

Economy

Top legislature adopts Social Insurance Law

(Xinhua)

Updated: 2010-10-29 09:24

BEIJING - China's top legislature Thursday voted to adopt a social insurance law that aims to prevent the improper use of social security funds, after reading it four times and receiving feedback on the draft from the general public.

The Social Insurance Law specifies a common right for all citizens to access and enjoy five forms of insurance: basic endowment insurance, basic medical insurance, employment injury insurance, unemployment insurance and maternity insurance.

It also allows employees to transfer their basic endowment insurance accounts from one residence to another and promises a new endowment insurance system for rural residents.

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The law overcomes many of the obstacles under the old regulations, which restricted movement of the country's increasing migrant population. It says that a new medical payment system should be established to allow medical insurance in one place to be repaid in another. Citizens should also be allowed to pay pension premiums in one place and withdraw money from another.

In order to prevent the misappropriation of social insurance funds, the law says that the funds' income and expenses, management processes and investment should be made public.

Furthermore, the draft touches on social security information confidentiality issues, and says that social security authorities, executive agencies and personnel cannot disclose insurance information submitted by either employers or employees, adding that violations of such information confidentiality were subject to punishment.

As of 2008, about 219 million Chinese people have been covered by the pension system and about 317 million have basic medical insurance. An additional 124 million have unemployment insurance, 138 million have work injury insurance and 91 million have childbirth insurance, according to government statistics.

The five forms of insurance, co-financed by individuals, employers and the government, have accumulated trillions of yuan deposits.