Social insurance coverage registration programme

A case of the Ministry of Human Resources and Social Security

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Summary

China is progressively implementing a national social insurance coverage registration programme to speed up full social insurance coverage, and to put in place a more equitable and sustainable social security system.

The registration programme is a dedicated initiative to promote full and sustained coverage of working people and of urban and rural residents.

The programme was piloted in certain areas in 2014. Efforts will be made to improve the programme in 2015 and the pilot areas will be extended to 50% of the country. It will then be scaled up across the whole country from 2016 to 2017 to ensure the targets can be met. A stock-taking and evaluation will be conducted in the second half of 2017.

By the end of 2014, basic old-age, basic medical care in urban areas, unemployment, work injury and maternity insurance coverage reached 840 million, 600 million, 170 million, 210 million and 170 million respectively. 712 million social security cards were issued. China has put in place by and large the biggest social insurance system in the world.

CRITERIA 1

What was the issue/problem/challenge addressed by your good practice?

Despite constantly extending social insurance coverage over recent years, problems remain, including a huge shortfall in the goal of full coverage:

- Nearly 200 million people are yet to be covered by basic old-age insurance.
- There is a lack of accurate information on covered people and their resources.
- Multiple accounts exist for some people.
- Contributions from a covered person are not always continuous.
- Inadequate portability of social insurance accounts means certain people may lose some of their accrued entitlements.
- Social insurance for residents is still voluntary.

These issues indicate that there is still room for improvement in the social insurance system concerning equity, mobility and sustainability. There is a need for the country to carry out
a focused and dedicated initiative to find solutions to these problems and speed up the achievement of full social insurance coverage and accurate administration.

**CRITERIA 2**

**What were the main objectives and the expected outcomes?**

The overall objective of the registration programme is to achieve by 2017:

- 90% coverage among all working people in urban areas and all eligible residents in urban and rural areas for basic old-age insurance (an annual increase of 20 million).

- Full coverage for basic medical insurance.

- General coverage of all mandatory groups for unemployment, work injury and maternity insurances, (respectively 180 million, 230 million and 200 million).

- Equal rights, opportunities and rules for all categories of people covered in the social insurance system.

**CRITERIA 3**

**What is the innovative approach/strategy followed to achieve the objectives?**

**Comprehensive registration**

- Using basic old-age and medical insurance information as a basis, the coverage data for all social insurance branches will be consolidated, screened and compared to delete duplicates, eliminate invalid data and rectify mistakes. The covered enterprises and people with full and accurate information will be registered immediately after confirmation, and will not need to go through a new application and data collection process.

- For enterprises and individuals with missing or wrong data, registration will be confirmed after basic data is collected and properly recorded through such means as checking every enterprise, performing household surveys on key groups, and purchasing contribution collection or benefit payment services from organizations such as post offices, banks, etc. Tasks will be carried out mainly at the local level. For social insurance branches where coverage is voluntary, the choice of people whether or not to participate will be noted.
A databank will be set up to include all insured persons, each identified by a unique national social security number. The information concerning covered enterprises and individuals will be updated immediately when there is any change. Data gathering and administration at the provincial level will be promoted, and the pace of nationwide connectivity will be accelerated. National standardized data criteria and procedures for data verification will be improved, and it will be possible for information on insured persons to be confirmed across regions.

**Optimizing operations and administration**

- Efforts will be made to innovate, and the operation of five-insurances-in-one will be forcefully promoted in urban and rural areas. Where the conditions for comprehensive integration are not yet met, integrated registration and contribution payment will be undertaken as a first phase; procedures will be simplified to facilitate enterprises and individuals to be covered.

- Setting national, industrial and regional standards on social insurance administration and procedures will be speeded up to ensure immediate implementation of all policies and equitable entitlement of covered people to social insurance benefits.

- The contributions and entitlements of all insured enterprises and individuals will be recorded and maintained accurately.

- Great efforts will be made to construct new service platforms, such as online agencies, self-service facilities, mobile phone inquiries and reminders, and to provide guidance and assistance to enterprises and individuals to update their information correctly.

**CRITERIA 4**

Have the resources and inputs been used in an optimal way to achieve the set objectives and the expected outcomes? Please specify what internal or external evaluations of the practice have taken place and what impact/results have been identified/achieved so far.

To implement the registration programme, the Ministry is:

- Reinforcing social insurance agencies and grass-roots service platforms.

- Increasing substantially the level of informatization, including the accelerated issuance of social security cards and a databank of card-holders.
- Optimizing operational procedures and working mechanisms - making coverage registration and dynamic zero clearing a necessary and normal part of the work, developing unified standards and procedures, setting up national data and information inquiry and exchange platforms, providing support for data comparison and resource sharing among different areas, and mobilizing financial support.

Areas with good performance in the pilot areas can provide good exemplary practices to promote the programme:

- In Yunnan Province, the Social Insurance Bureau first coordinated with the Information Centre of the Provincial Department of Human Resources and Social Security, completed the programme design and established the registration databank.

- The Municipal Government of Kunming dedicated appropriations to the programme, and to generate a bigger impact, organized a launch ceremony for the programme at a busy and populous location in the city.

- In Chongqing Municipality, 5 objectives were put forward for the pilot programme: all eligible persons should be covered, people already covered by some branches of social insurance should be covered by all mandatory branches, the insured entities or persons who have stopped their contribution payments should renew the payments, administration mechanisms should be ameliorated, and a feedback mechanism should be put in place. Problems relating to personal identification and account portability across regions should also be resolved.

- In Nanjing, the registration programme is a key item on the general reform agenda of the second-phase of the municipal government, which is making full use of available data from all administrative departments, relying on information comparison as the main means of data confirmation, with survey and information gathering for key groups as a supplementary means. By the end of 2014, after comparing data of more than 10 million persons, the city conducted household surveys for nearly 180,000 people whose coverage status was uncertain.

- The Government of the Ningxia autonomous region issued a circular to ensure the registration programme would proceed at the same pace across the whole region. By 31 December, 2014, verified data for 266,000 people were recorded in the databank, 106.4% of the target of 250,000 people.
CRITERIA 5

What lessons have been learned? To what extent would your good practice be appropriate for replication by other social security institutions?

The pilot project of the registration programme has planted the "first pillar" for realizing the objective of full coverage from the macro perspective of design and micro perspective of operations. The programme:

- Covers the whole population and advances equity in rights, opportunities and rules among the people.

- Coordinates urban and rural areas and adapts to the mobility of the people. With the old-age and medical insurances each having two distinct systems targeting employees and residents in urban and rural areas, coordination and policy linkage will be reinforced within and between systems, and covered people who meet the qualifying conditions will be encouraged to select the system that offers better entitlements.

- Transforms the previous mode of coverage extension focusing on outsiders to a mode emphasizing equally outsiders and insiders; from focusing on enterprises to emphasizing equally enterprises and individuals; from focusing on each insurance branch separately to an integrated approach to all branches; and from periodical and phased extension to continuous extension. It will streamline the system, consolidate resources, optimize procedures, and provide innovative mechanisms.

- Combines general design with advance piloting as part of a package of fundamental top-level design for old-age insurance, advancing a medical insurance system for all, and implementing the second phase of the Golden Insurance Project. It distinguishes between different branches of insurance, and takes due consideration of actual circumstances in different regions.

Other social security institutions can get inspiration from the following lessons of China:

- Take bigger steps towards achieving the objective of full coverage, and promote the speedy establishment of an equitable and accessible social security system that covers and benefits all people.

- Adjust to urbanization and social mobility, better protect the legitimate rights of all insured people to transfer and renew their social insurance accounts between different areas and different systems, and promote orderly migration of human resources.
• Consolidate and optimize data resources, reinforce essential public services, innovate in social administration, eliminate or minimize duplicate insurance registrations, subsidies and benefit claims, improve the efficient use of public resources, and promote the sustainable development of the social insurance system.