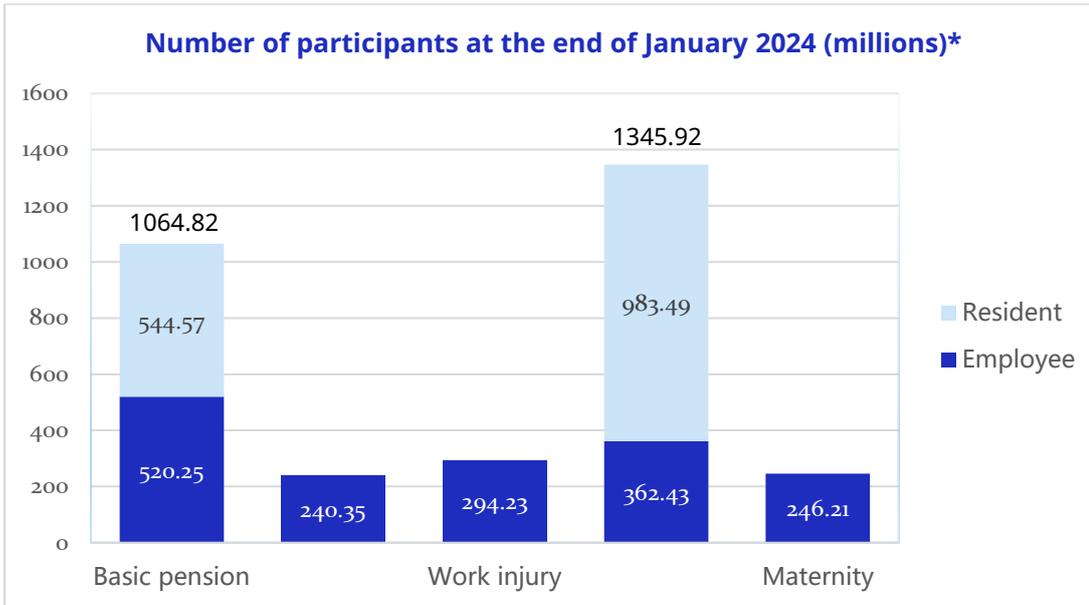




Quarterly Social Security Policy Monitor

Issue 16, January-March 2024

China Social Security Barometer



* Basic medical insurance & maternity insurance data as of the end of December 2022
Latest data available from [MOHRSS](#) and [NHSA](#), 2024

Chinese Social Security Policies

Report on the Work of the Government 2024 proposes priorities in social security

On 5 March 2024, Premier of the State Council Li Qiang delivered a government work report at the second session of the 14th National People's Congress, which proposed the priorities in the domain of social security in 2024. The government will (1) raise the minimum basic old-age benefits for rural and non-working urban residents by 20 yuan per month, continue to increase basic pensions for retirees and improve the unified national management system for basic old-age insurance funds; (2) implement the private pension system nationwide and encourage the development of third-pillar pension plans; (3) promote the establishment of long-term care insurance schemes; and (4) improve maternity support policies, optimize maternity leave system, and improve the mechanism for related cost sharing; among others. [Read more \(in Chinese\)](#)

Trade Union Sector submits a sector proposal to the 14th CPPCC National Committee

On 4 March 2024, Trade Unions Sector submitted a sector proposal entitled *Improve the Quality of Life of Workers, Realizing the Goal of Common Prosperity* to the second session of the 14th CPPCC National Committee. The proposal suggests to (1) build a social security system adapted to the digital economy, and accelerate the digital reform of social insurance administration and management; (2) clarify the liability of payment for social insurance contribution between workers engaged in new forms of employment, flexible workers and employers; (3)

improve the medical insurance system targeting major and critical diseases, as well as the long-term care insurance system; (4) improve the multi-tiered and categorized social assistance system that integrates urban and rural areas; among others. [Read more \(in Chinese\)](#)

Detailed guidance introduced to protect rights of workers engaged in new forms of employment

On 23 February 2024, the Ministry of Human Resources and Social Security (MOHRSS) issued a series of [guidelines](#) for workers engaged in new forms of employment (hereinafter referred to as the workers in NFE). Guideline on rest and remuneration includes workers in NFE in the coverage of the minimum wage. Enterprises and trade unions or representatives of the workers in NFE should negotiate equally to make rules for the calculation of work time and remuneration. It provides specific guidance for enterprises to determine workload and labour intensity. Guideline on publication of work-related rules requires platform companies to improve transparency and fairness when making rules, to secure the workers' rights to information and participation. Guidance on services for safeguarding workers' rights encourages local innovations on the labour-dispute mediation mechanism for new forms of employment. [Read more \(in Chinese\) 1, 2, 3](#)

China issues professional standard for long-term care practitioners

On 2 February 2024, MOHRSS and National Healthcare Security Administration (NHSA) jointly issued a [national professional standard for long-term care practitioners](#), so as to regulate the professional skill levels, training requirements and professional ethics. Up to now, the long-term insurance system has covered 49 pilot cities with 180 million people insured, providing benefits for a total of over 2.35 million people. Long-term care services are available at around eight thousand institutions in the country, with nearly 300 thousand caregivers. [Read more \(in Chinese\)](#)

Nationwide pilot launched on direct settlement of cross-provincial medical expenses for work-related injuries

On 12 January 2024, MOHRSS, Ministry of Finance and National Health Commission jointly issued a [Circular](#) to launch a one-year pilot program of direct settlement of cross-provincial medical expenses for work-related injuries in selected provinces since 1 April 2024. Supported by a national information system for cross-provincial settlement, people with demand in pilot cities can use social security cards or electronic social security cards to directly settle expenses for cross-provincial hospitalization, inpatient rehabilitation and assistive device that are related to work injuries. [Read more \(in Chinese\)](#)

'All-in-one' service of social security card to be rolled out nationwide

On 10 January 2024, MOHRSS issued a [Circular](#) to accelerate the use of social security cards in public services related to livelihoods. It is hoped that by 2025, social security cards can provide all-in-one public services at provincial level and by 2027, the goal of a nationwide use of all-in-one social security cards will be basically realized. [Read more \(in Chinese\)](#)

Coverage of basic medical insurance further promoted to Children

On 2 March 2024, NHSA, Ministry of Education, All-China Women's Federation and other departments jointly issued a Circular of extending the coverage of basic medical insurance to children. The Circular aims to improve the effective coverage of children, with the goal that by the end of 2024, over 80% of newborns will be enrolled in the basic medical insurance in the year of birth. [Read more \(in Chinese\)](#)

Chinese Local Policies and Practices

Zhejiang promotes a unified provincial management system for work-related injury insurance

Zhejiang province started to implement the [a series of measures \(in Chinese\)](#) from 1 January 2024 to enhance a unified provincial administrative system for work-related injury insurance. Zhejiang includes certain groups of people, such as retired workers and interns, in the coverage of work-related injury insurance (despite the absence of employment relationship). [Read more \(in Chinese\)](#)

Zhejiang implements a program for building a multi-tiered long-term care security system

Zhejiang started to implement a [program](#) from 1 January 2024, which aims to build a widespread policy-based long-term care insurance (hereinafter referred to as LTC) scheme that integrates urban and rural areas by 2025; and further, by 2027, basically build a multi-tiered LTC system that will maintain the dominant role of LTC insurance and be supplemented by inclusive commercial care insurance, while encouraging full development and coherence of other commercial care insurances, social assistance and social welfare schemes, so as to reduce burdens on people losing the ability of self-care due to old age, diseases or disability. [Read more \(in Chinese\)](#)

Guangdong continues the implementation of Measures for covering flexible workers in unemployment insurance

Guangdong province continues the implementation of [the Measures](#) for extending unemployment insurance to workers in flexible employment after a two-year trial implementation from 2022 to 2023. Given that MOHRSS is considering the pilot work of covering platform workers in unemployment insurance, Guangdong has modified the Trial Measures and will continue its implementation for another two years. The Measures apply to workers engaged in new forms of employment, including platform workers who have no employment relationship with the platform as well as self-employed business owners (no employee). Flexible workers' participation is on a voluntary basis. [Read more \(in Chinese\)](#)

Chinese Expert Opinions

Zheng Gongcheng: building a unified and equitable basic old-age insurance system governed by the rule of law

Professor Zheng Gongcheng, member of the NPC Standing Committee, President of China Association of Social Security, puts forward four suggestions to the development of private pension scheme in an interview with China 21st Century Business Herald: (1) focus on 'multi-tier' rather than 'multi-pillar', considering policies and practices that promote private pension savings in the construction of a multi-tiered pension system; (2) build a mature basic old age insurance system in line with the principles of unity, equity and the rule of law; (3) run private pension in accordance with market rules; and (4) give particular support to residents who receive extremely low pension (especially farmers) to purchase private pension. [Read more \(in Chinese\)](#)

Jin Weigang: achieving equitable rights, opportunities and rules in medical security

Jin Weigang, Vice President of the Institute of National Institutions of Zhejiang University, suggests that achieving equity in rights, opportunities and rules is key for an equitable medical security system. It is required to consolidate and promote the universal coverage of medical security and improve the effective coverage; strengthen financing mechanism and equity of benefit guarantee mechanism; and gradually narrow the gaps among various medical security schemes, groups of population and regions. Specifically: promoting legal and equitable access to medical security for all, advancing the pooling of basic medical insurance funds, improving the financing mechanism, establishing appropriate determination and adjustment mechanisms of benefits, and

strengthening the medical security public service system. [Read more \(in Chinese\)](#)

Zhang Jun calls for introducing China's 'Family Income Multiplier Program'

Professor Zhang Jun, Vice President of Fudan Development Institute, suggests the government to launch, from 2024 on, large-scaled supportive programs that will improve the family income. Measures include increasing allocation of financial expenditure to support middle- and low-income families, substantially increasing the transfer payment for families on childcare services, basic education and health services. In addition, the 'Multiplier' program should cover rural areas, to, in particular, double or quadruple basic pension for the elderly in more than 6 million rural families. The program will effectively relieve the increasing tendency of preventative savings in families, which is crucial to ensure the recovery and sustainable growth of household consumption expenditure. [Read more \(in Chinese\)](#)

Guan Xinping: analysis on the route to high-quality development of social assistance

Professor Guan Xinping, Director of the Institute of Social Construction and Management at Nankai University, in a recent article mentioned that China's economic and social development goals and environment have changed considerably, and that the social assistance system is confronted with multiple challenges including preventing the return to poverty and addressing relative poverty, population aging, the pursuit of common prosperity, and a significant increase of unstable and uncertain factors. Moving forward high-quality development of social assistance requires a reasonable coverage and a comprehensive assistance system, as well as an appropriate level of assistance and targeted assistance efforts. [Read more \(in Chinese\)](#)

European Policies

Council of the EU confirms agreement on new rules to improve working conditions for platform workers

On 11 March 2023, EU employment and social affairs ministers confirmed the [provisional agreement](#) reached on 8 February 2024 between the Council's presidency and the European Parliament's negotiators on the platform directive. This EU legal act aims to improve working conditions and regulate the use of algorithms by digital labour platforms. The Directive will help correctly determine the employment status of persons working for platforms, enabling them to benefit from any labour rights they are entitled to.

The agreed text strikes a balance between respecting national labour systems and ensuring minimum standards of protection for the more than 28 million persons working in digital labour platforms across the EU. Member states will establish a legal presumption of employment in their legal systems, to be triggered when facts indicating control and direction are found. Those facts will be determined according to national law and collective agreements, while taking into account EU case-law. Persons working in digital platforms, their representatives or national authorities may invoke this legal presumption and claim they are misclassified. It is up to the digital platform to prove that there is no employment relationship.

The text of the agreement will now be finalised in all the official languages and formally adopted by both institutions. After the formal steps of the adoption have been completed, member states will have two years to incorporate the provisions of the Directive into their national legislation.

Read [more](#).

Latest update of the MISSOC information on national social protection systems now available

MISSOC, the Mutual Information System on Social Protection, has released its biannual update of the information on social protection systems in all EU countries, Iceland, Liechtenstein, Norway and Switzerland. Access to the database is free and open to all. To facilitate comparison, the [information on the self-employed](#) is progressively being integrated into the [comparative database](#). Read [more](#).

Commission welcomes political agreement on European Disability and Parking Cards

On 8 February 2024, the European Commission welcomes the political agreement reached between the European Parliament and the EU Member States on the Directive establishing the European Disability Card and the European Parking Card for persons with disabilities. The Directive was [proposed by the Commission](#) in September 2023, to ensure easier recognition of disability status and equal access to special conditions and preferential treatment across the EU, during short-term stays in other EU countries. Read [more](#).

The European Child Guarantee has a new monitoring framework

The European Child Guarantee, the first EU-level policy addressing childhood challenges and exclusion, has a new monitoring framework. This will be a helpful tool to examine the access of children to early childhood education, regular school-based activities, nutrition at school, healthcare, and adequate housing. Read [more](#).

Policies around the World

Australia increases work incentives for most old-age pensioners

On 1 January 2024, Australia's government amended its Work Bonus policy to encourage retirement-age recipients of means-tested pensions to work more. The Work Bonus incentivizes work by increasing the amount that pensioners who have reached the normal retirement age (currently 67) can earn without affecting their means-tested benefits, including the Age Pension received by around 58 percent of Australians aged 65 or older. Under the policy, the first A\$300 (US\$196) of pensioners' biweekly incomes from employment or self-employment are exempted from pension income tests, and unused portions of the biweekly exemption accrue in a Work Bonus Income Bank for later use. The new amendment raises the maximum amount that can accrue in each pensioner's income bank from A\$7,800 (US\$5,083) to A\$11,800 (US\$7,690) and introduces a starting balance of A\$4,000 (US\$2,607) for all new eligible pensioners. Read [more](#).

Austria increased deferred retirement incentives

On 1 January 2024, Austria's government implemented two reforms to the country's social insurance pension program to encourage older Austrians to defer claiming old-age pensions and remain in the workforce longer. The first reform increases the pension bonus for each year of pension deferral after the normal retirement age (60.5 for women and 65 for men) from 4.2 percent to 5.1 percent, with a maximum bonus of 15.3 percent for 3 years of deferral. Under the second reform, retirement-age individuals who defer claiming old-age pensions and continue working are exempt from paying pension contributions on the first €1,037 (US\$1,146) of earnings each month for up to 2 years. (Employers must still pay pension contributions on these earnings.) These deferred retirement changes coincide with the start of the gradual increase in the women's retirement age from 60 to 65 (the current retirement age for men) by 2033. Read [more](#).

Ireland begins implementing State Pension changes

On 1 January 2024, Ireland's government began implementing changes to the country's contributory State Pension program that include introducing deferred retirement incentives, establishing contribution credits for long-term caregivers, raising contribution rates, and phasing in a total contributions approach to pension entitlement. The changes are intended to improve the financial sustainability of the contributory State Pension program and make it fairer and more flexible for workers with longer careers. Before the changes were implemented, an actuarial review projected that the social insurance fund used to finance the State Pension and other public benefits would have a deficit by 2035 and be depleted by 2045. Read [more](#).

United States amends the Fair Labor Standards Act to address employment status of platform workers

On 10 January 2024, the U.S. Department of Labor published a final rule [Employee or Independent Contractor Classification Under the Fair Labor Standards Act](#), effective 11 March 2024, revising the Department's guidance

on how to analyse who is an employee or independent contractor under the Fair Labor Standards Act (FLSA). Read [more](#).

This 2024 rule repeals the 2021 worker classification rule, which focused on two core factors for worker classification, the type and extent of control over the relevant task, as well as the possibility of profit or loss for an individual. The new revision contains six factors to examine the entirety of the relationship's conditions, with all factors weighing equally, which allow for a more comprehensive evaluation and shift the focus thereof. When it comes to platform work in particular, the Department of Labor emphasises the importance of economic dependence of workers. The Department explicitly states that, even if an individual worker has the ability to perform work for multiple platforms, this does not erase the economic dependence platform workers have on their work, nor does it mean that the performed work is subject to a lower degree of control. Read [more](#).

Employment relationship between platform worker and platform recognized in Portugal

On 1 February 2024, the Lisbon Labour Court has found the existence of an employment relationship between a platform worker and a platform (Uber Eats courier and the platform) in Portugal. This court decision constitutes a landmark ruling because this is the first time an employment relationship between a digital platform and a platform worker has been recognised in Portugal. The court has made its decision based on the amendment of the Portuguese Labour Code under the "Decent Work Agenda Law" which has entered into force on 1 May 2023. The reasons behind the court decision include that the platform controls the activity of workers, has the ability to restrict the extent to which workers can accept or refuse orders, and sets the remuneration for the trips carried out by workers. Read [more](#).

Court ruling in Spain obliges Stuart to pay 237,000 euros for riders falsely declared as self-employed

The Social Court number 18 of Barcelona has ruled on 6 February 2024 that the home delivery company Stuart must pay 237,000 Euros for 108 of its riders in order to respect social security contributions to the Treasury of Social Security. The ruling refers to the time period from 2016 to 2019, during which [Rider's Law](#) had not yet entered into force in Spain. The court has found that the 108 riders were wrongly classified as self-employed, while they should have been members of staff. The reason behind the decision of the court is the dependency it has found between the riders and Stuart. Read [more](#).

Court ruling in Netherlands: online supermarket platform workers are covered by the supermarket collective agreement

On 28 February 2024, a court in Utrecht has ruled that workers on digital platforms such as Getir or Flink are covered by the collective agreement for the supermarket sector. The court decision affects digital platforms that provide supermarket deliveries, in particular Getir, Flink, Picnic and Gorillas. The court has found that riders and drivers carrying out deliveries for these online supermarkets as well as store pickers are covered by the sector-level supermarket collective labour agreement, and not the e-commerce collective labour agreement, as the platforms have argued. The court argues that the differences between the business models of these online supermarkets are too slim in comparison to those of other supermarkets to consider them separately. Thus, additional benefits such as evening or Sunday allowances now apply to the workers. Read [more](#).

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