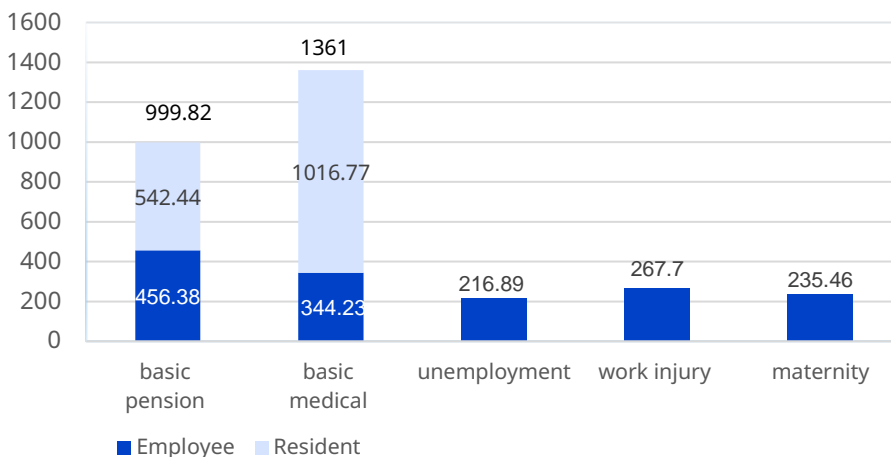


# Social Security Policy Monitor China

## January – March 2021, Issue 6

### China Social Security Barometer

Number of participants at the end of 2020 (millions)



- ▶ 60.98 million people in poverty participate in the basic pension insurance
- ▶ 44.26 million Dibao recipients (urban & rural)

Statistics 2020 from [NBS](#), [MOHRSS](#) and [NHSA](#)

### Policy – China

#### Five-Year Action Plan for Work Injury Prevention

In January 2021, the Ministry of Human Resources and Social Security (MOHRSS) and other seven departments jointly issued the “[Five-Year Action Plan for Work Injury Prevention \(2021-25\)](#)”. The action plan calls for the improvement of the trinity system of “prevention, rehabilitation and compensation”, and making work injury prevention a priority for work injury insurance. The floating premium rates shall be scientifically and periodically (every 3 years) adjusted.

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

According to [MOHRSS](#), the phased reduction and exemption of social insurance premiums is a temporary policy measure during the pandemic, which was expired at the end of 2020, and the three social insurance premiums (pension, unemployment and work injury) have been collected from 1 January 2021. At the same time, considering that the risk of the pandemic still exists, some enterprises may be under great financial pressure, the policy of phased reduction of premium rates of unemployment insurance and work injury insurance will be extended for another year until 30 April 2022. From 2015 to 2019, the State has successively lowered the premium rates six times, reducing costs for enterprises by nearly one trillion yuan in total.

## Promoting high-quality and sustainable development of social security in China

On 26 February 2021, President Xi Jinping delivered an important speech on improving China's social security system. He called for more efforts to be made to improve the level of management and services of social security and the efficiency of social security governance. Improvements are also needed for registration and transfer of social insurance relations, national unified social insurance public service platform, digital transformation of social insurance administration etc. Traditional service methods shall be combined with intelligent service innovation, while also providing services oriented to the elderly, the disabled and other groups. Social security emergency response mechanism shall be well established based on the successful experience during the COVID-19 pandemic.

## China Sharing Economy Development Report 2021

In February 2021, the Sharing Economy Research Center of the State Information Center released China Sharing Economy Development Report 2021. The pandemic had different impacts on the sharing economy in different areas. Substantial market expansion was seen in the areas of knowledge and skill as well as health care. 830 million people participated in the sharing economic activities, with 84 million service providers (7.7% increase year-on-year) and 6.31 million employees (1.3% increase year-on-year) in 2020.

## Progress in promoting employment and social security in 2020

On 26 February 2021, a press conference of the State Council Information Center was held on employment and social security. In 2020, the reduction and exemption of three social insurances has reduced the burden of enterprises by 1.54 trillion yuan (of which 1.33 trillion yuan was pension insurance), 104.2 billion yuan of unemployment insurance was returned to stabilize jobs. Regarding the multi-tier pension insurance system, Vice Minister You Jun said that a preliminary idea has been formed: to establish a personal pension system based on the account system, voluntary participation, taxation support from the state finances, and market-oriented investment operation.

## Establishing a sound multi-tier social security system

In March 2021, China unveiled the final version of the 14<sup>th</sup> Five-Year Plan and the long-range goals for the year 2035. Chapter 49 clarified the objective to establish a multi-tier social security system that covers the whole population, balances urban and rural development, and is equitable, unified and sustainable. Specifically for social insurance system:

- Realize the national pooling of basic pension insurance and relax the insurance conditions for flexible workers
- Improve the rational adjustment mechanism of the basic pension for urban employees, and gradually raise the basic pension benefit for urban and rural residents
- Develop a multi-tier and multi-pillar pension insurance system, increase enterprise annuity coverage, and standardize the development of the third-pillar pension insurance
- Promote wider coverage of unemployment insurance and work-related injury insurance to professional workers, and achieve pooling at the provincial level
- Promote the portability of social insurance and improve the unified national social insurance public service platform

## Six major changes in social security

In March 2021, the State Council issued the "Opinions on Implementing the Division of Key Tasks in the Government Work Report", specifying the division of responsibilities and completion time limits for 44 key tasks. Among them, six social security related policies have clarified time arrangements.

April 2021: Raise the basic pension benefit

May 2021: Per capita subsidy for resident medical insurance increased by 30 yuan

June 2021: Occupational injury protection policy for workers in new forms of business

- According to relevant experts, the pilot plans to start with three types of industries: takeaway, online car-hailing, and instant delivery. The next policy will clarify the specific financing methods, circumstances for enjoying the benefit, benefit items and standards.

September 2021: Promote the liberalization of household restrictions on insurance registration in the place of employment

- According to authoritative statistics, there are about 200 million flexible workers nationwide. At present, most cities have liberalized the household restrictions on insurance registration in the place of employment for flexible workers, especially the urban and rural household registration restrictions within the province have been basically removed. However, there are still some megacities that require a local household registration in order to be insured in the place of employment. "The main reason is that some first-tier mega cities have relatively high levels of social security benefit such as pension and medical care. If the restrictions on household registration are completely relaxed, it will bring greater pressure on local financial expenditures", according to the experts.

September 2021: Establish personal pension system

End of 2022: Full coverage of direct settlement of medical expenses across provinces

### **Implementation Plan to protect labour rights and promote online employment and social security services for flexible workers**

In March 2021, 28 government departments including the National Development and Reform Commission, the Ministry of Industry and Information Technology, and the MOHRSS jointly issued the "Implementation Plan for Accelerating the Cultivation of New Types of Consumption". Article 14 of the Plan proposes to "promote policies to protect labour rights and interests of workers in new forms of employment, reasonably determine platform responsibilities, and secure remuneration, working hours, work safety, and social insurance of workers; promote the pilots for occupational injury protection of platform workers; and provide employment and social security online services for flexible workers".

## **Social Security Administration – China**

### **Cross provincial direct settlement of outpatient medical costs**

15 new provinces were added to the pilot work for direct settlement of outpatient expenses across provinces, according to NHSA (National Healthcare Security Administration).

### **Rapid development of online medical services**

The National Health Commission stated that more than 1,100 internet hospitals have been built across China. Internet hospitals comprise two major categories in China — medical service platforms initiated and managed by brick-and-mortar medical institutions, and those built primarily by companies in partnership with physical hospitals.

### **Local policies**

Since 1 January 2021, **Guangdong Province** starts implementation of the "Opinions on standardizing provincial pooling for the basic pension insurance system for enterprise employees". It aims to achieve seven "unifications": unified policy, unified management of fund revenue and expenditure, unified fund budget management, unified

responsibility sharing mechanism, unified centralized information system, unified social insurance administration and services, and unified incentive and restraint mechanism.

In March 2021, **Zhejiang Provincial** People's Congress passed the "[Regulation on Medical Security of Zhejiang Province](#)". This is the first comprehensive local legislation in the field of medical security across the country.

## International Policy

### [EU Commission launches first phase consultation of social partners on possible action addressing the challenges related to working conditions in platform work](#)

The consultation follows concerns that the sanitary crisis exposed the vulnerable situation of people working in areas such as the platform economy, both in terms of health and safety risks and limited access to social protection and benefits.

### [UK Supreme court ruled that Uber drivers should be classed as “workers” and not self-employed riders](#)

See the [Court Judgement](#)

### [The Spanish government legislation classifies food delivery riders as employees of the digital platforms they work for](#)

On 11 March 2021, the legislation was drawn up after Spain's Supreme Court ruled last September that food delivery riders are employees, not self-employed workers, in a case brought by a former rider.

### [Singapore introduces Government Match for Provident Fund Catch-up Contributions](#)

In January, Singapore's Central Provident Fund (CPF) Board introduced the Matched Retirement Savings Scheme, a program that provides a dollar-for-dollar government match of up to S\$600 (US\$450.56) per year in catch-up contributions for qualifying CPF members from 2021 to 2025. To be eligible, a CPF member must be aged 55 to 70.

### [Quebec introduces occupational pension plan](#)

On 11 December 2020, Québec's government approved a law introducing the Target Benefit Pension Plan (TBPP), an occupational pension plan that combines certain features of existing defined contribution (DC) and defined benefit (DB) plans. Like a DC plan, a TBPP is funded with employee and employer contributions paid at fixed rates and does not provide guaranteed benefits. However, by pooling its members' assets and setting a target benefit level, a TBPP can provide workers with a predictable periodic pension at retirement like a DB plan.

## Statistics

[India: improving statistics on gig workers](#). Neither the central government nor the states have any data on the possible number of gig economy workers in the country. Industry executives, however, estimate that there could be over 130 million gig economy workers.

[The ESCAP Population Data Sheet 2020](#) indicates that over 9 per cent of the population is above 65 years of age, and over half are women. This figure is expected to nearly double to more than 18 per cent by 2050. The proportion of those over 80 will nearly triple from 1.7 per cent to 4.9 per cent of the population, with women comprising nearly 60 per cent.

[China- Unsupported children in social security](#) China had included 253,000 unsupported children – children with parents who are unable to care for them – in a designated social security system as of the end of 2020. A monthly subsistence allowance of 1,140 yuan (\$176) is provided per child, the same amount provided to orphans.

## Publications

ILO 2021 [Working paper: platform work and the employment relationship](#)

ILAW 2021 [Taking for a ride: digest of litigation cases](#)

ILO 2021 [World Employment and Social Outlook Report. The role of digital labour platforms in transforming the world of work](#)

Ammar Farooq, Adriana Kugler, Umberto Muratori 2021 [The impacts of unemployment benefits on job match quality and labour market functioning](#)

Zhao L and He X 2021 [Lessons from China on different approaches to pension coverage extension](#), International Social Security Review Volume 74 (2021), Issue 1

Chen T and Turner JA 2021 [China's development of a multi-tier pension system](#), International Social Security Review Volume 74 (2021), Issue 1

Gruat JV and Chuan S 2021 [China: Towards the introduction of dependency/long-term care insurance](#), International Social Security Review Volume 74 (2021), Issue 1

Jiwei Q and Zhuoyi W 2021 [Extension of social insurance coverage to informal economy workers in China: An administrative and institutional perspective](#), International Social Security Review Volume 74 (2021), Issue 1

Mel C 2021 [The sustainability of China's Urban Employees' Pension Programme: A case of getting old before getting rich](#), International Social Security Review Volume 74 (2021), Issue 1

OECD 2021 [Towards Improved Retirement Savings Outcomes for Women](#)

CEPAL 2021 [Policy expansion in compressed time: Assessing the speed, breadth and sufficiency of post-COVID-19 social protection measures in 10 Latin American countries](#)

Slavina Spasova, Dalila Ghailani, Sebastiano Sabato, Stéphanie Coster, Boris Fronteddu and Bart Vanhercke 2021 [Non-standard workers and the self-employed in the EU: social protection during the Covid-19 pandemic](#)

Frouin J. Y 2020 [Réguler les plateformes numériques de travail](#) Rapport au Premier Ministre 1er

## Info Story

[Can digital labour platforms create fair competition and decent jobs?](#)

## Podcast

### Digital Transformation at a Major Insurance Company



How does a major Swiss insurance drive digital transformation by focusing on company culture, new business models, and moving to the cloud? Listen to the [Podcast](#) with the Chief Technology Officer of Baloise Group AG, Dr. Alexander Bockelmann.

## World Press Review

### Netherlands: Judges say riders are not freelancers

[February 2021, Deliveroo to appeal to Supreme Court after judges say riders are not freelancers](#)

## Vietnam Social Security boosts comprehensive digital transformation

February 2021. The Vietnam Social Security (VSS) will step up the application of information technology, and carry out digital transformation in a comprehensive manner so as to better serve businesses and people, especially amid the COVID-19 pandemic.

### Sources

International Update Recent Developments in Foreign Private & Public Pensions, Social Security & Retirement

[https://www.ssa.gov/policy/docs/progdsc/intl\\_update/2019-12/index.html](https://www.ssa.gov/policy/docs/progdsc/intl_update/2019-12/index.html)

<https://www.social-protection.org/gimi/gess/ShowNewss.action?id=3>

<https://socialprotection.org/discover/news>

<https://ww1.issa.int/coronavirus/media-monitor>



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