

China

Exchange rate: U.S.\$1.00 equals 8.27 yuan.

Qualifying Conditions

Old-age pension (basic pension insurance and individual pension account): Age 60 (men) or age 60 (professional women), age 55 (nonprofessional salaried women), or age 50 (other categories of women).

If employed in arduous or unhealthy work, age 55 (men) and age 45 (women) with at least 15 years of coverage.

Early retirement: Age 50 (men) or age 45 (women) with 10 years of coverage and if totally disabled.

Disability pension: Total incapacity for work and ineligible for early retirement.

Survivor grant: Deceased was in covered employment or a pensioner.

Old-Age Benefits

Basic pension (central government guidelines): 20% of the citywide or countywide average wage of the preceding year if the enterprise is participating in city/county retirement pension pools.

None if less than 15 years of coverage.

Individual pension account (central government guidelines):

Monthly benefits equal to 1/120 of total employer and employee contributions plus interest, applicable to workers employed after the establishment of individual pension accounts (transition arrangements are provided by local governments for workers whose employment began before the introduction of individual accounts and ended after). Benefits paid beyond 120 months will be paid out of a reserve fund from balances of employer contributions to individual accounts closed upon the death of the account holders (see individual pension accounts under survivor benefits, below).

Lump-sum pension: A lump sum equal to the account balance is paid for less than 15 years of contributions.

The minimum pension is set by provincial and city/county governments according to local standards of living.

Permanent Disability Benefits

Basic pension (central government guidelines): 40% of wage.

The minimum pension is set by provincial and city/county governments according to local standards of living.

Individual pension account (central government guidelines): None. Regulations by local governments vary.

Survivor Benefits

Basic pension (central government guidelines): A lump sum of between 6 and 12 months of the insured's wage, according to the number of surviving dependents.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1951.

Current law and directives: 1953 (law) and 1978, 1995, 1997, and 1999 (directives).

Type of program: Local government social insurance (basic pension) and individual pension accounts systems. (Provincial and city/county social insurance agencies and employers adapt central government guidelines to local conditions.)

Coverage

Employees in state-run enterprises.

Collective, private, and foreign-invested enterprises (Chinese nationals only) and/or the self-employed may provide similar or separate programs, depending on local government regulations.

Employees of government and communist party organizations and of cultural, educational, and scientific institutions (except for off-budget financed institutions) are covered under a government-funded employer-administered system.

Source of Funds

Insured person

Basic pension insurance: None, or as determined by local government regulations.

Individual pension account: 8% of taxable wage.

Employer

Basic pension insurance: An average 20% of payroll, depending on local government regulations, if participating in city/county retirement pension pools.

Nonparticipating enterprises: Total cost.

Individual pension account: 3% of taxable wage.

Government

Basic pension insurance: Central and local government subsidies as needed.

Individual pension account: Central and local government subsidies as needed.

Funeral grant

Death of the insured: A lump sum equal to 2 months' average earnings of all the employees in the same enterprise.

Death of dependent immediate family members: From 1/3 to 1/2 of the monthly average wage, depending on the age of the deceased.

Individual pension account (central government guidelines): A lump sum equal to the balance of the insured's total contributions to the account plus interest, payable to the insured's legal heir.

Administrative Organization

Ministry of Labor and Social Security, Department of Pensions, provides general guidance.

Provincial or city/county social insurance agencies administer their respective retirement pension pools and individual pension accounts.

Sickness and Maternity

Regulatory Framework

First law: 1951.

Current law and directives: 1953 (law) and 1978 (directives for permanent employees), 1986 (directives for contract workers), 1988 and 1994 (directives for women employees), and 1998 (law).

Type of program: Local government social insurance (medical fund pools) and/or employer-provided (medical savings accounts) programs.

Local governments and employers adapt central government guidelines to local conditions.

Coverage

Permanent and contract employees in state-run enterprises and some collective enterprises.

Employees of government and communist party organizations; employees of cultural, educational, and scientific institutions (except for off-budget financed institutions); and university students are covered under government-funded and employer-administered programs.

Source of Funds

Insured person: Up to 2% of wages.

Employer: An average 6% of total payroll (may or may not include nonwage subsidies), depending on funding needs or local government regulations (if local government fund-pooling is available and if enterprises are participating).

Nonparticipating enterprises: Total cost.

Government: Central and local government subsidies as needed.

Qualifying Conditions

Sickness, maternity, and medical benefits: There is no minimum qualifying period.

Sickness and Maternity Benefits

Sickness benefit (central government guidelines for permanent workers): 60% to 100% of wage, according to the length of service, payable by the employer for up to 6 months each year; thereafter, 40% to 60% is payable by the employer until recovery or the determination of permanent disability.

Contract workers receive the same benefits as permanent workers.

Maternity benefit (central government guidelines for permanent workers): 100% of earnings, payable by the employer for up to 90 days for childbirth; 100% of earnings is payable for up to 42 days in cases of abortion.

Contract workers receive the same benefits as permanent workers.

Workers' Medical Benefits

Medical benefits (central government guidelines for permanent workers): Medical services are provided by an employer's clinic or hospital or paid for directly by the employer. Benefits include treatment by a doctor, maternity care, hospitalization, and the full cost of surgery and ordinary medicines.

Employees pay a registration fee for outpatient and inpatient care, house calls, and boarding costs if hospitalized.

Additional employee copayments may also apply, varying according to individual enterprises or local government regulations (for participating enterprises in local government medical care insurance pools).

Contract workers receive the same benefits as permanent workers.

Dependents' Medical Benefits

Medical benefits for dependents (central government guidelines for permanent workers): Treatment by a doctor in an employer's clinic, and 50% of the cost of surgery and ordinary medicines, if dependents are not otherwise covered. Additional patient copayments may also apply, varying according to individual enterprises or local government regulations (for participating enterprises in local government medical care insurance pools).

Dependents of contract workers receive the same benefits.

Administrative Organization

Ministry of Labor and Social Security, Department of Medical Care Insurance, provides general guidance to local governments' experimental medical insurance programs.

Local government social insurance agencies and participating enterprises administer medical care insurance with pooled funds.

Ministry of Public Health provides general guidance to medical care providers.

Individual state-run enterprises administer cash benefit programs.

Work Injury

Regulatory Framework

First law: 1951.

Current law and directives: 1953 (law) and 1978 (permanent employees directive) and 1986 (contract workers directive).

Type of program: Local government social insurance (work injury fund pools) and/or employer-provided (medical savings accounts) programs.

Local governments and employers adapt central government guidelines to local conditions.

Coverage

Employees in state-run enterprises and some collective enterprises.

Employees of government and communist party organizations; employees of cultural, educational, and scientific institutions (except for off-budget financed institutions); and university students are covered under government-funded and employer-administered programs.

Source of Funds

Insured person: None.

Employer: Enterprises participating in local government work injury fund pooling, average 1% of payroll.

Nonparticipating enterprises: Total cost.

Government: Central and local government subsidies as needed.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit (central government guidelines): 100% of wage until recovery or the determination of permanent disability.

Permanent Disability Benefits

Permanent disability pension (central government guidelines): 75% to 90% of wage if totally disabled.

Disability allowance: A lump sum of between 6 and 24 months' wage.

Minimum pension: Provincial and city/county governments set the minimum pension according to the local standard of living.

Partial disability: 10% to 30% of wage, according to earnings loss.

Workers' Medical Benefits

Medical treatment, surgery, nursing, medicine, appliances, transportation, and hospitalization.

Employee copayments may also apply, varying according to the individual enterprises or local government regulations (if enterprises participating in local government work injury disability and medical care insurance pools).

Survivor Benefits

Survivor pension (central government guidelines): 40% of insured's wage for the spouse; 30% each for other dependents.

Lump-sum death allowance: 48 to 60 months' wages.

Funeral grant: Six months' wages.

Administrative Organization

Participating enterprises: Ministry of Labor and Social Security, Department of Medical Care Insurance, provides general guidance.

Local government social insurance agencies and participating enterprises administer programs under local government medical care fund pools.

Nonparticipating enterprises: Individual state-run enterprises administer the programs.

Unemployment

Regulatory Framework

First law and current directive: 1986 (law) and 1999 (directive).

Type of program: Local government social insurance programs.

Local governments and employers adapt central government guidelines to local conditions.

Coverage

Permanent and contract workers in state-run enterprises and some collective enterprises.

Source of Funds

Insured person: 1% of earnings.

Employer: 2% of payroll.

Government: Local government subsidies.

Qualifying Conditions

Unemployment benefit: At least 1 year in covered employment; involuntary termination of employment; registration at, and regularly reporting to, a local employment-service agency; and actively seeking employment.

Unemployment Benefits

The benefit amount is determined by local governments at a level higher than the local public assistance benefit but lower than the local minimum wage. The benefit is payable for 1 year with less than 5 years of coverage, for 1.5 years with 5 or more but less than 10 years, and for 2 years with 10 or more years of coverage.

Administrative Organization

Ministry of Labor and Social Security, Department of Unemployment, provides general guidance.

Local social insurance agencies administer the program.