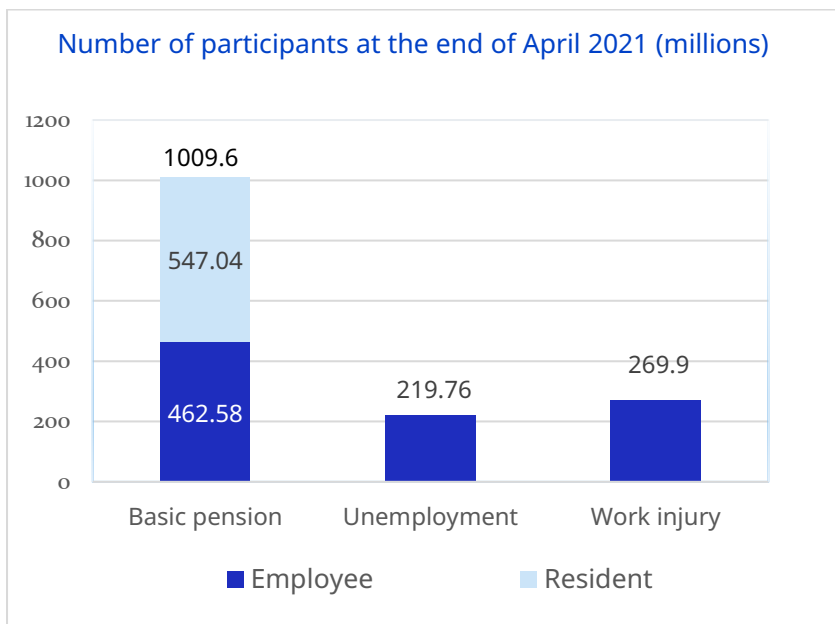


Social Security Policy Monitor China

April – June 2021, Issue 7

China Social Security Barometer



By the end of 2020

- ▶ The number of participants in the basic medical insurance for employees continued to increase, and flexible workers accounted for 13.8%.
- ▶ The number of participants in maternity insurance increased 10% over the previous year. The per capita expenses on maternity benefits was 21,973 yuan.
- ▶ More than 100 million participants enrolled in the long-term care insurance.

Statistics 2020 from NHSA

Statistics 2021 from [MOHRSS](#)

Policy – China

Establishing a mutual assistance mechanism for employee medical insurance

In April 2021, the State Council issued [Guiding Opinions](#) for establishing and improving a mutual assistance mechanism for outpatient expenses under employee medical insurance. The Opinions put forward specific measures from [five aspects](#). The scope of the use of personal accounts of employees is expanded to allow the use by their family members for outpatient expenses. Using personal accounts for paying contributions of basic medical insurance for urban and rural residents for family members can also be explored.

Increase in basic pension benefit in 2021

According to [MOHRSS](#), the basic pension benefits for retirees from enterprises, government agencies and institutions continues to increase by 4.5% in 2021, starting from 1 January 2021.

Key tasks for new-type urbanization and urban-rural integration development

In April 2021, the National Development and Reform Commission issued a [document](#) clarifying key

tasks for new-type urbanization and urban-rural integration development. Cities that implement a point-based household registration system shall ensure that the period of social insurance contributions and the period of residence account for the main proportion in scoring. It also promotes mutual recognition of the cumulative years of social insurance contribution and residence in urban agglomerations.

Extension of implementation of the policy for stabilizing and expanding employment

In May 2021, MOHRSS and other relevant departments jointly issued a policy to extend the implementation of the policy for stabilizing and expanding employment until the end of 2021. It will continue to refund unemployment insurance premiums to support employment. Up to 30% of the unemployment insurance premiums paid in the previous year will be refunded to eligible large enterprises, and up to 60% for small and medium sized enterprises. For enterprises that employ key groups (unemployed etc.), tax reductions and exemptions, and social insurance subsidies etc. will be granted.

Flexible employment gains further support

According to the State Council, China currently has 200 million people in flexible employment. In May 2021, the State Council determined measures to further support flexible employment. Measures include removing household registration restrictions for flexible workers to participate in social insurance in the place of employment; carrying out pilots of occupational injury protection for platform workers, defining responsibilities of platform companies, and exploring a mechanism that employers purchase commercial insurance for platform workers, insurance companies make appropriate profit concession and the government increases support.

Commercial pension insurance pilots launched

According to the China Banking and Insurance Regulatory Commission, starting from 1 June 2021, a pilot commercial pension insurance program will be launched in Zhejiang Province and Chongqing Municipality. The piloting period is tentatively set for one year. Pilot insurance companies in the list (six companies) are encouraged to innovate and develop commercial pension insurance products that are simple for enrolment, flexible in payment and stable in return. It also requests insurance companies to explore services oriented to flexible workers including those engaged in new forms of businesses and allow employers to pay premiums for those workers.

The per capita financial subsidy standard for resident medical insurance increased

According to a joint Notice issued by the National Healthcare Security Administration (NHSA), the Ministry of Finance and the State Taxation Administration, the per capita financial subsidy standard for resident medical insurance has been increased by 30 yuan, reaching 580 yuan per person per year. The new measure aims to improve the level of medical insurance benefits for residents, expand the coverage of medical expenses, and the level of financing.

Social Security Administration – China

Direct settlement of outpatient expenses across provinces accelerated

In May 2021, NHSA and the Ministry of Finance in a joint Notice clarified the goals and seven key tasks for promoting direct settlement of outpatient expenses across provinces in the next two years.

Local policies

Measure for flexible workers to participate in employee basic pension insurance implemented in Guangdong

Since 1 May 2021, a new measure has been implemented in Guangdong to promote participation of flexible workers in basic pension insurance for employees. Flexible workers can participate on a voluntary basis and pay for the insurance contributions. The measure fully removes household registration restriction for flexible workers' insurance participation. It also allows flexible workers to apply to local tax authorities for insurance participation. The measure covers all kinds of flexible workers within the legal working age, including platform workers.

Unemployment insurance policy unified for urban and rural workers in Beijing

Since 1 May 2021, Beijing has unified unemployment insurance policy for urban and rural workers. Migrant workers and urban employees equally pay unemployment insurance contributions and enjoy insurance benefits. The policy unifies insurance payment, benefit level, calculation of contribution period and strengthens services to ensure that unemployed migrant workers can enjoy unemployment insurance benefit. With the new policy, the previous one-off lump sum living subsidy policy for migrant workers ceased implementation.

European Policy

Council adopts European Child Guarantee

4/06/2021 The Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) has adopted the Commission proposal on establishing a European Child Guarantee. The objective of the European Child Guarantee is to prevent and combat social exclusion by guaranteeing the access of children in need – persons under the age of 18 years who are at risk of poverty or social exclusion – to a set of key services: early childhood education and care, education, healthcare, nutrition and housing.

Protecting people working through platforms: Commission launches second-stage consultation of social partners

European Commission launches the second-stage consultation of European social partners on how to improve the working conditions for people working through digital labour platforms. This follows the first-stage consultation, which was open from 24 February to 7 April 2021, to which the Commission received replies from 14 EU-wide social partners. Based on the replies received, the Commission concluded that there is a need for further EU action to ensure basic labour standards and rights to people working through platforms.

International Policy

Spain approves landmark law recognizing food-delivery riders as employees

In May 2021, the Spanish Cabinet approved a new royal decree that recognizes food-delivery riders from digital platforms, such as Glovo and Just Eat, as employees and not self-employed workers.

Indonesia's new unemployment scheme

Law GR 37/2021 introduces the country's first ever unemployment benefit program, which provides cash stipends and training to the unemployed. To be eligible, participants must have participated in

the government's social security programs the Social Security Administrator for Health (BPJS Kesehatan) for healthcare and the Workers Social Security (BPJS Ketenagakerjaan) for pensions.

Bangladesh new employee injury insurance program

The new Employee Injury Insurance (EII) trial program starting in August 2021 is the first formalised and structured injury protection and compensation scheme for garment workers in Bangladesh. It enjoys strong backing from the International Labour Organization (ILO) and international development agencies, as well as other local and international stakeholders.

Malaysia: 104,000 domestic helpers to benefit from extended social security coverage

A total of 104,000 domestic helpers are expected to benefit from the extended social security coverage under the Employees Social Security Act 1969 (Act 4) and the Employment Insurance System Act 2017 (Act 800).

Poland approved draft law eliminating second-pillar individual accounts

On 2 March 2021, the Polish cabinet approved a draft law that would eliminate the second pillar of privately managed individual accounts and transfer 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).

The Austrian parliament protects employees working from home

March 2021, new regulation provides for greater legal certainty for employees working from home. In addition, it contains new specific regulations in the areas of labour law, social insurance and tax rules.

Portuguese government is preparing a labour legal framework for platform workers

The framework is expected to provide platform workers with basic rights and increased social protection. The proposal was submitted to the social partners on 31 March 2021.

Statistics

The seventh census data released in China

In May 2021, the National Bureau of Statistics released the results of the seventh national census. China's population has increased to 141,178 million, continued to maintain a low-speed growth in the past ten years. The population aged 60 and above accounted for 18.7%, an increase of 5.44% over 2010. Both the number and proportion of the working-age population (aged 16-59) have declined. The dependency ration rose to 45.9%, an increase of 11.7% over 2010.

March 2021 edition of the Employment and Social Developments in Europe (ESDE) Quarterly Review

The thematic focus of the review is on the impact of the COVID-19 pandemic on the self-employed. The review shows that this group has experienced a strong reduction of their working time and more severe income losses than employees in most member states. National social protection systems

typically provide lower coverage and compensation for the self-employed.

Publications

ITUC 2021 [Investments in social protection and their impacts on economic growth](#)

ILO 2021 [Building social protection systems: international standards and human rights instruments](#)

ILO 2021 [Tripartite round table on pension trends and reforms](#)

EU 2021 [Pension Adequacy Report](#)

EU 2021 [Long-term Care Report](#)

CEPS 2021 [Digital Labour Platforms in the EU](#)

Podcast and Blog

UK Department of Work and Pensions: [Digital innovation at the UK's largest government department](#)

Garben S 2021 ['Old' rules and protections for the 'new' world of work](#)

Miller 2021 [SSA's disability case app modernization serving as building block to future transformation](#)

Main Sources


[EU Employment and Social Affairs](#)

[Eurofound Platform Economy Database](#)

[International Update Recent Developments in US Social Security Administration](#)

[ILO Social Protection](#)

[International Social Security Association Monitor](#)



The Social Security Policy Monitor is produced under the [EU-China project "Improving China's institutional capacity towards universal social protection"](#). The contents of this publication do not necessarily reflect the opinion of the European Union.



Funded by the European Union