

Opinion of the Guangzhou Municipal People's Government on Further Promoting Employment

To all District People's Governments, and all relevant departments and subordinate agencies of the Guangzhou Municipal Government:

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implementing the spirit of the 19th National Congress of the Communist Party of China (CPC) and the Second and Third Plenary Sessions of the 19th Central Committee, thoroughly implementing the spirit of President Xi Jinping's important addresses, in accordance with following national and provincial decisions on stabilizing employment, and pursuant to the guiding principles of the *Several Opinions of the State Council on Working Effectively on Promoting Employment in the Current and Future Time Periods* (Guo Fa [2018] No.39), and *Notice of the Guangdong Provincial People's Government on Issuing Various Policies and Measures for Further Promoting Employment in Guangdong Province* (Yue Fu [2018] No.114), this implementation opinion is formulated in conjunction with the local actualities of Guangzhou.

1. Further Reducing Social Insurance Costs for Companies

(1) Methods for paying social insurance premiums will remain unchanged. Tax authorities have actively worked with relevant departments to study and put forward proposals to reduce social insurance premium rates to ensure that there is no overall increase to enterprise overheads and to ensure that there are substantive reductions to the actual cost of corporate social insurance contributions. Payment methods will be kept unchanged during reform of social insurance premium collection and management mechanisms. Contributors, including private enterprises, shall without exception not be allowed to organize and carry out one-time settlement of outstanding premiums on their own initiative.

(2) Employer contributions to basic old-age insurance for enterprise employees will remain unchanged. Unemployment insurance premium rates will remain at 1% until the end of 2020 and the floating premium rate system for unemployment insurance will continue to be implemented. Employee social medical insurance premium rates will continue to be reduced for this period. Employer contributions to employee social medical insurance will be reduced from 8% to 6.5%. Social medical insurance premium rates for persons in flexible forms of employment, retired employees granted premium payment extensions, and unemployed persons will be reduced from 10% to 8.5% from now to the end of 2020. Based on the implementation of the floating rate, work injury insurance premiums will be reduced by 30% for this period until the end of 2020.

(3) From 2018 to the end of 2020, contributions to the disabled persons' employment security fund will be levied per 2017 standards.

(Authorities in charge: Municipal Human Resources and Social Security Bureau; Municipal Finance Bureau; Municipal Taxation Bureau; Municipal Disabled Persons' Federation; various district governments)

2. Further Reduction in Corporate Recruitment Costs

(4) Guangzhou will build a municipality-wide human resource supply and demand service platform, soundly plan and utilize all labor resources in the municipality, hold 300 "zero-distance" job fairs each year, and organize more than 40 inter-provincial labor matching activities. Coordination and cooperation in labor affairs between regions receiving poverty assistance and traditional labor-exporting regions will be strengthened, where other provinces (municipalities, counties) will be provided with support to set up labor service stations in Guangzhou based on the requirements of national, provincial and municipal east-west poverty alleviation and labor coordination work. Active efforts will be made in cooperating with these stations in building job directories, and providing employment tracking and other services.

(5) Guangzhou will actively cultivate its human resources service industry, enhance the intensification, specialization and sophistication of human resources

services, develop a high-quality human resources service industrial park in the municipality, and develop a commercial district for human resources services around the Pearl River area in Guangzhou.

(6) Guangzhou will better regulate the human resources market and recruitment activities by employers. Dedicated actions will be regularly taken each year to ensure the sound health of the human resources market by taking firm action against illicit activities such as illegal manipulation of the market and disruption of the market order by "black intermediaries" and "contractors", thus safeguarding the legitimate rights and interests of job seekers.

(Authorities in charge: Municipal Human Resources and Social Security Bureau; Municipal Education Bureau; Municipal Public Security Bureau; Municipal Finance Bureau; Municipal Industry and Commerce Bureau; Municipal Coordination Office; various district governments)

3. Enhancing the Services Provided by Key Industries and Key Corporate Employers

(7) Guangzhou will formulate policies and plans for granting local household registration to special talents and employees in "special hardship industries" to actively attract talent for industries such as elderly care, funeral services, primary medical care, private education, and the cultural and sports sectors, as well as bus drivers, firefighters, sanitation workers, and caregivers for the disabled. Plans for granting household registration to persons with skills urgently required by key enterprises and key project units will be expanded to attract talent needed by industries whose development is supported by the municipality, such as advanced manufacturing, finance, shipping, high-speed rail, aviation.

(8) Enterprises that have more than 2,000 employees or hire more than 500 new employees in one instance are designated as key employers. Human resources and social security authorities in regions where the enterprise is domiciled shall appoint employment service commissioners to provide comprehensive recruitment policy coordination and coordination services.

(9) Guangzhou will strengthen dynamic monitoring of employment and unemployment rates to timely and accurately keep up to date with the status of employment and unemployment in its administrative division through sound implementation of basic tasks related to employment and unemployment registration. Guangzhou will implement dynamic management by establishing records and databases on the demand for human resources by key employers.

(10) Each district human resources and social security authority will organize special job fairs for key employers. A special job fair subsidy of CNY 5,000 each key employer will be provided by the employment subsidy fund.

(11) Where a human resource service agency introduces employees to a key employer, the employment subsidy fund will grant the agency a job referral subsidy of CNY 400 for each new referred employee who is subsequently employed in a stable position and contributes to the social insurance system for 6 months or more.

(Authorities in charge: Municipal Human Resources and Social Security Bureau; Municipal Development and Reform Commission; Municipal Industry and Information Technology Committee; Municipal Public Security Bureau; Municipal Finance Bureau; Municipal Commerce Commission; Municipal Statistics Bureau, Municipal Bureau of Migrant Services, Municipal Taxation Bureau, various district governments)

4. Giving Full Play to the Role of Small and Medium Enterprises in Job Creation

(12) Small and micro enterprises registered within the past 3 years will be provided with “entrepreneurship-driven employment subsidies” by the employment subsidy fund based on the number of jobs created. Where three or less jobs are created, the subsidy will be CNY 2,000 per employee. Where more than three jobs are created, a subsidy of CNY 3,000 will be granted for each additional worker recruited, up to a maximum of CNY 30,000. For small and micro enterprises making an application for the first time, the subsidy will be issued based on the actual number of employees employed at the time of application. In subsequent years, the subsidy will be issued based on the actual number of net additional workers. Applications should be submitted within 4 years from the date of registration (inclusive).

(13) The period of social insurance subsidies for fresh higher education graduates hired by small and micro enterprises will be extended from one year to two years.

(14) Small, medium and micro enterprises will be encouraged to recruit workers registered as in need of poverty assistance. For such workers who have been employed in stable jobs and participated in the social insurance system for 6 months or more, an employment subsidy of CNY 3,000 per worker will be disbursed from the employment subsidy fund.

(15) Guangzhou will support job creation by the domestic services industry. For domestic services companies that hire employees, the employment subsidy fund shall disburse subsidies amounting to 50% of the basic old-age insurance premiums, employee social medical insurance premiums, unemployment insurance premiums, work injury insurance premiums and maternity insurance premiums paid by the company (individual contributions are borne by the employee). Specific implementation measures for disbursing social insurance subsidies to such domestic services companies shall be based on provincial regulations.

(Authorities in charge: Municipal Human Resources and Social Security Bureau; Municipal Industry and Information Technology Commission; Municipal Civil Affairs Bureau; Municipal Finance Bureau; Municipal Commerce Commission; Municipal Coordination Office; various district governments)

5. Promoting Employment through Entrepreneurship

(16) Pursuant to the relevant provisions of Yue Fu [2018] No.114, Guangzhou will further study the use of unemployment insurance funds to support employment and entrepreneurship measures. After setting aside reserves equivalent to two times the sum of disbursed unemployment insurance benefits disbursed during the previous year, monies for surety funds and interest subsidies for entrepreneurship guaranteed loans shall be withdrawn from the balance of accumulated funds at the rate stipulated in provincial policies. Application procedures for entrepreneurship guaranteed loans be streamlined and the quality and efficiency of loan services be vigorously improved. The maximum guarantee limit for eligible entrepreneurs will be increased

from 200,000 yuan to 300,000 yuan and the maximum term limit for entrepreneurship guaranteed loans and interest subsidies has been extended from two years to three years. Entrepreneurs who set up a partnership or a small enterprise may be provided with "bundled" loans of CNY 300,000 per person, up to a maximum total loan amount of CNY 3 million yuan. The maximum loan amount will be CNY 5 million for eligible labor-intensive and small and micro technology enterprises. Measures for the management of surety funds and interest subsidies for entrepreneurship guaranteed loans shall be based on provincial regulations.

(17) Guangzhou will thoroughly implement the rural rejuvenation strategy and encourage various groups to start businesses or seek employment in rural areas. Guangzhou will vigorously carry out the "Cantonese Cuisine Chef" project, build a training platform for Cantonese cuisine chefs, develop a characteristic, talent-based Cantonese cuisine skills industry, and develop standards for cuisine skills and appraising skill levels. Guangzhou will launch competitions in professional Cantonese cuisine skills, and enhance public employment services for Cantonese cuisine chefs. In addition, Guangzhou will develop "Cantonese cuisine gourmet tourism" in rural areas, expand channels for employment and entrepreneurship in the Cantonese cuisine industry, and explore a new "Guangdong cuisine chefs + targeted poverty assistance" model. Guangzhou will strive to train more than 100 Cantonese chefs by 2020.

(18) Guangzhou will raise the standard amount for one-time entrepreneurship funding to CNY 10,000 and expand the scope of such funding to entrepreneurs returning to their hometowns to start businesses. Entrepreneurs (businesses) operating "courier inns", homestays, "agritainment lodgings" (*nongjiale*) and returned entrepreneurs will be incorporated within the scope of policy support such as one-time entrepreneurship subsidies, rent subsidies, and entrepreneurship-driven employment subsidies.

(19) Guangzhou will strengthen the development of entrepreneurial platforms such as entrepreneurial incubation bases. The municipality will focus on the establishment of entrepreneurial incubation bases targeted mainly at rural entrepreneurs. The employment subsidy fund will disburse a one-time subsidy of

CNY 100,000 to each base for their development. With the key focus being on youths from Guangzhou, Hong Kong and Macao, Guangzhou will strengthen the development of entrepreneurship incubation platforms targeted at young entrepreneurs from Guangzhou, Hong Kong and Macao such as the Guangdong-Hong Kong-Macao (International) Youth Entrepreneur Hub, and allocate special funds for their development. Leading enterprises, universities, research institutions and private actors in Guangzhou, Hong Kong and Macao will be encouraged to pool their various resources to build entrepreneurship and innovation incubation bases for youth from Hong Kong and Macao. Guangzhou will encourage all existing business incubators, small and micro enterprises entrepreneurship and innovation demonstration bases, doctoral and postdoctoral regional entrepreneurship and innovation business incubators, science and technology business incubators, and makerspaces to open up space for entrepreneurship and innovation targeted specifically at young entrepreneurs from Hong Kong and Macao. Those highly effective entrepreneurship demonstration bases targeted at Hong Kong and Macao entrepreneurs will be recommended as provincial bases.

(Authorities in charge: Municipal Human Resources and Social Security Bureau; Municipal Industry and Information Technology Commission; Municipal Education Bureau; Municipal Science and Technology Innovation Commission; Municipal Finance Bureau; Municipal Agriculture and Rural Affairs Bureau; Municipal Financial Affairs Bureau; various district governments)

6. Focus on Multi-Channel Graduate Employment and Entrepreneurship

(20) Guangzhou will expand the scope and size of employment and entrepreneurship subsidies for higher graduates. Grassroots employment subsidies of CNY 3,000 per person will be provided for fresh higher education graduates employed in small, medium and micro enterprises or town(ship) and village social administration and public service positions, and who have worked (served) in a stable capacity and participated in the social insurance system for more than 6 months, subject to the principle of “contributions before subsidies”. The scope job-hunting and

entrepreneurship subsidies will be expanded to include graduates from universities, technician colleges (senior and preparatory technician courses) and special education institutions (those that offer vocational education) in Guangzhou. The size of such subsidies will be increased from CNY 1,500 to CNY 2,000 per person.

Higher education graduates who opt for flexible rather than regular forms of employment after graduation should apply for employment registration and pay legally required basic old-age insurance premiums and employee social medical insurance premiums. Social insurance subsidies of CNY 600 yuan per month will be disbursed for up to three years, subject to the principle of “contributions before subsidies”. The scope of vocational training subsidies for students from ordinary higher education institutions will be expanded to include not only the graduating cohort but also current students. Each student can apply once before graduation. Guangzhou will raise work and living allowances for higher education graduates dispatched by the province to participate in "Three Assists, One Help" programs. Monthly living allowances disbursed by the municipal finance authorities will be increased from CNY 800 to CNY 2,000 per person. Those who have served for 2 years and whose work performance is assessed to be “acceptable” or higher, will be awarded a one-time bonus of CNY 30,000.

(21) Higher education graduates will be encouraged to engage in innovation and entrepreneurship at business incubators, makerspaces, and science and technology incubators. Guangzhou will implement supporting policies such as rent and tax breaks, and provide supporting services such as venture capital financing, exhibition opportunities, and competition opportunities.

(22) Each year, municipal public employment and talent service agencies will organize at least 30 special job fairs for higher education graduates and at least 60 campus employment and entrepreneurship talks.

(23) Through government purchase of services, Guangzhou will establish Employment and Entrepreneurship Service Stations for higher education graduates in Guangzhou and provide services such as employment and entrepreneurship policy communication, employment and entrepreneurship guidance, skills training, and

assistance with applications for subsidies. Yearly subsidies of CNY 100,000 will be disbursed to each Service Station to subsidize their operations.

(Authorities in charge: Municipal Human Resources and Social Security Bureau; Municipal Industry and Information Technology Commission; Municipal Education Bureau; Municipal Science and Technology Innovation Commission; Municipal Finance Bureau; Municipal Taxation Bureau; various district governments)

7. Development of Vocational Education and Skills Training

(24) Guangzhou will speed up the integrated development of education and industry, promote the targeted integration of academic disciplines with industry needs, and accelerate the transformation and development of institutions that offer applied bachelor's degree programs.

(25) Guangzhou will encourage vocational skills training. Per the requirements of economic transformation, upgrading and high-quality development, Guangzhou will timely release the catalogue of professions (vocations) urgently required by enterprises, formulate short- and long-term plans for the improvement of the technical skills of the workforce, and accelerate the cultivation of a workforce and rural artisan teams with advanced technical skills and strong job competencies. Guangzhou will encourage enterprises and employers to increase investment in employee training and implement pre-tax deduction policies for expenses on the training of enterprise employees. Subsidies shall be awarded for employees who are awarded professional qualifications through participation in skills upgrading training or passing relevant assessments. Subsidies will be provided to at least 10,000 people each year.

(26) Guangzhou will raise skills upgrading subsidies for highly skilled talents. Workforce skills upgrading training subsidies and unemployment insurance skills upgrading subsidies will be increased by 30% over existing standards for those who have obtained senior qualifications in professions (vocations) listed in the catalogue of professions (vocations) urgently required by enterprises

(27) Guangzhou will relax restrictions on applying for skill upgrading subsidies. From January 1, 2019 to December 31, 2020, unemployment insurance skills upgrading subsidies will be available to workers who have made unemployment

insurance contributions for 12 months or more, down from the previous standard of 36 months or more.

(28) Guangzhou will fully promote the implementation of new-type apprenticeship-based training and modern apprenticeship systems by enterprises. Guangzhou will establish a system where workers are jointly trained on the job and by schools, implement a flexible academic system and an academic credits system, improve the mechanisms by which enterprises invest in apprenticeship training, and improve financial subsidy policies.

(29) Guangzhou will launch skills training programs for eligible households registered as in need of poverty assistance, rural households, and urban households facing financial difficulties, and waive tuition fees for full-time students enrolled in secondary vocational education programs and technical colleges.

(Authorities in charge: Municipal Human Resources and Social Security Bureau; Municipal Development and Reform Commission; Municipal Education Bureau; Municipal Civil Affairs Bureau; Municipal Finance Bureau; Municipal Commerce Committee; various district governments)

8. Assisting Employees in Enterprises Facing Financial Difficulties to Keep or Switch Positions

(30) Guangzhou will intensify support for job stabilization and raise rebate rates for enterprises facing financial difficulties. Guangzhou will implement policies where unemployment insurance schemes support employment stability. Insured enterprises that do not retrench workers or retrench fewer workers may be provided with “employment stabilization subsidies” equal to 50% of the total amount of unemployment insurance premiums paid by the enterprise and its employees in the previous year. For insured enterprises facing financial difficulties, the rebate rate may be determined with reference to the 6-month local monthly unemployment insurance standard and the number of employees insured. Required funds shall be disbursed from the unemployment insurance fund.

(31) Guangzhou will support enterprises facing financial difficulties in carrying out on-the-job training for employees. Required funds will be disbursed from the enterprise employee training budget. After training plans and outcomes are deemed to be satisfactory by the local human resources and social security authority, a one-time special training subsidy shall be disbursed from the employment subsidy fund in accordance with provincial policies. Employees in financial difficulties who participate in short-term skills training (inclusive of entrepreneurship training) for 3-6 months after losing their job and subsequently awarded a vocational qualification certificate (entrepreneurship training qualification certificate) may apply for a skills upgrading subsidy or entrepreneurship training subsidy. For those who are eligible for unemployment insurance benefits or who are receiving such benefits, the required funds shall be withdrawn from unemployment insurance funds. Subsidies for other persons shall be disbursed from the employment subsidy fund. Workers participating in short-term skills training programs who are persons facing employment difficulties, members of households registered as in need of poverty assistance, recipients of minimum living allowances, or disabled persons shall be provided with a living allowance of CNY 500 per month by the employment subsidy fund. However, they are not entitled to unemployment insurance benefits while receiving living allowances.

(32) Where an employer hires employees facing financial difficulties, ordinary employment subsidies of CNY 200 per month will be granted for each employee who signs a labor contract of one year or more and participates in social insurance. Where such employees have participated in unemployment insurance prior to their unemployment, the required monies shall be disbursed from the unemployment insurance fund. For other employees, the required monies shall be disbursed from the employment subsidy fund.

(33) Where a worker in financial difficulties referred by a human resources service agency is employed in a stable position and makes social insurance contributions for more than 6 months, the employment subsidy fund shall disburse an

employment subsidy of CNY 400 per person. The policy measures listed in items (30) to (33) will be implemented until the end of 2019.

(34) Guangzhou will establish mechanisms for providing enterprises facing financial difficulties with comprehensive services, guide enterprises that genuinely need to lay off greater numbers of workers in order to resolve their financial difficulties in formulating plans to assist these laid off workers, properly manage labor relations and social security transfers in accordance with all laws and regulations, timely provide job-seeking guidance, job information, skills training, entrepreneurship support and other relevant services, and properly handle the re-employment of affected enterprise employees. In this respect, Guangzhou will streamline the approval process for special working hours and shorten processing times. Guangzhou will better inform public opinion, extensively communicate enterprise-related policies, and guide enterprises in stabilizing labor relations by adopting flexible work arrangements, flexible working hours, flexible wage systems, and flexible work adjustments through group negotiations with employees. Guangzhou will vigorously promote systems for collective contracts and collective wage negotiations, thus better safeguarding the legitimate rights and interests of both employers and employees and developing harmonious labor relations. Guangzhou will push forward the development of a tripartite joint mediation center for consultation on labor relations, actively promote the development of labor and personnel dispute mediation organizations, mediate labor disputes in accordance with laws and regulations, and preserve the harmony and stability of labor relations.

(35) Measures for the identification of enterprises and employees facing financial difficulties will be implemented pursuant to provincial regulations.

(Departments in charge: Municipal Human Resources and Social Security Bureau; Municipal Industry and Information Technology Commission; Municipal Finance Bureau; Municipal Commerce Commission; Municipal Coordination Office; Municipal Federation of Industry and Commerce; Guangzhou Federation of Trade Unions; Guangdong Provincial Enterprise Confederation; various district governments)

9. Ensuring the Employment of Persons with Employment Difficulties

(36) Expanding youth employment internships. The scope of employment internship subsidies will be extended to higher education graduates that have not found a job within two years of graduation and unemployed youth aged 16-24. Interns who are persons facing employment difficulties, members of households registered as in need of poverty assistance, persons receiving minimum living allowances, or disabled persons will receive a living subsidy of CNY 500 per month from the employment subsidy fund during their internship period. The employment subsidy fund will disburse an employment subsidy of CNY 3,000 for every intern retained by their employer after the probationary period in a stable position and who has participated in the social insurance system for more than 6 months.

(37) Persons facing employment difficulties that have achieved flexible forms of employment through new forms and models of business such as internet service platforms who have applied for employment registration and paid legally required basic old-age insurance premiums and employee social medical insurance premiums shall be provided social insurance subsidies of CNY 600 per month for up to 3 years per the principle of “contributions before subsidies”.

(38) Strengthening the holistic development and management of public welfare positions. For non-establishment service positions that are funded by municipal or district finance authorities and administered by relevant authorities, the said authorities shall submit annual recruitment plans to the human resources and social security authority at the same level and allocate not less than 50% of the available positions to persons facing employment difficulties. By pushing forward with the *Jiuye Xiexing Jihua* (“Employment Together Plan”), employment assistance service models will be promoted at sub-district (town) social worker service stations (family comprehensive service centers), which will be centered upon employment counseling services provided by professional social workers from social service agencies. By proactively providing professional and personalized employment services such as psychological counseling, family counseling, group employment activities, and

on-the-job support, key target groups will be assisted in achieving employment through the market.

(39) Disbursement of unemployment insurance benefits. Unemployment insurance benefits will be timely disbursed to those eligible. When receiving unemployment insurance benefits, their social medical insurance premiums shall be borne by the unemployment insurance fund.

(40) Former enterprise employees who face financial difficulties after becoming unemployed but are not eligible for unemployment insurance benefits will be granted a one-time temporary living allowance of CNY 5,000 from the employment subsidy fund.

(41) Measures such as minimum living allowances and temporary assistance shall be timely implemented. Guangzhou will continue to improve levels of social assistance such as minimum living allowances, identification of low-income families and support for the extremely poor to further protect the living standards of people in need. Additionally, Guangzhou will further promote the introduction of tiered relief and temporary assistance policies.

(42) Eligible migrant workers will be entitled to equal employment and entrepreneurship support policies and related employment and entrepreneurship services.

(Departments in charge: Municipal Human Resources and Social Security Bureau; Municipal Civil Affairs Bureau; Municipal Finance Bureau; Municipal Bureau of Migrant Services; Municipal Coordination Office; Municipal Taxation Bureau; Municipal Disabled Persons' Federation; various district governments)

All district people's governments and relevant authorities must be fully aware of the importance and urgency of soundly promoting employment, strengthen organizational leadership, take various measures to promote employment, and ensure that all work tasks are carried out. The Municipal Human Resources and Social Security Bureau shall work with the Municipal Development and Reform Commission, Municipal Industry and Information Technology Commission,

Municipal Education Bureau, Municipal Science and Technology Innovation Committee, Municipal Public Security Bureau, Municipal Civil Affairs Bureau, Municipal Finance Bureau, Municipal Agriculture Bureau, Municipal Commerce Commission, Municipal Trade and Industry Bureau, Municipal Statistics Bureau, Municipal Bureau of Migrant Services, Municipal Financial Affairs Bureau, Municipal Coordination Office, Municipal Taxation Bureau, Municipal Federation of Industry and Commerce, Municipal Federation of Trade Unions, Municipal Disabled Persons' Federation, Guangdong Provincial Enterprise Confederation and other relevant departments in improving information sharing mechanisms, establishing and improving the real-name management service information system for enterprises and employees in financial difficulties that are entitled to policy support, improving certification standards and procedures, and properly performing dynamic management and providing tracking services. It is necessary to review all existing types of subsidies, and merge and streamline existing subsidy provisions and methods while maintaining policy continuity and stability to ensure that fiscal funds are used more efficiently. At the same time, it is the necessary to enhance policy communication and the evaluation of implementation outcomes in order to timely adjust and improve relevant policy support.

This implementation opinion shall come into force from the date of issue.

Guangzhou Municipal People's Government

December 27, 2018

Means of disclosure: Active disclosure