

RESULTS PURSUED	Topic		Challenge	EU Best Practice Mobilized	Reform Proposed
<p>R6 The capacity of MoF financial management and supervision of central and local model of social security system and the extension of social security system coverage are enhanced, in particular in the fields of division of expenditure responsibilities, mid -terms budgeting of fund, and performance assessment model.</p>	2.1.1	Division of decision power and expenditure responsibilities on social security between central and local government	Resolving crossing powers on the decision power and expenditure responsibilities in the social protection field between central and local governments.	EU global	<p>The central Government should be responsible for the formulation of policies, formulation of laws, and supervision, while the responsibilities of expenditure and compensation in the social protection field should mainly be taken by local governments.</p> <p>A coordination mechanism for handling crossing powers of central and local governments should be established</p> <p><i>In Reform Proposal, vol. I</i></p>
	2.1.2	Social security coverage on atypical employment: methodologies and tools of analysis and management	<p>Extending the social insurance coverage for atypical workers.</p> <p>Improving the fragmentation and complexity of the existing social insurance schemes for different types of employees.</p>	EU global, Italy	<p>Developing a national unified insurance system</p> <p>Reducing contribution level and improving subsidy standard</p> <p>Improving the administration system</p> <p><i>In Reform Proposal, vol. I</i></p>
	2.1.3	Alternative policy measures to cope with the impact of ageing on the financial sustainability of the social security system	Establishing financially sustainable policies in the fields of pension insurance system; medical insurance system and social assistance system to cope with the issue of the rapid ageing population.	Czech Republic, EU global	<ul style="list-style-type: none"> - Promote the unified taxes and fees collection system under the Taxation authority - Improve the retirement system - Advance the development of the third pillar - Reasonable control of medical expenditure - Gradually relaxing the family planning policy
	2.1.4	An integrated system for the coordinated	Establish a mechanism for the integration and coordination of	Czech Republic, the	- MoF should work with MoCA and MHRSS to ensure close co-ordination of social insurance and social assistance

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		management of the social assistance system	social assistance schemes, funds, and resources.	Netherlands, Sweden, UK, Italy	<p>policies, in particular by ensuring that the social assistance operates as a 'safety net' scheme, which covers those not entitled to social insurance benefits.</p> <p>-MoF should work with MoCA and other relevant ministries to increase the contracting out of social assistance and to develop methods of joint commissioning of social assistance services.</p> <p>- MoF should work with MoCA and MoHRSS to support the development of pilot projects in different regions to explore how social assistance can better be linked to employment services.</p> <p>- MoF and local finance bureaus should work with MoCA and civil affairs bureaus to continue the unification of funds at local level into one social assistance budget.</p> <p>- MoF should support the development by MoCA of a comprehensive information platform. MoF (and local finance bureaus) should also work closely with MOCA (and local civil affairs bureaus) to ensure that IT developments include the tools for the financial management of the social assistance system and avoid the development of non integrated systems.</p> <p><i>In 2017 Volume</i></p>
	2.1.5	Social contribution	Implement a more integrated and	EU global	- Clarify transitional policies and steadily transfer the

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		collections: toward a unified system	efficient approach in the collection of social security contributions; resolving administrative responsibilities at different levels and agencies in a unified and comprehensive manner.		<p>responsibility for collecting social security contributions to tax authorities</p> <ul style="list-style-type: none"> - Establish the implementation of social security projects in accordance with Tax authorities full responsibility model - Establish an information exchange and cooperation platform for social security, taxation and finance, and promote the governance model of “tax collection, fiscal pooling, social security expenditure and public scrutiny” - Strengthen capacity building of the unified collection system - Based on actuarial calculations, launch policies to reduce social security contributions and the enterprises’ social security burden - Use the favorable conditions of unified tax collection to improve the social insurance overall planning level to break the "fragmentation" pattern
	2.1.6	Development of Old-age Services and Long Term Care System	Establish standardized old age services; Introduce a national Long Term Care Insurance scheme; Integrate different Long-term care policies and programs.	France, Germany, Italy, EU General	<p>Alternative models of LTC system have been proposed by the Chinese experts; one supporting an insurance-based model, one a family support approach. The EU expert proposed different scenarios where the state, family and society share different degrees of responsibility in LTC.</p> <p><i>In 2017 Volume</i></p>

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<p>R7 Enhance the top level design ability in the basic pension insurance; establish actuarial analysis models for basic pension insurance reform.</p>	2.2.1	Nominal personal account reform in the basic pension insurance system	Establish a sustainable multi-pillar pension system.	Eu Global, Italy	A comprehensive model has been proposed <i>In Reform Proposal, vol. I</i>
	2.2.2	Models and Methodologies for the Social and Economic sustainability analysis in social protection system	Establish a regular national social budgeting and a social security actuarial valuation system.	Eu Global, Italy	<p>Making statutory requirement for social security budgeting and actuarial valuation</p> <p>Promoting social insurance actuarial reporting system</p> <p>Organizing an Independent Specialized Institution</p> <p>Completing a national social insurance network data system</p> <p>Developing social insurance actuarial model and micro simulations models</p> <p><i>In Reform Proposal, vol. I</i></p>
<p>R8 The capacity of the MoF in the management of social insurance funds, focusing on fiscal support budgeting, account system, investment techniques and adjustment mechanisms for pension benefits is strengthened.</p>	2.3.1	Investment strategies of social funds and risk control methodologies	<p>Promote China's Pension Fund reform</p> <p>Develop strategies for the investments of pension funds and strengthen risk management methodologies.</p>	UK, Italy, EU general	<ul style="list-style-type: none"> - To establish by law the trustees' fiduciary duty; - To set up the strategy of the index investment of pension; - To give the pension managers longer contracts; - Suggestions of Earning-risk of the pension investment portfolios; <p><i>In 2017 Volume</i></p>
	2.3.2	The role of public finance and enterprise annuities funds in the Chinese social security system	Define the responsibility of public finance's subsidy for social security funds; establishing an efficient approach to increase subsidies for pension funds; enhance the role of occupational annuities funds for	EU global	<p><u>Enterprise annuities:</u></p> <ul style="list-style-type: none"> - Introduce automatic enrollment mechanism in the enterprise annuity system - Appropriate release of individual investment options

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			the financial sustainability of the social security system.		<ul style="list-style-type: none"> - Establish qualified default investment alternatives - Improve the tax incentive policy - Cancel or Shorten the vesting period of enterprises' contributions - Enlarge the investment choice of enterprise annuity funds - Establish a free conversion mechanism between the second and the third pillar - The regulatory system of pension management companies needs to be optimized - Establish an enterprise annuity IT system platform with Chinese characteristics - Establish TEE tax exemption account <p><u>Public finance:</u></p> <ul style="list-style-type: none"> - Develop explicit estimates of the cost of pension and social insurance schemes at both the national and provincial levels. - Analyse the full extent of existing subsidies (both direct

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					<p>payments and implicit subsidies)</p> <ul style="list-style-type: none"> - Use funds and experiences from Chinese provinces to inform policy and support financial resources. - Improve the financial management skills of social security authorities at national and local levels.