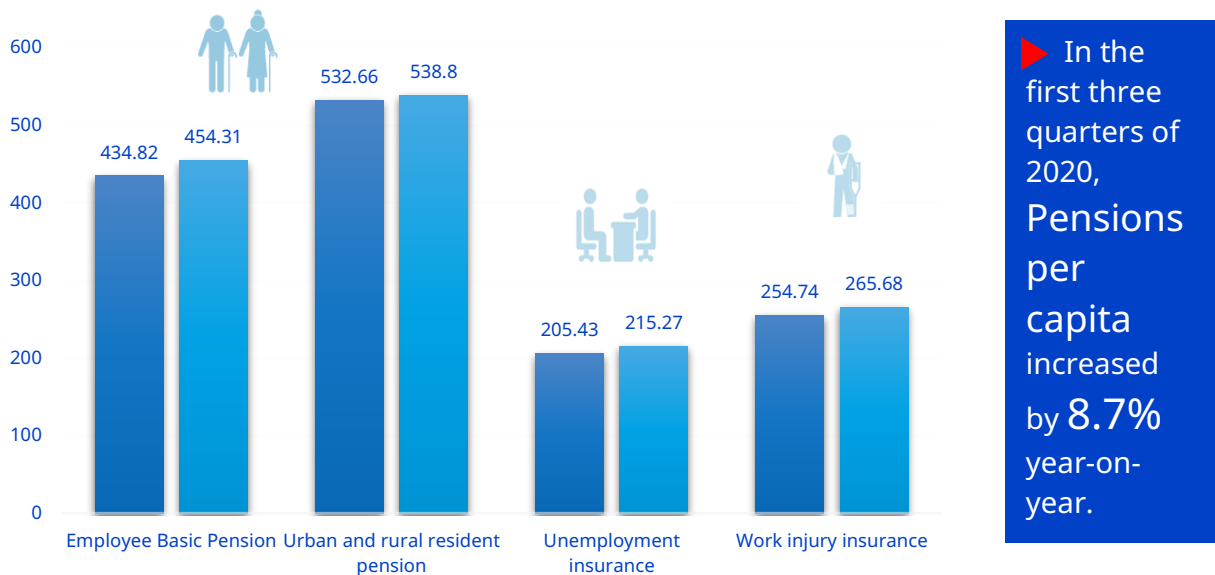


Social Security Policy Monitor China

November 2020 – January 2021, Issue 5

China Social Security Barometer

Number of participants at the end of the period (12/2019 and 11/2020)
(millions)



Source: [MOHRSS, 2019/2020](#)

Policy – China

State Council determines measures to strengthen financial expenditures for people's livelihood

On 6 November 2020, [Executive Meeting of the State Council](#) made it clear that the budget arrangement will prioritize the protection of people's livelihood expenditures, and provide full protection for education, pensions, medical care, social assistance (*dibao*) and housing.

The basic pension insurance fund investment performance

According to the [2019 Annual Report on Entrusted Operations of Basic Pension Insurance Funds](#) published by the Ministry of Human Resources and Social Security (MOHRSS) on 24 November 2020, as of the end of 2019, the total assets of basic pension insurance funds invested and operated

by the National Council for Social Security Fund (SSF) entrusted by the provinces were 1,076.78 billion yuan, the investment income of the year was 66.386 billion yuan, and the ROI was 9.03%. At present, 25 provinces, autonomous regions, and municipalities have signed entrusted investment contracts with SSF.

China approves first regulation on health insurance supervision

At the State Council Executive Meeting on 9 December 2020, the draft regulation on supervision and management of medical insurance funds was passed, which is a document that fills a legal gap in the field. The draft regulation defines the rights and responsibilities of medical insurance authorities, designated medical institutions and the insured. Insurance fraud will be punished by various means, including fines and revocation of medical certificates. So far, 10 provincial-level regions, including Beijing, Tianjin and Hebei, have established special institutions for the supervision of medical insurance funds.

MOHRSS adjusts the investment scope of annuity funds

On 28 December 2020, MOHRSS issued the "Notice on Adjusting the Investment Scope of Annuity Funds", along with the Interpretations, to adjust the investment scope of annuity funds, promote the healthy development of the annuity market, and maintain and increase the value of annuity fund assets.

Development of elderly and child care services gets boost

The General Office of the State Council released a circular on 31 December 2020 to promote the healthy development of elderly and child care services. It includes 23 policy measures in promoting elderly and child care services. It is said that the government must strengthen its role in improving the basic elderly care system. The provincial government shall incorporate elderly and child care into the national economic and social development plan and promote it in an overall way.

Social Security Administration – China

State Council vows better services for the elderly

The General Office of the State Council issued a circular on 24 November 2020, calling on efforts to meet the demands of the elderly while promoting a smart society. Related departments should reserve traditional service amid their intelligent innovations, and solve problems that elderly people have encountered in using intelligent technologies, according to the circular.

“Internet + Medical Health Services” further promoted

On 4 December 2020, the National Health Commission, the National Healthcare Security Administration (NHSA), and the State Administration of Traditional Chinese Medicine issued a Notice on Further Promoting the "Internet + Medical Health", to continuously promote and further develop good practices of "Internet + medical and health services" emerged during the pandemic period. It promotes integration of online and offline services, optimization of smart medical service processes, and regional information sharing and mutual recognition.

NHSA promotes good practices of medical insurance administration

On 25 December 2020, NHSA announced 44 award-winning cases of medical insurance administration and services. It encourages localities to adapt good practices to local conditions and continuously improve the level of management services.

Local Policies

Guangdong

On 4 November 2020, Guangdong issued the "Guiding Opinions on Further Regulating the Management of Labour Dispatch" to strengthen the management of labour dispatch in the province, standardize labour dispatch, prevent "false outsourcing, real dispatch", and protect legitimate rights and interests of dispatched workers, including their social security rights.

On 26 November 2020, Guangdong issued the "Measures on Investigation and Punishment of Violations of Social Insurance Funds".

On 31 December 2020, Guangdong issued a new policy to extend coverage of work-related injury insurance to 8 specific groups of workers without established labour relations with their work units. Those groups include workers over the legal retirement age, workers who have enjoyed work-related injury insurance benefits grade 1-4, intern, housekeeping workers working through service agencies etc., as well as **platform workers**. Their work units may participate in work injury insurance on a voluntary basis and pay work injury insurance premiums. This policy will be on a trial implementation of 2 years starting from 1 April 2021.

Beijing

Starting from November 2020, social insurance premiums for enterprise employees in Beijing will be collected by the taxation department.

From January 2021, the employer's payment rate for urban employee basic medical insurance in Beijing will be reduced from 10.8% to 9.8%, further reducing the financial burden of employers.

Old-age care workers will enjoy a job allowance of up to 1,500 yuan/month.

Sichuan and Chongqing

On 21 December 2020, Sichuan and Chongqing signed "Cooperation Agreement on Promoting the Coordinated Development of Unemployment Insurance ", establishing the barrier-free unemployment insurance relationship transfer and benefit claims between the two regions.

International Policy

Mexico: Pension reform proposals

The Chamber of Deputies on 9 December 2020 passed a pension reform initiative that would revise provisions of the social security law and retirement savings system. The legislation includes measures that would increase employer and government contributions to provide a guaranteed minimum pension. For instance, there is a provision that would reduce the contribution weeks. Another measure would revise the percentage of the employer contributions. The employee's contribution of 1.125% would remain unchanged.

India broadens protections for workers in the informal economy

On 28 September 2020, India's president approved a law (the Code on Social Security, 2020) that offers new protections for informal-sector workers. The new law mandates that the federal government and state governments introduce social security programs that cover all informal-sector workers, including home-based workers, self-employed persons, gig workers, and platform workers. These programs will be financed by contributions from the federal government, state governments, and, in the case of schemes for gig and platform workers, aggregators. (The law defines an aggregator as “a digital intermediary or a market place for a buyer or user of a service to connect with the seller or the service provider.”)

Germany plans to reform long-term care systems

As long-term care insurance in Germany covers only part of the long-term care costs, a considerable share of the costs often needs to be paid privately (especially in the case of residential care). Against this background, the Federal Minister of Health presented a plan to reform the country's long-term care system.

Malaysia - Social security net vital for p-hailing riders

In a move to offer social security protection to self-employed groups and others, the government has allocated RM24 million in Budget 2021 for contributions to Socso's Employment Injury Scheme. This is set to benefit some 40,000 p-hailing riders (delivery of parcels and food via online applications) and reflected the government's commitment to safeguarding the welfare of all communities, including delivery riders.

Measures by the social insurance fund of the Russian Federation and Germany's social accident insurance fund in the context of COVID-19 pandemic

The Social Insurance Fund in Russia contributes to labour protection, preservation of life and the health of workers. To this end, it introduced support for employers to meet safety requirements, sanitary and hygienic standards and to preserve lives and health of workers during COVID-19 pandemic. In Germany, social accident insurance institutions have provided businesses and educational institutions with information and instruments relating to the pandemic and infection control. Access articles pages of Forum News N 53 12/2020, of European Forum against accidents and diseases at work, page 15 & 18 here.

Statistics

China

China Ministry of Civil Affairs: poor people covered by social assistance measures

According to the Press Conference held by the State Council Information Office on 23 November 2020, a total of 20.04 million registered poverty-stricken people across the country were included in the scope of assistance and support for people living under the minimum living standard or extremely poor. Among them, 18.52 million were included in the minimum living allowance and 1.52 million were included in the assistance of the extremely poor. The living allowance for the disabled and the nursing subsidy system for the severely disabled have benefited 11.53 million and 14.33

million disabled persons respectively.

Guangdong: better statistics on flexible employment

Guangdong province vows to improve the flexible employment statistics system and include flexible employment personnel into the statistical categories of urban new employment, unemployment and reemployment, etc., to provide support for the government to grasp the social employment and unemployment situation and better serve flexible employees.

Brazil surveyed monthly the impact of emergency social protection programs poverty

Brazilian Institute of Geography and Statistics (IBGE) began to hold a monthly special edition of the National Household Sample Survey, Pnad Covid, to assess the impacts of the pandemic on the population. Extreme poverty reached 2.3% of the population in August, or 4.8 million people. Since the aid ended it should be between 10% and 15% [21 million to 31.6 million people]. In relation to all those who are below the poverty line, the country registered 18.4% in August, or 38.9 million people, a historic low, and since the aid ended this raised to 25% and 30% [52.7 million to 63.3 million people].

Employment and Social Developments in Europe, Quarterly Review December 2020

The Employment and Social Developments Quarterly Review provides an in-depth description of recent labour market and social developments.

Publications

ILO 2021 Towards Solid Social Protection Floors? The Role of Non-Contributory Provision during the COVID-19 Crisis and Beyond, Social Protection Spotlight.

ILO 2021 Working from Home: From Invisibility to Decent Work

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Chen, L., Zhang, L. and Xu, X. Review of evolution of the public long-term care insurance system in different countries: influence and challenge. *BMC Health Serv Res* 20, 1057 (2020).

Eurofound 2020, New forms of employment: 2020 update, New forms of employment series, Publications Office of the European Union, Luxembourg.

Eurofound 2020, Database on new initiatives on platform work, Social Protection

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Zhanlian F, Glinskaya, E Chen H, Gong S, Qiu Y, Xu,J and Yip W. 2020. Long-term care system for older adults in China: policy landscape, challenges, and future prospects. *The Lancet* 396: 1362–1372.
Authors' interview

OECD 2020 Pensions Outlook (Published December 2020)

Video/Podcast

ILO Asia-Pacific Employment and Social Outlook 2020

UN Special Rapporteur on extreme poverty: 'We need to build back better'

Olivier De Schutter, the UN Special Rapporteur on extreme poverty and human rights, speaks to FRANCE 24 about the worrying impact of the COVID-19 pandemic on poverty and social protection systems. France 24.

World Press Review (including China)

China studies taxing large digital commerce industries

China is looking for ways to more effectively tax domestic e-commerce firms like Alibaba, Tencent and Didi Chuxing. In 2019, the nation's digital economy revenue accounted for 36% of China's GDP, according to the China Academy of Information and Communications Technology. Yao Qian, the chief of the science and technology supervision bureau of the China Securities Regulatory Commission (CSRC), said China should consider imposing a digital tax on tech companies to enable citizen-users to share the benefits they helped create for the internet platforms they use. (Source: Caixin)

Chile: Pension funds face existential crisis

Investor fears intensify that the model is disintegrating after congress approves second round of saver withdrawals. Financial Times. 15 November 2020.

Main sources

International Update Recent Developments in Foreign Private & Public Pensions, Social Security & Retirement https://www.ssa.gov/policy/docs/progdesc/intl_update/2020-11/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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