provide income support to laid-off workers. [New](#)

measures are discussed for people with children under the age of 12 (a limit that does not apply in the case of disabled people): two weeks of extraordinary parental leave or alternatively, a voucher to pay for taking care of children at home.

- ▶ **Portugal** established temporary income support for sick leave for self-employed casual workers.
- ▶ In **France**, special sick leave is granted for people in quarantine or those who have to take care of children and a partial unemployment subsidized by social security and the State has been activated by over 400 companies due to the virus. This works as a temporary cash flow support to small and medium companies.
- ▶ In **Ireland**, there is the extension of sick leave measures to all workers currently excluded.
- ▶ In the **United Kingdom**, the Trade Union Confederation warned that millions of workers will be “plunged into poverty and debt” by the coronavirus and plans, which make no provision for sick pay for the self-employed, or gig workers and issued proposals to improve existing benefits. United Kingdom government issued measures for gig economy workers: a £500m boost to the benefits system, including a temporary halt to the minimum floor in universal credit. The benefit is given to low income self-employed workers by matching their earnings above a minimum floor. If workers do not meet that floor, their welfare payments are not topped up. Removing it will take the pressure of those who feel they have to work through the sickness in order to be able to pay the bills. UK enhanced quicker payments for employment and support allowance (ESA) claimants and instituted a new National Insurance threshold from April. Those taken out of paying National Insurance will not lose out on credits towards their state pension.
- ▶ In **Thailand**, business owners can already benefit from 50% wage for 180 days a year under social security regulations.
- ▶ **Korea** introduced wage subsidies for small merchants and increased allowances for homecare and job seekers.
- ▶ In the **United States**, only 30% of the country's lowest-wage workers have paid sick leave, and only 58% of service workers — whose jobs cannot be done remotely — had paid sick leave in 2019. There are no federal legal requirements for paid sick leave. Family and Medical Leave Act (FMLA), only requires unpaid sick leave. A proposed bill for a federal sickness leave was blocked in the senate. Major companies decided to extend sick leave policies: Apple, Walmart, Uber, Lyft, Instacart, Post mates, Doordash indicated changes in their policies that could help hourly and gig-economy workers in the service industry who do not normally receive paid time off, and who would bear an especially difficult burden of lost wages. Tens of thousands of gig workers who deliver hot meals and groceries or transport passengers are at a much higher risk of coming into contact with people infected with the virus but classified by their employers as independent contractors,

they don't have the health benefits and job protections of their white-collar counterparts.

► Calls for expression of interest

The EU-CHINA Project “Improving China’s Institutional Capacity towards Universal Social Protection” is offering two exciting consultancy opportunities:

► China/Excol/2020/001

Consultant(s) for a Study “Assessing China's social security coverage of non-standard workers, with focus on platform workers, migrants and women and measures to close gaps and improve portability of social security benefits” (application deadline: 1 April 2020)

► China/Excol/2020/002

Consultant(s) to develop policy briefs, podcasts and future communications on strengthening capacity for universal social protection in China (several deadlines)

Please find full description:

https://www.ilo.org/beijing/about-the-office/WCMS_482316/lang--en/index.htm

► Inputs and feedback

Was this information useful? How can it be improved? Kindly send feedback and inputs for April- May issue in English or Chinese to frotal@ilo.org.

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**Improving China’s Institutional Capacity
towards Universal Social Protection Project**

Funded by the European Union



