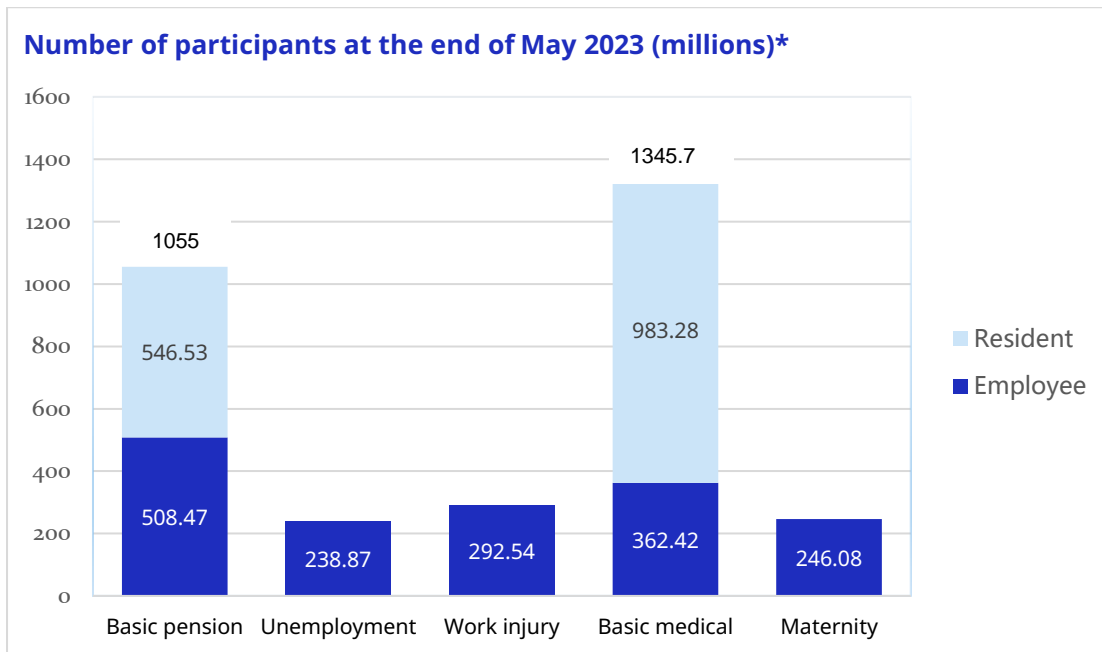




Social Security Policy Monitor China

Issue 13, July 2023

China Social Security Barometer



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

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

Policy – China

MOHRSS issues an action plan for digitalization

In June 2023, the Ministry of Human Resources and Social Security (MOHRSS) issued [an action plan \(in Chinese\)](#) promoting the digitalization of human resources and social security systems. In the field of social security, the plan makes it clear that "digitalization will be used to promote the upgrading of administrative services and support the improvement of a multi-tier social security system". The social security card will be a fundamental carrier of government services for people's livelihoods and will be applied in various scenarios. China will also explore to add digital yuan payment features to social security cards.

Provinces increase minimum wage

In July 2023, the MOHRSS announced the minimum wage rates across the country. 15 provinces' minimum wage rates exceed CNY 2,000 per month, and a number of provinces and municipalities have raised their minimum wage rates this year. The minimum wage increase will lead to the increase of other benefits, such as unemployment insurance benefits and sick leave pay during the healthcare period. Read [more \(in Chinese\)](#).

Private pensions progress at a steady pace

According to MOHRSS, as of June 2023, 40.3 million people had opened a private pension account in 36 pilot cities

(regions). Read [more \(in Chinese\)](#).

China continues to implement the subsidy policy to tackle youth unemployment

In June 2023, three ministries jointly issued [a circular \(in Chinese\)](#) in order to boost youth employment. Enterprises shall be eligible to receive a one-time subsidy of up to 1,500 yuan per person, if they recruited university graduates of the Class 2023, or those have not been employed within two years after graduation, or young people aged 16-24 and registered as unemployed, and signed labour contracts and paid contributions for their unemployment, work injury, and employees' pension insurances for more than one month. The policy will be implemented until the end of December 2023.

China strengthens regulation on medical security funds

The General Office of the State Council encourages the strengthening of regulation on the use of medical security funds, according to a circular released on May 26. The circular points out that strengthening the supervision of the use of the medical insurance fund is of great significance in securing the safe operation of the fund, improving the efficiency of the fund's use, regulating the provision of medical services, and alleviating the financial burden on people. Read [more](#).

China increases retirees' basic pensions

The MOHRSS together with the Ministry of Finance jointly released a notice to increase the basic monthly pensions for retirees nationwide by up to 3.8 percent from the level of 2022. Each provincial level region determines its own adjustment ratio and level with the national adjustment ratio as the upper limit. Read [more](#).

China raises government subsidies for basic public health services

China has raised its per capita government subsidies for basic public health services by 5 yuan to 89 yuan (12.4 U.S. dollars) in 2023. The additional funds will go towards supporting local governments to enhance public health services, especially for seniors and children. Read [more](#).

Social Security Administration – China

China furthers customer centric services for medical insurance benefits

In June 2023, the National Healthcare Security Administration (NHSA) issued new measures to simplify procedures on providing medical insurance benefits. As a next step, the NHSA will collect best practices and experiences, and continue to introduce convenience measures of health insurance services. Read [more \(in Chinese\)](#).

Local policies and practices

Zhejiang: certain non-employee workers are eligible for work injury insurance

From 1 July 2023, seven categories of workers in Zhejiang who are not employees (i.e., without labour contracts) can be enrolled in the work injury insurance scheme through employers on a voluntary basis. These include retirees aged under 65, internship students, unemployed youth, workers in new forms of employment, domestic workers, and others. Read [more](#).

Zhejiang introduces digital method to facilitate the assessment of work injuries

The Department of Human Resources and Social Security of Zhejiang Province takes Wenzhou as a pilot city to build the "e-Assessment of Work Injuries" project to evaluate the labour capacity. The province utilizes digital means such as data sharing and system integration to provide more intelligent, accurate and convenient services for the public. The project uses digital methods in the whole process of work injury evaluation, which greatly increases the capacity and efficiency of the evaluation system. Since the application was launched, it has handled 45,000 cases. Read [more \(in Chinese\)](#).

Ningxia: instant settlement of medical bills for work injuries insurance

Recently, the Ningxia Hui Autonomous Region announced a list of 111 medical institutions for instant settlement of medical bills for work-related injuries insurance. In addition, for the first time, some institutions are included in the national network to realize instant settlement of cross-provincial medical care. Read [more \(in Chinese\)](#).

Guangdong realized full coverage of direct payment in designated medical institutions

Guangdong has realized full coverage of direct payment in designated medical institutions in all counties, and the number of networked designated medical institutions has reached 4,924, a five-fold increase compared with 2017. Read [more \(in Chinese\)](#).

European Policy

The Council of the European Union agrees its position on new rules for platform work

The European Commission put forward its [proposal on new rules for platform work](#) to the two co-legislators, the Council and the European Parliament on 9 December 2021. The Council adopted its position on 12 June 2023. The new rules need to be negotiated with the European Parliament before they can become EU law.

Under the Council's general approach, workers will be legally presumed to be employees of a digital platform (as opposed to self-employed) if their relationship with the platform fulfils at least three of the seven criteria set out in the directive. These criteria include:

- upper limits on the amount of money workers can receive
- restrictions on their ability to turn down work
- rules governing their appearance or conduct

In cases where the legal presumption applies, it will be up to the digital platform to demonstrate that no employment relationship exists according to national law and practice.

Read [more](#).

EU adopts a new comprehensive approach to mental health

In June 2023, the European Commission added a pillar to the European Health Union: a new comprehensive approach to mental health. With 20 flagship initiatives and €1.23 billion in EU funding from different financial instruments, the Commission will support Member States putting people and their mental health first. Before the COVID-19 pandemic, mental health problems already affected 1 in 6 people in the EU, situation which has worsened with the unprecedented crises experienced over the past years. This approach is a first and important step to put mental health on par with physical health and to ensure a new, cross sectoral approach to mental health issues. Read [more](#).

EU provides guidance to Member States under the 2023 European Semester Spring Package to build a robust and future-proof economy

In May 2023, the European Commission provided policy guidance under the 2023 European Semester Spring Package to secure the EU's long-term prosperity, competitiveness, fairness and resilience. The Package includes a series of reports and a proposal for a Council Decision on guidelines for Member States' employment policies. The European Semester is the European Union's framework for the coordination and surveillance of economic and social policies. Read [more](#).

Policies around the world

France enacts Pension Reform Law

On April 15, French president signed a pension reform law that increases the minimum retirement age, accelerates the rise in the minimum quarters of coverage required for a full old-age pension, modifies the long-career early retirement option, increases the minimum monthly old-age pension, changes parental pension adjustments, and phases out certain special pension programs. The new law is primarily intended to improve the financial sustainability of the country's public pay-as-you-go pension system, which consists of a general program covering most private-sector workers and special programs covering public-sector and certain other workers. Read [more](#).

France applies new rules on unemployment insurance

From 1 February 2023, for new jobseekers the duration of unemployment benefits will depend on economic conditions. If the overall unemployment rate is below 9% and it has not increased by + 0.8 points in a quarter, the duration of the benefit will be reduced by 25% with a minimum duration of 6 months (182 days); if the unemployment rate is above 9% or has increased by more than 0.8% in a quarter, the current duration rules apply (depending on the activity and age of the jobseeker). Read [more](#).

Netherlands approves transition to defined contribution pension plans

On May 30, the Dutch Senate approved the Future of Pensions Act, which requires defined benefit (DB) pension plans in the country's quasi-mandatory occupational pension system to transition to defined contribution (DC) pension plans by January 1, 2028. The new law is intended to improve the system's sustainability by combining the individual pension wealth accrual of DC plans with some investment risk sharing among plan participants and an assurance of lifetime income in retirement. Read [more](#).

Spain enacts reforms to improve pension system sustainability

On April 1, Spain enacted a pension reform law that increases the maximum monthly covered earnings and contributory pension, introduces a solidarity contribution for high earners and their employers, establishes a new sustainability mechanism, and changes the reference earnings used to calculate the contributory old-age pension. The law is the third major pension reform law implemented by Spain since its government reached a pension reform agreement with unions and employers in 2020. The reforms law's passage was also a condition for Spain to receive additional financial assistance from the European Union's pandemic recovery fund. Read [more](#).

Oman introduces new national social protection system

In July 2023, H.M. the Sultan of Oman Haitham bin Tarik issued Royal Decree No. 52/2023 promulgating the Social Protection Law. The new law marks the culmination of an ambitious reform process led by Tawazun, the high-level government programme for fiscal balance (now Estidamah), with the close support of the ILO. The comprehensive reforms entail a complete restructuring of the contributory pension system, with the integration of 11 pension funds into one single national scheme to cater for all workers in the private and public sector. Oman is also the first country in the Gulf Cooperation Council (GCC) to establish a social insurance scheme for maternity and paternity, and sickness cash benefits. Read [more](#).

Uruguay approves State pension reforms

In May 2023, Uruguay's Parliament has approved sweeping reforms of the social security retirement system that will, among other things, increase normal retirement age, introduce early retirement options and allow retirees to work while drawing a pension. The legislation (Law No. 20130) also modifies the social security DB pension formula; eliminates the income floor for compulsory employee participation in social security's DC retirement program; and will consolidate separate programs for different professionals as a single system covering almost the entire workforce. Read [more](#).

Poland to ramp up child benefit payments from 2024

The Polish government will increase monthly child benefit payments to 800 zlotys (\$193.13) per child from 500 zlotys from the start of 2024. The family support program called "Family 500 plus" is a flagship project of the Law and Justice party (PiS), which was introduced in 2016. Read [more](#).

Canada increases Child Benefit payments

Since July 2023, low-income families will receive up to \$7,437 per year for each child below the age of six, under the new maximum benefits. The Canada Child Benefit (CCB) payments are set to be recalculated based on inflation. CCB is an income-tested and non-taxable benefit meant to help eligible families with the cost of raising children under 18 years of age. Introduced in 2016, the CCB replaced the taxable Universal Child Care Benefit. Read [more](#).

United States: new protections for pregnant and nursing employees

The Pregnant Workers Fairness Act (PWFA) went into effect in June 2023. The new law strengthens protection for pregnant workers and applies to employers with 15 or more employees, including hourly workers. In addition to covering pregnant employees, it also protects those with “related medical conditions,” including women undergoing fertility treatment, as well as those who have postpartum depression and those who have had an abortion or pregnancy loss. It also creates “pregnancy reasonable accommodations” rights. Read [more](#).

Another new protection is provided by the PUMP for Nursing Mothers Act (PUMP Act). Under the PUMP Act, nearly 9 million more lactating workers now have a right to break time and a clean, private space in the workplace to pump milk at work. Read [more](#).

[New Protections in 2023 for Pregnant and Nursing Employees | News & Knowledge | Adams and Reese LLP](#)

Statistics

[Latest update of MISSOC information on national social protection systems](#)

[MISSOC](#) (Mutual Information System on Social Protection) is an important online source of **up-to-date comparable information on social protection systems in European countries**. The information comes from a network of officials from national ministries and institutions responsible for administering social protection which is coordinated by the MISSOC Secretariat on behalf of the European Commission.

The latest update of the MISSOC information (as of January 2023) on social protection systems in all EU Member States, Iceland, Liechtenstein, Norway and Switzerland is now available in English, French and German on the MISSOC website. Read [more](#).

[China released 2022 migrant worker monitoring survey report](#)

The latest [2022 migrant worker monitoring survey report \(in Chinese\)](#) released by the National Bureau of Statistics shows that the total number of migrant workers in China continues to increase. In 2022, the total number of migrant workers was 295.62 million, an increase of 3.11 million or 1.1% over the previous year. The growth rate of local migrant workers is faster than that of outgoing/non-local migrant workers (2.4% vs. 0.1%)¹. The proportion of female migrant workers has risen (36.6%, 0.7% increase from the previous year), the average age of migrant workers has continued to rise (42.3 years old, 0.6 years increase from the previous year), and the proportion of migrant workers with tertiary education or above has continued to rise (13.7%, 1.1% increase from the previous year). More than half of migrant workers are employed in the tertiary sector.

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¹ Local migrant workers refer to migrant workers who work within the township area where their household registration is located. Outgoing/non-local migrant workers refer to migrant workers who work outside the township where their household registration is located.

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