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Gateway Policy Explorer: Retirement Series

China

Survivor Old-Age Benefit Plan Details

2010-2023

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Preface

This document is intended for researchers who want to understand the evolution of policy or the policy in place at a particular point in time. This document is not intended for financial advice or to aid in decision-making. The authors have made significant effort to identify and collect historical information pertaining to these policies, to accurately represent these policies, and to communicate how policies may interact to determine legal requirements, eligibility for benefits, and/or benefits levels. The policies presented in this document focus on rules applicable to most individuals aged 50 and older from 1992. Many systems include special policies or alternative eligibility rules for specific groups. We encourage all users to complete their own review of literature in this area depending on the research questions they have in mind.

If you have feedback or questions or identify an error, please contact policy@g2aging.org.

Background — Gateway Policy Explorer: Retirement Series

The *Gateway Policy Explorer* (<http://g2aging.org/policy-explorer>) is part of the Gateway to Global Aging Data (<http://g2aging.org>) project. The *Retirement Series* captures historical policy that affects the birth cohorts of respondents in the surveys covered by the Gateway. It was motivated by the rapid evolution of policies affecting older people across the world. As the Health and Retirement Study (HRS) began in 1992 and many of the international network of studies (HRS-INS) cover more than a decade, understanding the policies in place at the time of the survey has become more demanding for researchers.

Why are we tracking past policy? Individuals make choices based on current policies and the outcomes we see today may reflect responses to past policies. When interpreting the survey responses of individuals, an understanding of the policy environment under which those individuals operate is critical. The collection of contextual information in the *Gateway Policy Explorer* aims to support researchers who want to understand or use policy changes in their research and provide context for longitudinal or cross-country differences. Over the period 2023–2026 the *Gateway Policy Explorer* will be expanded to include information on retirement, long-term care, education, and other policies affecting the life cycle.

The key dimensions to the *Gateway Policy Explorer: Retirement Series* are country and time. We prioritize data collection for each country based on its first interview wave and are continuing to expand our data collection back in time to 1992, the earliest survey date in the HRS-INS.

A separate document, like this one, is developed for each country and each broad category of policies covered in the *Gateway Policy Explorer: Retirement Series*.

Author and Contributor Disclaimers

† The opinions expressed here are those of authors and do not necessarily reflect the views of the OECD or of its member countries.

China

Survivor Old-Age Benefits
Plan details 2010-2023 * †

The Chinese old-age pension system since 2010 consists of two public pension systems where participation is based on profession and hukou, an administrative classification which assigns a person to their designated citizenship rights. The Basic Pension for Enterprise Employees covers enterprise employees. The Urban and Rural Resident Pension covers rural and nonsalaried urban residents. Survivor benefits depend on the pension system that the deceased spouse participated in.

For participants in the Basic Pension for Enterprise Employees, their surviving spouse is entitled to a survivor grant and a funeral grant. For participants in the Urban and Rural Resident Pension, their surviving spouse is entitled to a funeral grant. Additionally, the remaining balance in the deceased's individual account can be inherited by the surviving spouse.

Key Dates

First law: 1951

Major changes since 1992: 2010, 2021

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* If you have questions or suggestions, please contact policy@g2aging.org.

† Detailed information and definitions are provided in tables, formulas and a glossary at the end of this document. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

Chapter 1: Background on survivor benefit policy prior to 2010

Editor's Note

China's first national law on social insurance, known as the [Social Insurance Law](#), was adopted in October 2010 and implemented in July 2011. Prior to 2010, the Chinese old-age survivor benefit was provided to workers by the Labor Insurance Regulation which ceased to apply after reforms on the employee pension system. There had been no state-level guidelines regarding survivor benefits until the [Social Insurance Law](#) was enacted.

Since the China Health and Retirement Longitudinal Study (CHARLS) began in 2011, right after the promulgation of the [Social Insurance Law](#), and given the difficulty of collecting national and sub-national policy information from periods before 2010, this chapter deviates from the usual design of the Gateway Policy Explorer Series and provides a brief historical background on the evolution of old-age survivor benefit system in China prior to the creation of the [Social Insurance Law](#). The background provided in this chapter offers important context for the unification of the China old-age survivor benefit system and subsequent reforms.

The People's Republic of China established its first own old-age benefit plan in 1951, with the publication of the Labor Insurance Regulation by the State Council [1]. The Labor Insurance Regulation created a pension system for workers in state-owned enterprises (SOEs) and collectively owned enterprises, which formed the basis of the [Basic Pension for Enterprise Employees](#) (BPEE, 城镇职工养老保险). The Labor Insurance Regulation applied to workers (i.e., employees) in factories, mines, enterprises of railway, shipping, post and telecommunication, construction enterprises, and their affiliated units.

The Labor Insurance Regulation required that a funeral grant and a survivor grant must be paid from the labor insurance funds to the surviving spouse of a deceased employee. The funeral grant is twice the monthly average wage of all employees in that enterprise. The survivor grant's amount depends on the surviving spouse's number of dependents. If there is one dependent, the survivor grant is 6 times the deceased's final monthly wages. If there are two dependents, the survivor grant is 9 times the deceased's final monthly wages. If there are 3 or more dependents, the survivor grant is 12 times the deceased's final monthly wages [2].

Following a series of pilot programs and reforms in the 1980s and early 1990s, the State Council issued a decision to create more uniform standards and laid out the general structure of the new [Basic Pension for Enterprise Employees](#) [3, 4]. However, the reformed BPEE system did not provide survivor benefits [5].

Compared to the employee pension system, the pension systems for rural residents and nonsalaried informal workers were not developed until 1990s. Rural residents with urban [hukou](#) were first covered in 1992 under the [Old Rural Pension](#) [6]. Based on this rural pension and following a series of experiments in the early 2000s, the [New Rural Pension](#) was established to extend the pension coverage to all rural residents [7]. However, nonsalaried informal workers in urban areas were not covered during this time period. Despite developments of these pension systems, neither the Old Rural Pension nor the New Rural Pension provides survivor benefits.

In summary, before the publication of the [Social Insurance Law](#), the reformed [Basic Pension for Enterprise Employees](#) and the newly established [New Rural Pension](#) did not provide survivor benefits.

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Chapter 2: Policy enacted 2010-2020

Policy change in 2010

The National People's Congress of China adopted the Social Insurance Law ([National People's Congress of the People's Republic of China, 2010](#)) on October 28, 2010, which came into effect on July 1, 2011. The [Social Insurance Law](#) consolidated social security regulations at national and sub-national levels and established a nationwide unified social security system for all citizens. Regarding survivor benefits, the Social Insurance Law provided that surviving spouses of individuals participating in the [Basic Pension for Enterprise Employees](#) are entitled to a funeral grant and a survivor grant. The Social Insurance Law also specified that the benefits shall be paid from the basic pension insurance fund.

Other reforms during this period include:

- Opinions of the State Council on Launching the Pilot Program of the [Urban Resident Pension](#), ([State Council, 2011](#)), promulgated June 13, 2011, established a new pension scheme known as the [Urban Resident Pension](#) (城镇居民养老保险) for urban residents without formal work history and therefore not insured with the [Basic Pension for Enterprise Employees](#) (城镇职工养老保险). Local governments can decide whether to provide survivor benefits and determine the benefit amount.
- Ordinance of the State Council on Establishing a Unified Basic Pension system for Urban and Rural Residents ([State Council, 2014](#)), promulgated and effective February 26, 2014, merged the previous [New Rural Pension](#) (新型农村社会养老保险) and [Urban Resident Pension](#) (城镇居民养老保险) into the [Urban and Rural Resident Pension](#) (城乡居民基本养老保险) which covers all rural and nonsalaried urban residents, and regulated that local governments should provide funeral grant to the surviving spouse of people insured with these pensions.

Overview

The Chinese old-age survivor benefit system consists of two benefits depending on the pension system that the deceased spouse participated in. For participants in the [Basic Pension for Enterprise Employees](#), their surviving spouse is entitled to a [survivor grant](#) and a [funeral grant](#). For participants in the [New Rural Pension](#), [Urban Resident Pension](#) and [Urban and Rural Resident Pension](#), their surviving spouse is entitled to a [funeral grant](#). Additionally, the remaining balance in the deceased's individual account can be inherited by the surviving spouse.

During this period, survivor benefits of the [Basic Pension for Enterprise Employees](#) are jointly paid by the employee pension insurance fund and employers. For the [New Rural Pension](#), [Urban Resident Pension](#) and [Urban and Rural Resident Pension](#), their survivor benefits are funded by the government. Each municipality's Human Resources and Social Security Bureau is responsible for the administration and payment of survivor benefits.

Each municipality's Human Resources and Social Security Bureau is responsible for the administration and payment of survivor benefits. Due to absence of guidelines at national level, each locality decides the amount of survivor benefits. Currently we have collected a sample of local policies to illustrate variation in implementation at the local level. In future versions of this document, additional information will be made available by locality (i.e., provinces and municipalities, if applicable). The highlighted localities include: Jilin, Gansu, Guangdong, Shanghai, and Sichuan.

Eligibility

Are divorced widows or widowers entitled to benefits based on their ex-spouses contribution or earnings history? Answer: No

Age requirements to start benefits without penalty

- [Full eligibility age \(FEA\)](#)
None
- **Does FEA vary by sex?** Answer: Not applicable
- **Does FEA vary by birth year?** Answer: Not applicable

Requirements to be eligible to receive benefit

- **Widows and widowers married at time of spouse's death**
 - Conditions concerning the surviving spouse: None.
 - Conditions concerning the deceased spouse: The deceased spouse must be insured with either the [Basic Pension for Enterprise Employees](#) or the [Urban and Rural Resident Pension](#).

Alternative eligibility requirements that permit starting benefits early, but with a penalty

- Can an individual start benefits before FEA with penalty? Answer: No

Benefits

- To receive a benefit, [does an individual have to claim it?](#) Answer: Yes
- To continue to receive a benefit, does an individual have to remain [qualified](#)? Answer: Yes

Payment type

- Payment options (i.e., Annuity, cash balance, or [lump sum](#)): Annuity

Factors effecting computation of benefit entitlement

- Does the formula for computing benefit entitlement differ by birth year? Answer: No
- Is the formula for computing benefit entitlement [progressive](#)? Answer: Yes
- Does the benefit entitlement depend on the individual's own contribution/work history? Answer: No
- Does the benefit entitlement depend on the contribution/work history of the individual's spouse? Answer: Yes
- Are future benefit entitlements adjusted for [cost of living](#)? Answer: Yes
- If so, what measure is used for adjustment?
The benefit for an individual is one-time or temporary for several months. The benefit is increasing over time for future beneficiaries according to local average wage growth.

Benefit formula for claiming at FEABasic Pension for Enterprise Employees (城镇职工养老保险)

For insurers of the Basic Pension for Enterprise Employees, their surviving spouse is entitled to a survivor grant and a funeral grant ([Social Insurance Law](#), Chapter 2, Article 17):

- Survivor grant: A temporary or one-time benefit whose amount and duration varies by municipality
- Funeral grant: A one-time payment whose amount varies by municipality

See [Box 1](#) for summaries of survivor benefits in selected localities including Jilin, Gansu, Guangdong, Shanghai, and Sichuan. For more details, see the following formulas and tables:

- [Formula 1](#): One-time survivor grant of Basic Pension for Enterprise Employees (Sichuan, 2011-2020)
- [Formula 2](#): Survivor grant of Basic Pension for Enterprise Employees (Jilin, 2010-2020)
- [Table 1](#): Summary of survivor benefits provided by Shanghai government

Urban and Rural Resident Pension (From February 26, 2014)

For the [Urban and Rural Resident Pension](#), guidelines by the State Council do not specify any survivor benefit except that the balance in the insured's individual account can be inherited by their surviving spouse ([State Council, 2014, Section 6, Part 2](#)). Local governments establish survivor benefit systems based on local situations and typically provide funeral grants. The type and amount of survivor benefits vary by municipality (or county if the insured was a rural resident). This document provides details in 5 selected localities —see [Box 2](#) for details.

Adjustments for starting benefits before FEA (Early claiming or retirement)

- Are benefits reduced for starting benefits before FEA? Answer: No

Adjustments for starting benefits after FEA (Delayed claiming or retirement)

- Are benefits increased for starting benefits after FEA? Answer: No

Adjustments for starting benefits and continuing to work (Earnings Test)

- Are benefits reduced or eliminated while working? Answer: No

Chapter 3: Policy enacted 2021-2023

Policy change in 2021

Notice from the Ministry of Human Resources and Social Security of the People's Republic of China and Ministry of Finance on Issuing Temporary Measures on Surviving Spouse of Participants of Basic Pension for Enterprise Employees ([MOHRSS, 2021](#)), effective September 1, 2021, made the following changes:

- Established a nation-wide uniform standard on survivor benefits
- Clarified that survivor grant and funeral grant are paid by the pension insurance fund
- Specified the amount of survivor benefits and duration of payments
- Encouraged provinces and other municipalities to design and implement survivor benefit policies according to the new temporary measures

Overview

The Chinese old-age survivor benefit system consists of two benefits depending on the pension system that the deceased spouse participated in. For participants in the [Basic Pension for Enterprise Employees](#), their surviving spouse is entitled to a [survivor grant](#) and a [funeral grant](#). For participants in the [Urban and Rural Resident Pension](#), their surviving spouse is entitled to a [funeral grant](#). Additionally, the remaining balance in the deceased's individual account can be inherited by the surviving spouse.

From 2021, survivor benefits of the [Basic Pension for Enterprise Employees](#) are paid by the employee pension insurance fund. For participants in the [Urban and Rural Resident Pension](#), survivor benefits are funded by the government. Each municipality's Human Resources and Social Security Bureau is responsible for the administration and payment of survivor benefits.

Eligibility

Are divorced widows or widowers entitled to benefits based on their ex-spouses contribution or earnings history? Answer: No

Age requirements to start benefits without penalty

- **Full eligibility age (FEA)**
None
- **Does FEA vary by sex?** Answer: Not applicable
- **Does FEA vary by birth year?** Answer: Not applicable

Requirements to be eligible to receive benefit

- **Widows and widowers married at time of spouse's death**
 - Conditions concerning the surviving spouse: None.
 - Conditions concerning the deceased spouse: The deceased spouse must be insured with either the [Basic Pension for Enterprise Employees](#) or the [Urban and Rural Resident Pension](#).

Alternative eligibility requirements that permit starting benefits early, but with a penalty

- **Can an individual start benefits before FEA with penalty?** Answer: No

Benefits

- **To receive a benefit, does an individual have to claim it?** Answer: Yes
- **To continue to receive a benefit, does an individual have to remain qualified?** Answer: Yes

Payment type

- **Payment options (i.e., Annuity, cash balance, or lump sum):** Annuity

Factors effecting computation of benefit entitlement

- **Does the formula for computing benefit entitlement differ by birth year?** Answer: No
- **Is the formula for computing benefit entitlement progressive?** Answer: Yes
- **Does the benefit entitlement depend on the individual's own contribution/work history?** Answer: No

- **Does the benefit entitlement depend on the contribution/work history of the individual's spouse?** Answer: Yes
- **Are future benefit entitlements adjusted for cost of living?** Answer: Yes
- **If so, what measure is used for adjustment?**

The benefit for an individual is one-time or temporary for several months. The benefit is increasing over time for future beneficiaries according to local average wage growth.

Benefit formula for claiming at FEA

Basic Pension for Enterprise Employees

For insurers of the [Basic Pension for Enterprise Employees](#), their surviving spouse is entitled to a survivor grant, a funeral grant, and the remaining balance in their individual account ([MOHRSS, 2021](#)):

- **Survivor grant:** A temporary benefit whose amount is the per capita monthly disposable income in the previous year at provincial level. The duration of survivor grant depends on the deceased spouse's contribution history and how long they have been receiving own old-age benefit —see [Table 2](#) for details
- **Funeral grant:** A one-time payment whose amount is twice the per capita monthly disposable income in the previous year at provincial level

Urban and Rural Resident Pension

For the [Urban and Rural Resident Pension](#), guidelines by the State Council do not specify any survivor benefit except that the balance in the insured's individual account can be inherited by their surviving spouse ([State Council, 2014, Section 6, Part 2](#)). Local governments establish survivor benefit systems based on local situations and typically provide funeral grants. The type and amount of survivor benefits vary by municipality (or county if the insured was a rural resident). This document provides details in 5 selected localities —see [Box 2](#) for details.

Adjustments for starting benefits before FEA (Early claiming or retirement)

- **Are benefits reduced for starting benefits before FEA?** Answer: No

Adjustments for starting benefits after FEA (Delayed claiming or retirement)

- **Are benefits increased for starting benefits after FEA?** Answer: No

Adjustments for starting benefits and continuing to work (Earnings Test)

- **Are benefits reduced or eliminated while working?** Answer: No

Tables and Formulas

Box 1: Survivor Benefits of the Basic Pension for Enterprise Employees in Selected Localities (2010-2020)

Survivor benefits differ by locality (i.e., provinces and, in some cases, municipalities).

Gansu

Gansu provides two types of survivor benefits whose amounts vary (MOHRSS-Gansu, 2013):

- Survivor grant: An one-time payment of 3,203¥ in 2013
- Funeral grant: An one-time payment of 6,407¥ in 2013, increased to 7,352¥ on July 1, 2014

Guangdong

Guangdong provides three types of survivor benefits whose amounts vary (Department of Labor of Guangdong Province, 1997):

- Survivor grant: An one-time payment whose amount is 3 times the monthly average wage in the previous year if the deceased was retired, or 6 times the monthly average wage if the deceased was working
- Funeral grant: An one-time payment whose amount is 3 times the monthly average wage in the previous year
- Subsistence subsidy: An one-time payment whose amount is 6 times the monthly average wage in the previous year

Jilin

Jilin provides two types of survivor benefits whose amount and duration vary (MOHRSS-Jilin, 2013, 2020):

- Survivor grant: A 10-month temporary benefit whose amount depends on the deceased's contributions —see [Formula 1](#) for details
- Funeral grant: An one-time payment of 1200¥

Shanghai

Shanghai provides two types of survivor benefits whose amounts vary (Shanghai Government, 2014, 2019):

- Survivor grant: An one-time payment whose amount depends on the deceased spouse's work status and number of dependents
- Funeral grant: An one-time payment whose amount depends on the deceased spouse's work status
- Subsistence subsidy: A lifetime monthly benefit if the surviving spouse continues to qualify

See [Table 1](#) for summary of survivor benefits provided by Shanghai government

Sichuan

Sichuan provides two types of survivor benefits whose amounts vary. The amount varies by type of survivor benefits and whether the deceased spouse was qualified for own old-age benefit (MOHRSS-Sichuan, 2006, 2013):

- If the deceased was qualified for own old-age benefit:
 - Survivor grant: An one-time payment whose amount is 8 times the monthly average wage in the previous year
 - Funeral grant: An one-time payment whose amount is 4 times the monthly average wage in the previous year
- If the deceased was not qualified for own old-age benefit:
 - Survivor grant: An one-time payment whose amount depends on the deceased's contribution history —see [Formula 2](#)
 - Funeral grant: An one-time payment whose amount is 3 times the monthly average wage in the previous year

Formula 1: Survivor Grant of Basic Pension for Enterprise Employees (Sichuan, 2011-2020)

$$B_{SU(SG),i,t} = \begin{cases} 7 \times \bar{W}_{i,t} \times Y_{j,t} \times \frac{1}{15} & \text{if } Y_{j,t} < 15 \\ 7 \times \bar{W}_{i,t} & \text{if } Y_{j,t} \geq 15 \end{cases}$$

- $B_{SU(SG),i,t}$ = Individual i 's one-time survivor grant amount at time t
- $\bar{W}_{i,t}$ = Local monthly average wage at time t , depending on where the surviving spouse i claims the benefit
- $Y_{i,t}$ = Total contribution years of the deceased spouse j . If the deceased contributed for less than 1 year, $Y_{j,t} = 1$.

Source: [People's Government of Sichuan \(2013\)](#)

Formula 2: Survivor Grant of Basic Pension for Enterprise Employees (Jilin, 2010-2020)

$$B_{SU(SG),i,t} = \begin{cases} 40\% \times \bar{W}_{i,t} \times Y_{j,t} \times \frac{1}{15} & \text{if } Y_{j,t} < 15 \\ 40\% \times \bar{W}_{i,t} & \text{if } Y_{j,t} \geq 15 \end{cases}$$

- $B_{SU(SG),i,t}$ = Individual i 's monthly survivor grant amount at time t , which is paid for 10 months
- $\bar{W}_{i,t}$ = Local monthly average wage at time t , depending on where the surviving spouse i claims the benefit
- $Y_{i,t}$ = Total contribution years of the deceased spouse j

Source: [People's Government of Jilin \(2013\)](#)

Table 1: Benefit Amount of srurvivor Benefits of the Basic Pension for Enterprise Employees (Shanghai, 2011-2021)

Benefit Type	Number of Dependents	The Deceased was Working	The Deceased was Retired	Requirement for the Surviving Spouse
Survivor Grant	1	6 times the deceased's final wages	6 times the deceased's pension amount	The deceased established labor insurance for the surviving spouse
	2	9 times the deceased's final wages	9 times the deceased's pension amount	
	≥3	12 times the deceased's final wages	12 times the deceased's pension amount	
Funeral Grant	-	2 times the deceased's final wages	2 times the monthly average wage in the previous year	None
Subsistence Subsidy	-	570 ¥/month	570 ¥/month	Must continue to qualify
One-Time Subsidy	-	None	6,000 ¥	None

Source: Shanghai Municipal People's Government (2016)

Box 2: Survivor Benefit of the Urban and Rural Resident Pension in Selected Localities (2014-present)Gansu

The government of Gansu regulates that a funeral grant shall be provided to the surviving spouse of person insured with the Urban and Rural resident Pension. The amount is 12 times the sum of monthly basic pension amount at provincial and national levels ([People's Government of Gansu, 2014](#)).

Guangdong

The government of Guangdong regulates that a funeral grant shall be provided to the surviving spouse of person insured with the Urban and Rural Resident Pension. The amount of funeral grant shall be decided by local governments (municipality or county).

Effective January 1, 2020, based on the State Council guidelines on adjustments to pension amounts ([State Council, 2018](#)), the Guangdong government implemented a new rule that the amount of funeral grant shall not be lower than 6 times the basic pension amount of the Urban and Rural Resident Pension at the time of death of the deceased ([People's Government of Guangdong, 2019](#)).

Jilin

The government of Jilin regulates that a funeral grant shall be provided to the surviving spouse of person insured with the Urban and Rural Resident Pension ([Jilin Government, 2014](#)). The amount of funeral grant shall be decided by local governments (municipality or county).

Sichuan

The government of Sichuan regulates that a funeral grant shall be provided to the surviving spouse of person insured with the Urban and Rural Resident Pension. The amount of funeral grant shall be decided by local governments (municipality or county). ([People's Government of Sichuan, 2014](#))

Shanghai

The government of Shanghai regulates that a funeral grant shall be provided to the surviving spouse of person insured with the Urban and Rural resident Pension. From May 1, 2014 to April 30, 2019, the amount was 3,600 ¥. Effective May 1, 2019, the amount is increased to 6,000 ¥ ([Shanghai Municipal People's Government, 2019](#)).

Table 2: Duration of Survivor Grant of the Basic Pension for Enterprise Employees (2021-present)

Whether the Deceased Was Receiving Own Old-Age Benefit	Contribution Years of the Deceased	Duration of Survivor Grant
No	< 5 years	3 months
	< 10 years	6 months
	≤ 15 years	9 months
	> 15 years	9 months + 1 month per year of additional contribution (up to 24 months in total)
Yes	-	24 months - 1 month per year of claiming (at least 9 months)

Source: MOHRSS (2021)

Sources

This section records key sources consulted when we collected the institutional details reported in this document. Archived versions of these sources are available at the Gateway Policy Explorer website (<http://g2aging.org/policy-explorer>).

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Glossary of terms

This section summarizes key definitions from the main text. To facilitate switching back and forth, this document is designed with hyperlinks. Most PDF readers have shortcuts that permit a reader to return to the previous location after selecting a hyperlink. In Adobe Acrobat on a PC: "Alt" + "←"; In Adobe Acrobat on a MAC: "command" + "←"; In Preview on a MAC: "command" + "[".

Actuarial Month : An element in the calculation of monthly own old-age benefit. The pension amount from individual account is the sum in the account divided by the number of actuarial month which varies by age of retirement. Effective 2006, actuarial month is 139 if a person retires at age 60, or 101 if retired at age 65.

All-China Federation of Trade Unions: A national trade union center of the People's Republic of China, with which all enterprise-level trade unions must be affiliated.

Annuitable System: A pension system that provides a periodic payment for life after the benefit begins.

Basic Pension for Enterprise Employees : A pension system that covers all employees. The self-employed can be insured by voluntary

contributions.

Cash Balance System: A pension system that provides each individual an account that is drawn down over time.

Claimable Benefit: A pension where the beneficiary must actively file a claim for benefits with the government's pension authority.

Cost-of-Living Adjustments (COLA): Adjustments after an individual begins receiving benefits that increase benefit payments, typically in line with consumer prices or average earnings.

Earliest Eligibility: Earliest age and/or years of contributions required to be eligible to start receipt of a particular type of benefit. Earliest eligibility is the same as statutory eligibility in countries where there is no benefit penalty for claiming before the statutory retirement age.

Enterprise Annuity : A voluntary supplementary pension scheme introduced in 2004 for private sector employees. It is funded by contributions from employers and employees. The exact contribution rates are negotiated and determined by employers and employees given State Council's recommended rates. In 2023, employers' contribution is at most 8% of payroll and the total contribution from employers and employees is at most 12% of payroll.

Full Eligibility Age: The age at which individuals are eligible to receive their full benefit. For dependent benefits or social assistance, the full eligibility age may differ from the statutory retirement age for own old-age pension benefits.

Funeral Grant: A one-time survivor benefit whose amount varies by municipality.

Hukou: A household registration system where each citizen must be registered at birth. The registry, which is hukou itself, contains individual demographic information, including hukou status (urban or rural), legal address, sector of activity, religion, and physical description. Hukou entitles a person to their designated citizenship rights such as social insurance and social assistance. Migrants are excluded from local government services because they do not satisfy the locality requirements.

Individual Account: One of the two components of the own old-age benefit. Contributions from employers and employees themselves are saved in the insured's individual account and form the basis of benefit calculation. Effective January 1, 2006, employers no longer contribute to individual accounts.

Latest claiming age: Latest age where a benefit may be claimed such that benefit payments are increased as an incentive for delaying the start of benefits past the statutory retirement age. Latest claiming age is the same as statutory retirement age in countries where there is no benefit to delayed claiming. Not applicable for non-claimable benefits.

Labor Insurance Regulation: China's first regulation on social insurance regarding labor workers in state-owned enterprises.

Lump Sum Benefit: A pension system that provides an individual with a one-time or limited number of payments. Lump sum benefits are distinct from annuitable or cash balance benefits because they do not continue past a specified time frame. Lump sum benefits use varies by country, but they are sometimes used as death benefits, incentives to delay claiming, or payments to individuals with an insufficient contribution history to be eligible for annuitable benefits.

National Income Measure: In some pension systems, the benefit is dependent on a national income measure, such as average wages. We indicate a pension system depends on the national income measure if the benefit paid is determined by a national income measure (as opposed to an individual's earnings history). For example, the benefit level for the United Kingdom Basic State Pension depends on a level set by the government and does not depend on an individual's earnings. This distinction does not include systems that adjust annual benefits based on a national income measure or index past earnings using a national income measure.

New Rural Pension : A new pension system introduced in 2009 that expanded coverage of the old rural pension to all rural residents regardless of hukou status.

Ministry of Human Resources and Social Security of the People's Republic of China (MOHRSS): A ministry under the State Council of the People's Republic of China which is responsible for national labor policies, standards, regulations, and management of national social security.

Occupational Annuity : A mandatory supplementary pension scheme introduced in 2014 for public sector employees. Employers' contribution rate is 8% of payroll and employees' contribution rate is 4% of earned income.

Old Rural Pension : A county-level rural pension established by the Ministry of Civil Affairs in 1992. It was created for rural residents with urban hukou, including employees in county-owned enterprises, private enterprises, self-employed people, and migrant workers.

Private Pensions : A supplementary pension scheme, formally established in 2022. The annual contribution maximum is set at 12,000¥ in 2022.

Progressive Benefit: A benefit is progressive if people with lower earnings have a greater replacement rate for their contributions.

Qualified Benefit: A benefit is qualified if an individual must continue to meet certain standards, such as a means test, to continue receipt of benefits.

Statutory Retirement Age (SRA): The age at which individuals are eligible to receive their full own old-age benefit. In the United States, this is known as the normal retirement age. In the United Kingdom, this is known as the state pension age.

Social Account : A component of the post-1995 Basic Pension for Enterprise Employees, that is financed on a pay-as-you-go basis. Contributions to the social account are paid by employers, at a recommended level of 20% of total payroll.

Social Insurance Law: China's first national law on social insurance, which was adopted in October 2010 and was implemented in July 2011. The Social Insurance Law consolidated social security regulations at national and sub-national levels and established a nationwide unified social security system for all citizens.

Survivor Grant: A temporary or one-time survivor benefit whose amount and duration varies by municipality.

Urban and Rural Resident Pension : A new pension system established in 2014 by merging the New Rural Pension and Urban Resident Pension. It aims to cover all citizens who are not insured with the Basic Pension for Enterprise Employees. The Urban and Rural Resident Pension consists of a social account and an individual account.

Urban Resident Pension : A pension scheme established in 2011 by the State Council for urban residents who have no formal work history and therefore are not insured with the Basic Pension for Enterprise Employees.

Notes

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1. Local social security institutions administer the payment of pension benefits and set contribution rates. Currently we have collected a sample of local policies to illustrate variation in implementation at the local level. In future versions, additional information will be made available for other localities (i.e., provinces and municipalities, if applicable). Five provinces – Jilin, Gansu, Guangdong, Shanghai, Sichuan – are selected based on their representativeness regarding local economic development, demographic structure, health behaviors, geographic locations, and administrative autonomy. For instance, in terms of local economic development, Shanghai, Guangdong, and Sichuan represent economically developed provinces while Jilin and Gansu represent less developed areas. In terms of geographical regions, Jilin is located in North China, Gansu and Sichuan in Western China, Guangzhou in South China and Shanghai in Central China.

Version information

Current Version: 1.0 (December 2023)

Version History

- 1.0 (December 2023): First version.

Additional resources

The following resources provide additional details for the interested reader:

