

# Good News for Employees in Shanghai: Adjustment to the Standards of Certain Livelihood-related Security and Treatment

April 1st, 2014.

Shanghai has raised a series of livelihood-related security and treatment standards since April 1st, 2014, including the standards of minimum salary, unemployment insurance benefits, employment subsidies and employment injury insurance as well as disbursement ceiling of the overall fund of basic medical insurance for urban employees

## 1. Standards of Minimum Salary

The minimum monthly salary has increase from 1,620 Yuan to 1,820 Yuan and minimum hourly salary has increased from 14 Yuan to 17 Yuan since April 1<sup>st</sup>, 2014

The minimum monthly salary standard is applicable to a full-time employee who provides regular labor services during statutory working hours. Please note that the minimum monthly salary standard does not include social insurance charges and housing fund paid by the employee himself. Besides, overtime pay, allowance for working on the swing shift or night shift, allowance for working under high temperature or low temperature environment and allowance for working in poisonous and harmful conditions are excluded from the minimum monthly salary standard.

The minimum hourly salary standard is applicable to a part-time employee. Part-time employment refers to the employment in which the wage is paid on an hourly basis, and the average working hours of an employee with the same employer are less than four hours each day, and the total working hours of such employee are less than twenty-four hours each week. The minimum hourly salary standard does not include social insurance charges and housing fund paid by the employee himself.

## 2. Standards of Unemployment Insurance Benefits

Standards of unemployment insurance benefits are determined by the continuous payment period and the age of the unemployed which are currently divided into three levels. After the adjustment, three levels of unemployment insurance benefits standards for the first 12 months are increased to 1,065 Yuan per month, 1,120 Yuan per month and 1,170 Yuan per month respectively; unemployment insurance benefits standards for the second 12 months are 80% of those for the first 12 months and the minimum standard shall be about 10 Yuan higher than the subsistence allowances for urban residents in Shanghai.

## 3. Standards of Employment Subsidies

According to the adjustment, living allowance for youth on employment training has been increased from 1,296 Yuan per month to 1,456 Yuan per month; employment allowance for laid-off workers with agreement on reservation of social insurance and self-employment allowance for the older unemployed have been increased from 810 Yuan per month to 910 Yuan per month.

Meanwhile, the subsidy standard for employers hiring identified local unemployed who have difficulties in finding jobs has been increased from 13,000 Yuan to 16,000 Yuan and the subsidy standard for employers hiring identified laid-off

workers with agreement on reservation of social insurance who have difficulties in finding jobs has been increased from 6,500 Yuan to 8,000 Yuan

#### **4. Standards of Employment Injury Insurance**

Three standards regarding employment injury insurance has been raised.

a. improvement in the disability allowance enjoyed by employees who have first-degree to fourth-degree of disability caused by employment injury:

first-degree disability: an increase of 310 Yuan per month;

second-degree disability: an increase of 290 Yuan per month;

third-degree disability: an increase of 280 Yuan per month;

fourth-degree disability: an increase of 260 Yuan per month.

b. improvement in nursing fees for injured employees who are unable to look after themselves:

completely unable to look after themselves: an increase of 170 Yuan per month;

mostly unable to look after themselves: an increase of 130 Yuan per month;

partly unable to look after themselves: an increase of 100 Yuan per month.

c. improvement in pensions for dependents whom the employees died in course of duty have: an increase of 70 Yuan per person per month.

#### **5. Disbursement Ceiling of the Overall Fund of Basic Medical Insurance for Urban Employees**

Disbursement ceiling of the overall fund of basic medical insurance for urban employees for the medical care year of 2014 (from April 1, 2014 to March 31, 2015) has been increased from 340,000 Yuan to 360,000 Yuan. 80% of the medical costs surpassing the disbursement ceiling is still paid by local additional medical insurance fund. Corresponding adjustments have also been made to disbursement ceiling of the overall fund of medical insurance for urban floating employees and town employees.

The standards of livelihood-related securities and treatment are tied to the vital interests of the people. Therefore, the above-mentioned improvements are really good news for employees, especially for those with low incomes.