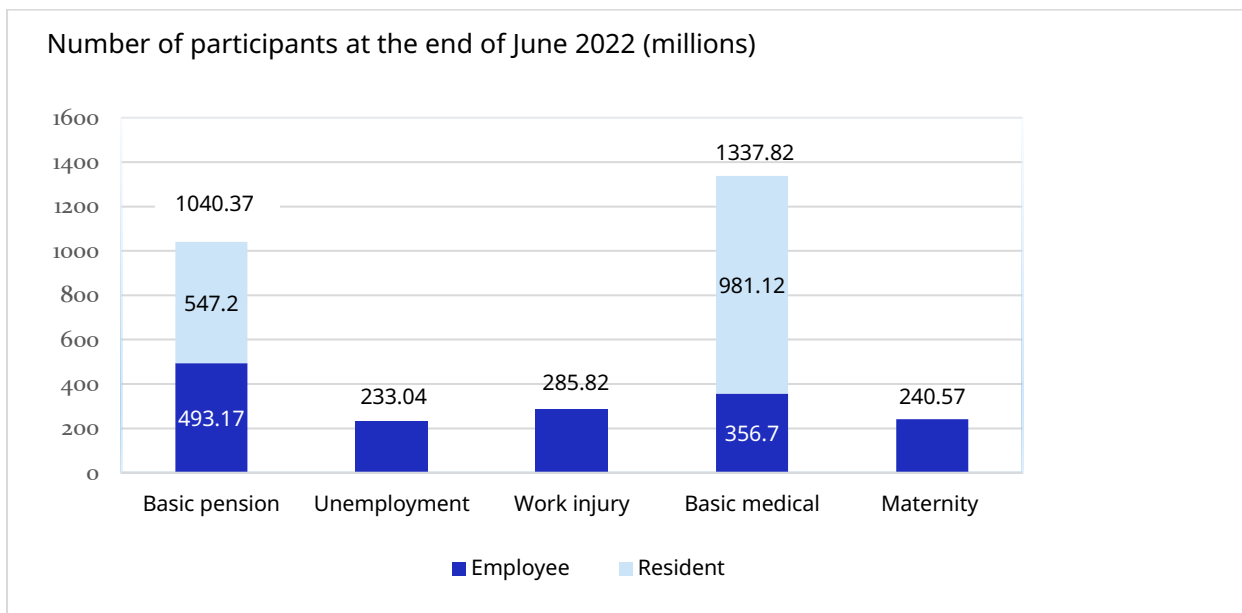


# Social Security Policy Monitor China

## May – August 2022, Issue 11

### China Social Security Barometer



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

## Policy – China

### China continues to raise basic pensions for retirees

On 16 May 2022, the Ministry of Human Resources and Social Security (MOHRSS) and the Ministry of Finance (MOF) jointly issued a [Circular](#) to adjust the basic pensions of retirees. The average monthly payment for pensioners of enterprises, government agencies and public institutions will be lifted by 4 percent from the 2021 level. Read [more](#).

### China further expands the policy for deferred payment of social insurance contributions

On 31 May 2022, four departments including MOHRSS jointly issued a [Circular](#) to expand the policy coverage for deferred payment of employers' contributions for pension, unemployment and work injury insurances. On the basis of 5 extremely difficult sectors (catering, tourism etc.), 17 sectors are added including automobile manufacturing. The Circular also increases support for the return of unemployment insurance contributions to stabilize jobs and simplifies the declaration process for enterprises. Read [more](#).

On 2 July, the National Healthcare Security Administration (NHSA) together with other departments, issued a [Circular](#) to implement a phased deferral of employers' contributions for basic medical insurance for employees,

benefiting small and medium sized enterprises.

According to MOHRSS, in the first half of 2022, unemployment insurance contributions of 71.5 billion yuan were reduced or deferred. A total of 33.1 billion yuan was returned to 5.84 million enterprises nationwide for stabilizing jobs. Unemployment insurance benefits of 40.2 billion yuan were paid to 6.2 million unemployed people. Since the beginning of 2022, unemployment insurance has a new subsidy policy for job retention to support all insured enterprises in the medium-and high-risk epidemic regions and in five extremely difficult sectors. 8.7 billion yuan were paid to 1.95 million enterprises. Read [more](#).

### **China promotes unblocked access to unemployment insurance benefits**

On 30 June 2022, MOHRSS issued a [Circular](#) to require all localities to establish an information push mechanism to inform insured persons of application channels for unemployment insurance benefits. It also requests to establish a direct delivery mechanism of benefits without application according to the evolving epidemic situation, improve the timely response to the applications and convenience of services. The unemployed persons can claim benefits only with their ID cards or social security cards. For those unemployed who engage in flexible employment during the period of receiving unemployment insurance benefits, the benefits shall not be suspended.

### **Unemployment insurance promotes the employment of college students**

On 25 July 2022, MOHRSS, the Ministry of Education and the MOF jointly issued a [Circular](#) to give full play to unemployment insurance to encourage enterprises to recruit college graduates. For each eligible college student recruited, enterprises will receive a lumpsum job expansion subsidy (up to 1,500 yuan) per person. The policy will be implemented until the end of 2022.

### **China starts a pilot program to encourage personal deposits for retirement planning**

To further expand the supply of financial products and meet diversified demand for old-age provision, the China Banking and Insurance Regulatory Commission and the People's Bank of China launched a [Pilot Program of Retirement Savings Products](#). Starting from 20 November 2022, four large State-owned banks, namely Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China, and Bank of China, will carry out the pilot program for a year in Hefei, Anhui province, Guangzhou, Guangdong province, Chengdu, Sichuan province, Xi'an, Shaanxi province, and Qingdao, Shandong province. The cap on such deposits is 10 billion yuan (\$1.48 billion) for each bank. Read [more](#).

### **China raises financing standards for medical insurance for urban and rural residents**

On 8 July 2022, NHSA, MOF and the State Administration of Taxation issued a [Circular](#) to require all levels of government to continue to increase the subsidies for residents' medical insurance contributions. The per capita subsidy is increased by 30 yuan, reaching no less than 610 yuan per person per year. Individual contribution amount is also increased by 30 yuan, reaching 350 yuan per person per year. The central government will continue to provide tiered subsidies to local governments. It requires localities to remove the restrictions on household registration for people with flexible employment such as in new forms of employment; rationally increase the level of maternity medical benefits to support the three-child policy, etc. Read [more](#).

### **China unveils active fertility support measures**

On 17 August 2022, the National Health Commission and other departments jointly released the [Guidelines](#) for implementing a range of active fertility support measures including finance, taxation, social insurance, education, housing and employment. In terms of maternity insurance, it is proposed that where conditions permit, flexible workers who have participated in basic medical insurance for employees can simultaneously participate in maternity insurance; unemployed women can enjoy maternity medical benefits by participating in basic medical insurance for urban and rural residents. For those unemployed persons who are receiving

unemployment insurance benefits, the unemployment insurance fund should pay their medical insurance contributions (including maternity insurance contributions). Read [more](#).

### **China provides temporary living subsidies to support people in need**

On 2 June 2022, the Ministry of Civil Affairs and MOF released a [Circular](#) to provide a lumpsum living subsidy to people in extreme difficulty. For those migrant workers who are not covered by unemployment insurance nor by minimum living allowance (*Dibao*), if they are unable to return to work due to the epidemic and have no source of income for three consecutive months, they will receive a lumpsum temporary assistance subsidy upon application.

## **Social Security Administration – China**

### **China furthers the work on cross-region direct settlement of medical insurance benefits**

By the end of April 2022, 74 regions (social pooling units) across China have launched a pilot program for cross-region direct settlement of outpatient expenses for five types of chronic and special diseases. Read [more](#).

On 27 July 2022, NHSA and MOF issued further [guidelines](#) to address the major challenges of cross-region medical filing, settlement and coordination. Read [more](#).

### **Local policies**

#### **Beijing defers payments of pension insurance contributions for the self-employed and flexible workers**

On 13 May 2022, Beijing Municipal Social Insurance Fund Management Centre released a [Circular](#) to allow the self-employed and the workers in flexible employment to apply for deferred payments of basic pension insurance contributions in 2022 if needed. Applications for deferment and resumption of payment can be processed online. Read [more](#).

#### **Jiangxi unified the funeral subsidy for participants of pension insurance for urban and rural residents**

Jiangxi Province adopted a unified approach to funeral subsidies for participants of urban and rural residents' pension insurance. From 1 July 2022, a lumpsum funeral subsidy of no less than 1,000 yuan will be paid to eligible participants. In addition to those who died during the period of receiving pension benefits, the new policy included those who have paid the contributions for at least five years and died during the period of paying contributions. Read [more](#).

## **European Policy**

### **Innovative forms of work and labour market adaptability: European member states set the directive on transparent and predictable working conditions in their national law**

EU Member States were given the deadline of 1 August 2022 to transpose the [Directive on transparent and predictable working conditions](#) into national law. The Directive provides more extensive and updated labour rights and protection to the 182 million workers in the EU. With the new rules, workers, particularly those in innovative forms of work, have the right to more predictability in their working conditions, for instance regarding assignments and working time. They will also have the right to receive timely and more complete information about the essential aspects of their job, such as place of work, remuneration and social protection. Read [more](#).

### **First results of ESSPASS project to facilitate cross-border verification of social security entitlements in the EU**

The first results of the European Social Security Pass (ESSPASS) pilot project are expected in the course of 2022.

This digital solution was launched by European Commission in 2021 to explore the feasibility of a digital solution to facilitate the cross-border verification of social security coverage and entitlements across EU member states. The solution currently in the pilot phase leverages blockchain technology. The European Commission together with the Member States' national authorities have joined forces to create an EU-wide blockchain platform known as the European Blockchain Services Infrastructure (EBSI). This is a peer-to-peer network of interconnected nodes, each of which is operated by different authorities of the Member States. Based on the results of the first phase, the piloting of other procedures (notably digitalisation of the European Health Insurance Card) is anticipated in 2022/2023. Read [more](#).

## **Policies around the world**

### **Austria: long-term care reform adopted**

On 14 July 2022, a reform of long-term care (LTC) was adopted by parliament. It comprises measures regarding three main areas, namely training of LTC staff, working conditions in LTC, and the financial situation of caring relatives. Read [more](#).

### **Sweden establishes new agency to manage premium pension investment options**

On 20 June 2022, Sweden established a new independent agency - the Fund Selection Agency (Fondtorgsnämnden) - to select and oversee the pension funds that will be available to participants of the country's premium pension program starting in the second half of 2022. Read [more](#). Sweden's public old-age pension system consists of the notional defined contribution (NDC) pension program, the premium pension program, a guaranteed pension program, and social assistance benefits. The premium pension program is a mandatory individual account program that supplements Sweden's NDC pension program covering employed and self-employed persons. Currently, any pension fund that satisfies some basic requirements and is registered with the Swedish Pension Agency can be offered to premium pension participants. Read [more](#).

### **Spain expands measures to protect the most vulnerable**

On 25 June 2022, the Spanish [Council of Ministers](#) approved a €200 subsidy for low incomes, and raised non-contributory pensions by 15% to cushion the effects of the war in Ukraine, rising fuel and food prices and protect the most vulnerable. Read [more](#).

### **UK: Work and Pensions Committee to examine auto-enrolment pension contributions and pensions for gig-economy and self-employed workers**

On 15 June 2022, the Work and Pensions Committee held a session to examine whether the UK's pension system is still fit for purpose, 20 years after the pensions commission was first set up, and to investigate what action is needed to reverse the decline in self-employed pension saving and to ensure auto-enrolment works for employers and workers in the gig economy. Read [more](#). On 26 July, new government [guidance](#) will act as one-stop-shop for individuals and businesses to understand which employment rights apply to the gig economy workers. Read [more](#).

### **UK: Pension funds - Green investments**

The Department for Work and Pensions (DWP) in the United Kingdom is working in partnership with the Behavioural Insights Team (BIT), Aviva, Smart Pension and Hargreaves Lansdown to deliver the "nudges" to more than 160,000 pension scheme members to encourage them to invest in more sustainable pensions or learn more about the sustainability of their pension schemes. The government also announced pension schemes will be required to measure and publish how their investments support the Paris climate change goals from October this year. In 2021, the UK became the first country to legally require pension trustees to assess and publish the financial risks from climate change. Read [more](#).

## Switzerland: Women's retirement age to be voted on

The nation votes in September on reform of the old age security system, raising the retirement age for women from 64 to 65. However, whereas "Old age security 2020" (the last proposal rejected in 2017) proposed long-term compensation for all pensioners, the new proposal "Pensions 21" limits any compensatory measures to just one generation of women. In most of the OECD countries, retirement age is already the same for both sexes. And the retirement age for all is being increased in many countries. Read [more](#).

## Portugal: Digital transition in social security

On 18 June 2022, the Portuguese government adopted CLIC, Social Security's new digital transition program. It forms part of the Government Recovery and Resilience Plan. Read [more](#).

## Publications

Eurofound 2022a [Exploring the social challenges of low carbon energy policies in Europe](#)

Eurofound 2022b [Fifth round of the Living, working and COVID-19 e-survey: Living in a new era of uncertainty](#)

Eurofound 2022c [Reinforcing social dialogue in the context of the move towards the green and digital transitions: Background paper](#)

European Commission 2022 [Thematic paper on "Quality Management in Public Employment Services"](#)

European Parliament 2021 [Improving the working conditions of platform workers - Pre-legislative synthesis of national, regional and local positions on the European Commission's initiative](#)

ILO 2022a [Can collective bargaining deliver decent work in the gig economy? In ILO Social Dialogue Report 2022: Collective bargaining for an inclusive, sustainable and resilient recovery](#)

ILO 2022b [Making the right to social security a reality for domestic workers - A global review of policy trends, statistics and extension strategies](#)

ISSA 2022a [Digital operational resilience: Strategies and approaches to protect social security data and operations](#)

ISSA 2022b [Report on digital inclusion in social security](#)

OECD 2022 [Income support measures in OECD to mitigate the effect of rising fuel and energy costs - Why governments should target support amidst high energy prices](#)

Spasova S, & Regazzoni P 2022 [Income protection for self-employed and non-standard workers during the COVID-19 pandemic](#) (free access) 17 June 2022 International Social Security Review - Wiley Online Library

## Main Sources

[News Archives - Pension Policy International](#)

[EU Employment and Social Affairs](#)

[Eurofound Platform Economy Database](#)

[US Social Security Administration International monitor](#)

[ILO | Social Protection Platform \(social-protection.org\)](#)

[International Social Security Association Monitor](#)

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