

Labor Contract Law of the People's Republic of China (2012 Amendment)[Effective]
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Contract Law of the People's Republic of China
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Chapter I General Provisions

This Law is formulated for the purposes of improving the labor contractual system, clarifying the rights and obligations of both parties of labor contract, protecting the legitimate rights and interests of employees, and establishing and developing a harmonious and stable employment relationship.

This Law shall apply to the establishment of employment relationship between employees and enterprises, individual economic organizations, private

se entities, or other organizations (hereafter referred to as employers), and to the formation, fulfillment, change, dissolution, or termination of labor contracts.

Government organs, public institutions, social organizations, and their employees among them there is an employment relationship shall observe this Law in the formation, fulfillment, change, dissolution, or termination of their labor contracts.

The principle of lawfulness, fairness, equality, free will, negotiation for agreement and good faith shall be observed in the formation of a labor contract. A labor contract concluded according to the law shall have a binding force. The employer and the employee shall perform the obligations as stipulated in the contract.

An employer shall establish a sound system of employment rules so as to ensure that its employees enjoy the labor rights and perform the employment duties.

When an employer formulates, amends or decides rules or important events concerning the remuneration, working time, break, vacation, work safety and health, insurance and welfare, training of employees, labor discipline, or management of production quota, which are directly related to the interests of the employees, such rules or important events shall be discussed at the meeting of employees' representatives or the general meeting of all employees, and the employer shall also put forward proposals and opinions to the employees and negotiate with the labor union or the employees' representatives on a equal basis. Agreements on these rules or events shall be reached through consultation.

In the process of execution of a rule or decision about an important event, if the labor union or the employees deems it improper, they may require the employer to amend or improve it through negotiations.

The employer shall make an announcement of the rules and important events which are directly related to the interests of the employees or inform the employees of the rules or events.

The labor administrative department of the people's government at the county level or above shall, together with the labor union and the representatives of the employees, establish a sound three-party mechanism to coordinate employment relationship and shall jointly seek to solve the major problems related to employment relations.

The labor union shall assist and direct the employees when they conclude with the employers and fulfill labor contracts and establish a collective consultation mechanism with the employers so as to maintain the lawful rights and interests of the employees.

II Formation of Labor Contracts

An employer establishes an employment relationship with an employee from the date when the employer puts the employee to work. The employer shall maintain a roster of employees for inspection.

When an employer hires an employee, it shall faithfully inform him of the work contents, conditions and location, occupational harm, work safety and health protection, and other information which the employee requires to be informed. The employer has the right to know the basic information of the employee related to the labor contract and the employee shall faithfully provide such information.

When an employer hires an employee, it shall not detain his identity card or other certificates, nor require him to provide a guaranty or collect money from him under any other excuse.

10 A written labor contract shall be concluded in the establishment of an employment relationship.

When an employment relationship has already been established with an employee but no written labor contract has been entered simultaneously, a written labor contract shall be concluded within one month from the date when the employee begins to work.

When an employer and an employee conclude a labor contract prior to the employment, the employment relationship is established from the date when the employee begins to work.

1 Where an employer fails to conclude a written labor contract when the employer put his employee to work, if the remuneration stipulated between the employer and the employee is not clear, the remuneration to the new employee shall conform to the provisions of the collective contract. If there is no collective contract or if there is no such stipulation in the collective contract, the principle of equal pay for equal work shall be observed.

2 Labor contracts are classified into fixed-term labor contracts, labor contracts without a fixed term, and the labor contracts that set the completion of a specific task as the term to end contracts.

3 A fixed-term labor contract refers to a labor contract in which the employer and the employee stipulate the time of termination of the contract. The employer and the employee may conclude a fixed-term labor contract upon negotiation.

4 A labor contract without a fixed term refers to a labor contract in which the employer and the employee stipulate no certain time to end the contract. The employer and an employee may, through negotiations, conclude a labor contract without a fixed term. Under any of the following circumstances, if the employer and an employee agree to renew or conclude a labor contract, a labor contract without a fixed term shall be concluded unless the employee proposes to conclude a fixed-term labor contract:

(1) The employee has already worked for the employer for 10 full years consecutively;

(2) When the employer initially adopts the labor contract system or when a state-owned enterprise re-concludes the labor contract due to restructuring, the employee has already worked for this employer for 10 full years consecutively and he attains to the age which is less than 10 years up to the statutory retirement age.

5 A labor contract is to be renewed after two fixed-term labor contracts have been concluded consecutively, and the employee is not under any of the circumstances as mentioned in Article 39 and Paragraphs (1) and (2) of Article 40 of this Law.

6 If the employer fails to sign a written labor contract with an employee after the lapse of one full year from the date when the employee begins to work, it shall be deemed that the employer and the employee have concluded a labor contract without a fixed term.

7 A labor contract that sets the completion of a specific task as the term to end the contract refers to the labor contract in which the employer and the employee stipulate that the time period of the contract shall be based on the completion of a specific task.

8 The employer and an employee may, upon negotiation, conclude a labor contract that sets the completion of a specific task to end the contract.

9 A labor contract shall be agreed with by the employer and the employee and shall come into effect after the employer and the employee affix their signatures or seals to the labor contract.

10 The employer and the employee shall each hold one copy of the labor contract.

11 A labor contract shall include the following clauses:

(1) The employer's name, domicile, legal representative, or major person-in-charge;

(2) The employee's name, domicile, identity card number, or other valid identity certificate number;

(3) The term limit for the labor contract;

(4) Job descriptions and work locations;

(5) Work hours, break time, and vacations;

(6) Remunerations;

ocial security;

employment protection, work conditions, and protection against and prevention of occupational harm; and

items that shall be included in the labor contract under any laws or regulations.

From the essential clauses as prescribed in the preceding paragraph, the employer and the employee may, in the labor contract, stipulate the probation training, confidentiality, supplementary insurances, welfares and benefits, and other items.

8 If remunerations, work conditions, and other criterions are not expressly stipulated in a labor contract and a dispute is triggered, the employer and the employee may re-negotiate the contract. If no agreement is reached through negotiations, the provisions of the collective contract shall be followed. If there is no such stipulation in the labor contract or if there is no such stipulation about the remuneration, the principle of equal pay for equal work shall be observed. If there is no collective contract or if there is no such stipulation about the work conditions and other criterions in the collective contract, the relevant provisions of the state shall be followed.

9 If the term of a labor contract is not less than 3 months but less than 1 year, the probation period shall not exceed one month. If the term of a labor contract is not less than one year but less than 3 years, the probation period shall not exceed 2 months. For a labor contract with a fixed term of 3 years or more, the probation period shall not exceed 6 months.

An employer can only impose one probation time period on an employee.

For a labor contract that sets the completion of a specific task as the term to end the contract or with a fixed term of less than 3 months, no probation period shall be stipulated.

The probation period shall be included in the term of a labor contract. If a labor contract only provides the term of probation, the probation shall be null and void, and the term of the probation shall be treated as the term of the labor contract.

10 The wage of an employee during the probation period shall not be lower than the minimum wage for the same position of the same employer or local minimum wage, nor may it be lower than the minimum wage of the locality where the employer is located.

11 During the probation period, except when the employee is under any of the circumstances as described in Article 39 and Article 40 (i) and (ii), the employer shall not dissolve the labor contract. If an employer dissolves a labor contract during the probation period, it shall make an explanation.

12 Where an employer pays special training expenses for the special technical training of his employees, the employer may enter an agreement with the employees to specify their service time period.

If an employee violates the stipulation regarding the service time period, he shall pay the employer a penalty for breach of contract. The amount of penalty for breach of contract shall not exceed the training fees provided by the employer. The penalty for breach of a contract in which the employer requires the employee to provide special training shall not exceed the training expenses attributable to the service time period that is unfulfilled.

The service time period stipulated by the employer and the employee does not affect the promotion of the remuneration of the employee during the probation period under the normal wage adjustment mechanism.

13 An employer may enter an agreement with his employees in the labor contract to require his employees to keep the business secrets and intellectual property rights of the employer confidential.

If an employee who has the obligation of keeping confidential, the employer and the employee may stipulate non-competition clauses in the labor contract or a confidentiality agreement and come to an agreement that, when the labor contract is dissolved or terminated, the employee shall be given economic compensation within the non-competition period. If the employee violates the stipulation of non-competition, it shall pay the employer a penalty for breach of contract.

14 The persons who should be subject to non-competition shall be limited to the senior managers, senior technicians, and the other employees, who have

in to keep secrets, of employers. The scope, geographical range and time limit for non-competition shall be stipulated by the employer and the employee. The stipulation on non-competition shall not be contrary to any laws or regulations.

5 Upon dissolution or termination of a labor contract, the non-competition period for any of the persons as mentioned in the preceding paragraph to work in the same employer producing or engaging in products of the same category or engaging in business of the same category as this employer shall not exceed two years.

6 Except for the circumstances as prescribed in Articles 22 and 23 of this Law, the employer shall not stipulate with the employee that the employee shall pay a penalty for breaching contract.

7 The following labor contracts are invalid or are partially invalid if:

(1) The employer employs the means of deception or coercion or takes advantage of the other party's difficulties to force the other party to conclude a labor contract or to amend a labor contract, which is contrary to his will;

(2) The employer disclaims its legal liability or denies the employee's rights; or

(3) Mandatory provisions of laws or administrative regulations are violated.

8 In any dispute over the invalidating or partially invalidating of a labor contract, the dispute shall be settled by the labor dispute arbitration institution or the people's court.

9 The invalidity of any part of a labor contract does not affect the validity of the other parts of the contract. The other parts shall still remain valid.

10 If a labor contract has been confirmed to be invalid, the employer shall pay remunerations to his employees who have labored for the employer. The amount of remunerations shall be determined by analogy to the remuneration to the employees taking up the same or similar positions of the employer.

III Fulfillment and Change of Labor Contracts

1 An employer and an employee shall, according to the stipulations of the labor contract, fully perform their respective obligations.

2 An employer shall, under the contractual stipulations and the provisions of the state, timely pay its employees the full amount of remunerations. If an employer defers paying or fails to pay the full amount of remunerations, the employees may apply to the local people's court for an order of payment. The people's court shall issue an order of payment according to the law.

3 An employer shall strictly execute the criterion on production quota, it shall not force any of its employees to work overtime or make any of his employees work in a disguised form. If an employer arranges overtime work, it shall pay its employee for the overtime work according to the relevant provisions of the law.

4 If an employee refuses to perform the dangerous operations ordered by the manager of his employer who violates the safety regulations or forces the employee to risk his life, the employee shall not be deemed to have violated the labor contract.

5 The employee may criticize, expose to the authorities, or charge against the employer if the work conditions may endanger his life and health.

6 An employer's change of its name, legal representative, key person-in-charge, or investor shall not affect the fulfillment of the labor contracts.

7 In case of merger or split the original labor contracts of the employer still remain valid. Such labor contracts shall be performed by the new employer. The new employer shall inherit the rights and obligations of the aforesaid employer.

8 An employer and an employee may modify the contents stipulated in the labor contract if they so agree upon negotiations. The modifications to the labor contract shall be made in writing.

9 The employer and the employee shall each hold one copy of the modified labor contract.

IV Dissolution and Termination of Labor Contracts

6 An employer and an employee may dissolve the labor contract if they so agree upon negotiations.

7 An employee may dissolve the labor contract if he notifies in writing the employer 30 days in advance. During the probation period, an employee may dissolve the labor contract if he notifies the employer 3 days in advance.

8 Where an employer is under any of the following circumstances, its employees may dissolve the labor contract:

; to provide labor protection or work conditions as stipulated in the labor contract;

; to timely pay the full amount of remunerations;

; to pay social security premiums for the employees;

rules and procedures set up by the employer are contrary to any law or regulation and impair the rights and interests of the employees;

labor contract is invalidated due to the circumstance as mentioned in Article 26 (1) of this Law; or

other circumstances prescribed by other laws or administrative regulations that authorize employees to dissolve labor contracts.

Where an employer forces any employee to work by the means of violence, threat, or illegally restraining personal freedom, or an employer violates the safety regulations to order or forces any employee to perform dangerous operations that endanger the employee's personal life, the employee may immediately dissolve the labor contract without notifying the employer in advance.

9 Where an employer is under any of the following circumstances, his employer may dissolve the labor contract:

proved that the employee does not meet the recruitment conditions during the probation period;

employee seriously violates the rules and procedures set up by the employer;

employee causes any severe damage to the employer because he seriously neglects his duties or seeks private benefits;

employee simultaneously enters an employment relationship with other employers and thus seriously affects his completion of the tasks of the employer;

employee refuses to make the ratification after his employer points out the problem;

labor contract is invalidated due to the circumstance as mentioned in Item (1), paragraph 1, Article 26 of this Law; or

employee is under investigation for criminal liabilities according to law.

10 Under any of the following circumstances, the employer may dissolve the labor contract if it notifies the employee in writing 30 days in advance or pays the employee an extra month's wages:

; employee an extra month's wages:

employee is sick or is injured for a non-work-related reason and cannot resume his original position after the expiration of the prescribed time period for treatment, nor can he assume any other position arranged by the employer;

employee is incompetent to his position or is still so after training or changing his position; or

objective situation, on which the conclusion of the labor contract is based, has changed considerably, the labor contract is unable to be performed and no agreement on changing the contents of the labor contract is reached after negotiations between the employer and the employee.

1 Under any of the following circumstances, if it is necessary to lay off 20 or more employees, or if it is necessary to lay off less than 20 employees but counts for 10% of the total number of the employees, the employer shall, 30 days in advance, make an explanation to the labor union or to all its employees. After it has solicited the opinions from the labor union or of the employees, it may lay off the number of employees upon reporting the employee layoff plan to the labor administrative department:

under revitalization according to the Enterprise Bankruptcy Law;

encounters serious difficulties in production and business operation;

enterprise changes products, makes important technological renovation, or adjusts the methods of its business operation, and it is still necessary to lay off a number of employees after changing the labor contract; or

the objective economic situation, on which the labor contract is based, has changed considerably and the employer is unable to perform the labor contract. Among employees shall be given a priority to be kept when the employer cuts down the number of employees:

① who have concluded a fixed-term labor contract with a long time period

② who have concluded a labor contract without fixed term; and

③ whose family has no other employee and has the aged or minors to support.

If the employer intends to hire new employees within 6 months after it cuts down the number of employees according to the first paragraph of this Article, it shall give priority to the employees cut down and shall, in the equal conditions, give a priority to the employees cut down.

2 An employer shall not dissolve the labor contract under Articles 40 and 41 of this Law if any of its employee:

① has been engaged in operations exposing him to occupational disease hazards and has not undergone an occupational health check-up before he leaves his post; or is suspected of having an occupational disease and is under diagnosis or medical observation;

② has been confirmed as having lost or partially lost his capacity to work due to an occupational disease or a work-related injury during his employment with the employer;

③ has contracted an illness or sustained a non-work-related injury and the proscribed time period of medical treatment has not expired;

④ is a female who is in her pregnancy, confinement, or nursing period;

⑤ has been working for the employer continuously for not less than 15 years and is less than 5 years away from his legal retirement age; or

⑥ is in other circumstances under which an employer shall not dissolve the labor contract as proscribed in laws or administrative regulations.

3 Where an employer unilaterally dissolves a labor contract, it shall notify the labor union of the reasons in advance. If the employer violates any law or administrative regulation, or stipulations of the labor contract, the labor union has the power to require the employer to make ratification. The employer shall solicit the opinions of the labor union and notify the labor union of the relevant result in writing.

4 A labor contract may be terminated under any of the following circumstances:

① the term of a labor contract has expired;

② the employee has begun to enjoy the basic benefits of his pension;

employee is deceased, or is declared dead or missing by the people's court;

employer is declared bankrupt;

employer's business license is revoked or the employer is ordered to close down its business or to dissolve its business entity, or the employer makes to liquidate its business ahead of the schedule; or

circumstances proscribed by other laws or administrative regulations.

5 If a labor contract expires and it is under any of the circumstances as described in Article 42 of this Law, the term of labor contract shall be extended to the appearance of the relevant circumstance. However, the matters relating to the termination of the labor contract of an employee who has lost or partial ability to work as prescribed in Article 42 (ii) of this Law shall be handled according to the pertinent provisions on work-related injury insurance.

6 The employer shall, under any of the following circumstances, pay the employee an economic compensation:

employee dissolves the labor contract in pursuance of Article 38 of this Law;

employer proposes to dissolve the labor contract, and it reaches an agreement with the employee on the dissolution through negotiations;

employer dissolves the labor contract according to Article 40 of this Law;

employer dissolves the labor contract according to the first Paragraph of Article 41 of this Law; or

termination of a fixed-term labor contract according to Article 44 (i) of this Law unless the employee refuses to renew the contract even though the conditions for the employer are the same as or better than those stipulated in the current contract;

labor contract is terminated according to Article 44 (iv) and (v) of this Law; or

circumstances as proscribed in other laws and administrative regulations.

7 An employee shall be given an economic compensation based on the number of years he has worked for the employer and at the rate of one month's wage for each full year he worked. Any period of not less than six months but less than one year shall be counted as one year. The economic compensation to an employee for any period of less than six months shall be one-half of his monthly wages.

If the monthly wage of an employee is higher than three times the average monthly wage of employees declared by the people's government at the level of the county directly under the central government or at the level of a districted city where the employer is located, the rate for the economic compensations to the employee shall be three times the average monthly wage of employees and shall be for no more than 12 years of his work.

The term of "monthly wage" mentioned in this Article refers to the employee's average monthly wage for the 12 months prior to the dissolution or termination of the labor contract.

8 If an employer dissolves or terminates a labor contract in violation of this Law but the employee demands the continuous fulfillment of the contract, the employer shall do so. If the employee does not demand the continuous fulfillment of the contract or if the continuous fulfillment of the labor contract is impossible, the employer shall pay compensation to the employee according to Article 87 of this Law.

9 The State shall take measures to establish and improve a comprehensive system to ensure that the employees' social security relationship can be transferred from one region to another and can be continued after the transfer.

10 At the time of dissolution or termination of a labor contract, the employer shall issue a document to prove the dissolution or termination of the labor contract.

and complete, within 15 days, the procedures for the transfer of the employee's personal file and social security relationship.

Employee shall complete the procedures for the handover of his work as agreed upon between both parties. If relevant provisions of this Law require the employer to pay an economic compensation, it shall make a payment upon completion of the procedures for the handover of the employee's work.

Employer shall preserve the labor contracts, which have been dissolved or terminated, for not less than two years for reference purposes.

V Special Provisions

1 Collective Contracts

1 The employees of an enterprise may get together as a party to negotiate with their employer to conclude a collective contract on the matters of remuneration, working hours, breaks, vacations, work safety and hygiene, insurance, benefits, etc. The draft of the collective contract shall be presented to the general assembly of employees or all the employees for discussion and approval.

A collective contract may be concluded by the labor union on behalf of the employees of enterprise with the employer. If the enterprise does not have a labor union, a collective contract may be concluded between the employer and the representatives chosen by the employees under the guidance of the labor union at the enterprise level.

2 The employees of an enterprise as a party may negotiate with the employer to enter specialized collective contracts regarding the issues of the work environment and hygiene, protection of the rights and interests of female employees, the wage adjustment mechanism, etc.

3 Industrial or regional collective contracts may be concluded between the labor unions and the representatives of enterprises in industries such as construction, mining, catering services, etc. in the regions at or below the county level.

4 After a collective contract has been concluded, it shall be submitted to the labor administrative department. The collective contract shall become effective after the lapse of 15 days from the date of receipt thereof by the labor administrative department, unless the said department raises any objections to the collective contract that has been concluded according to law is binding on both the employer and the employees. An industrial or regional collective contract shall be binding on both the employers and employees in the local industry or the region.

5 The standards for remunerations, working conditions, etc. as stipulated in a collective contract shall not be lower than the minimum criteria as stipulated by the local people's government. The standards for remunerations, working conditions, etc. as stipulated in the labor contract between an employer and employee shall not be lower than those as specified in the collective contract.

6 If an employer's breach of the collective contract infringes upon the labor rights and interests of the employees, the labor union may, according to law, require the employer to bear the liability. If a dispute arising from the performance of the collective contract is not resolved after negotiations, the labor union may apply for arbitration or lodge a lawsuit in pursuance of law.

2 Worker Dispatch Service

7 To engage in the labor dispatch business, an entity shall satisfy the following conditions:

Registered capital is not less than two million yuan;

Fixed business premises and facilities suitable for businesses;

Formulated labor dispatch management rules in compliance with the provisions of laws and administrative regulations; and

Satisfies other conditions prescribed by laws and administrative regulations.

To engage in the labor dispatch business, an entity shall apply to the labor administrative department for administrative licensing in accordance with law; and

g licensing, shall undergo corresponding company registration formalities in accordance with law. No entity or individual may engage in the labor dispatchs without licensing.

8 Worker dispatch service providers are employers as mentioned in this Law and shall perform an employer's obligations for its employees. The labor contract between a worker dispatch service provider and a worker to be dispatched shall, in addition to the matters specified in Article 17 of this law, specify as the entity to which the worker will be dispatched, the term of dispatch, positions, etc.

or contracts between a worker dispatch service provider and the workers to be dispatched shall be fixed-term labor contract with a term of not less than one year. The worker dispatch service provider shall pay the remunerations on a monthly basis. During the time period when there is no work for the workers, the worker dispatch service provider shall compensate the workers on monthly basis at the minimum wage prescribed by the people's government of the place where the worker dispatch service provider is located.

9 To dispatch workers, a worker dispatch service provider shall enter into dispatch agreements with the entity that accepts the workers under the dispatch agreement (hereinafter referred to as the "accepting entity"). The dispatch agreements shall stipulate the positions to which the workers are dispatched, the number of persons to be dispatched, the term of dispatch, the amounts and terms of payments of remunerations and social security premiums, and the liability of agreement.

The accepting entity shall decide with the worker service dispatch provider on the term of dispatch based on the actual requirements of the positions, and it shall convert a continuous term of labor use into two or more short-term dispatch agreements.

10 A worker dispatch service provider shall inform the workers dispatched of the content of the dispatch agreements. The worker dispatch service provider may skimp any remuneration that an accepting entity pays to the workers according to the dispatch agreement. The worker dispatch service provider or accepting entity may charge any fee against any dispatched worker.

11 If a worker dispatch service provider assigns a worker to an accepting entity in another region, the worker's remuneration and work conditions shall comply with the relevant standards of the place where the accepting entity is located.

12 An accepting entity shall perform the following obligations:

1. Implement state labor standards and provide the corresponding working conditions and labor protection;

2. Communicate the job requirements and labor compensations for the dispatched workers;

3. Pay overtime remunerations and performance bonuses and provide benefits relevant to the position;

4. Provide the dispatched employees who assume the positions with required training; and

5. Implement a normal wage adjustment system in the case of continuous dispatch.

The accepting entity may in turn dispatch the workers to any other employer.

13 Dispatched workers shall have the right to receive the same pay with that received by the employers' employees for the same work. An employer shall, on the principle of equal pay for equal work, adopt the same methods for the distribution of labor remuneration for the dispatched workers and its employees at the same position. Where the employer has no employee at the same position, it shall determine the remuneration by reference to that paid to employees at a similar position at the place where the employer is located.

14 The labor contracts concluded between the labor dispatch entity and dispatched workers and the labor dispatch agreement concluded between the labor dispatch entity and the employer shall indicate or stipulate that the labor remuneration paid to dispatched workers shall comply with the provisions of the present Law.

4 The workers dispatched have the right to join the labor union of the worker dispatch service provider or of the accepting entity or to organize such to protect their own lawful rights and interests.

5 A worker dispatched may, according to Articles 36 and 38 of this Law, dissolve the labor contract between him and the worker dispatch service provider. If a worker dispatched is under any of the circumstances as mentioned in Article 39 and Article 40 (i) and (ii), the accepting entity may return the worker to the dispatch service provider, the worker dispatch service provider may dissolve the labor contract with the worker.

6 Employment under employment contracts is the basic form of enterprises' employing workers in China. Labor dispatch is a supplementary form and shall only apply to provisional, auxiliary or substitutive positions.

'Provisional position' as prescribed in the preceding paragraph means a position that exists for less than six months; 'auxiliary position' means a non-major position providing services to main business positions; and 'substitutive position' means a position that may be held by any other employee on a temporary basis during a certain period of time when the employee of the employer who originally holds the position is unable to work because such employee is undergoing full-time training, on vacation or for any other reason.

The employer shall strictly control the number of dispatched workers, which shall not exceed a certain proportion of its total employees, and the specific proportion shall be prescribed by the labor administrative department of the State Council.

7 No accepting entity may establish any worker dispatch service to dispatch the workers to itself and to its subsidiaries.

3 Part-time Employments

8 The "part-time employment" is a form of labor in which the remuneration is mainly calculated on hourly basis, the average working hours of a worker shall not exceed 4 hours, and the aggregate working hours per week for the same employer shall not exceed 24 hours.

9 Both parties to a part-time employment may reach an oral agreement.

A worker who engages in part-time employment may conclude a labor contract with one or more employers, but a labor contract concluded subsequently may not affect the performance of a labor contract previously concluded.

10 No probation period may be stipulated by both parties for a part-time employment.

11 Either of the parties to part-time employment may inform the other party of the termination of labor at any time. Upon the termination of a part-time employment, the employer will pay no economic compensation to the employee.

12 The criteria for the calculation of part-time employment on hourly basis shall not be lower than the minimum hourly wage prescribed by the people's government of the place where the employer is located.

The maximum remuneration settlement and payment cycle for part-time employment shall not exceed 15 days.

VI Supervision and Inspection

13 The labor administrative department of the State Council shall be responsible for the supervision and inspection of the implementation of the system of labor contracts throughout the country.

The labor administrative department of the local people's governments at the county level and above shall be responsible for the supervision and inspection of the implementation of the system of labor contracts within their respective administrative areas.

In the supervision and inspection of the implementation of the system of labor contracts, the labor administrative departments of the people's governments at the county level and above shall solicit the opinions of the labor unions, enterprise representatives and relevant industrial administrative departments.

14 The labor administrative department of the local people's government at the county level or above shall exercise supervision and inspection in respect of

ementation of the system of labor contracts:

employers' formulation of rules and regulations directly related to the interests of workers, and the implementation thereof;

formation and dissolution of labor contracts by employers and workers;

ompliance with relevant regulations on dispatch by worker dispatch service providers and the accepting entities;

employers' compliance with provisions of the state on workers' working hours, breaks and vacations;

employers' payment for remuneration as specified in the labor contracts and compliance with the minimum wage criterions;

employers' participation in the social security and the payment for social security premiums; and

labor supervision matters as prescribed by laws and regulations.

5 During the supervision and inspection process, the labor administrative department of the people's government at the county level or above has the right to consult the materials relevant to the labor contracts and collective contracts and to conduct on-the-spot inspections to the work places. The employees shall faithfully provide pertinent information and materials.

When the functionaries of the labor administrative department conduct an inspection, they shall show their badges, exercise their duties and powers pursuant to the law and enforce the law in a well-disciplined manner.

6 The relevant administrative departments of construction, health, work safety supervision and administration, etc. of the people's governments at the county level and above shall, with the scope of their respective functions, supervise and administer the employers' implementation of the system of labor contracts.

7 For any employer whose lawful rights and interests are impaired, he may require the relevant department to deal with the case, apply for an arbitration or file a lawsuit.

8 A labor union shall protect the employees' legitimate rights and interests and supervise the employer's fulfillment of the labor contracts and collective contracts. If the employer violates any law or regulation or breaches any labor contract or collective contract, the labor union may put forward its opinions and demands to the employer to make ratification. If the employee applies for arbitration or lodges a lawsuit, the labor union shall support and help him in pursuance of the law.

9 Any organization or individual may report the violations of this law. The labor administrative departments of the people's governments at the county level and above shall timely verify and deal with such violations and shall grant awards to the meritorious persons who report the violations.

VII Legal Liabilities

10 If the rules and procedure of an employer directly related to the employees' interests is contrary to any laws or regulations, the labor administrative department shall order the employer to make ratification and give it a warning. If the rules and procedures cause any damage to the employees, the employer shall bear the liability for compensation.

11 If the text of a labor contract provided by an employer does not include the mandatory clauses required by this Law or if an employer fails to deliver the labor contract to its employee, the labor administration department shall order the employer to make ratification. If any damage is caused to the employee, the employer shall bear the liability for compensation.

12 If an employer fails to conclude a written labor contract with an employee after the lapse of more than one month but less than one year as of the date he started using him, it shall pay to the worker his monthly wages at double amount.

3 If an employer fails, in violation of this Law, to conclude with an employee a labor contract without fixed term, it shall pay to the employee his monthly wage amount, starting from the date on which a labor contract without fixed term should have been concluded.

4 If an employer stipulates the probation period with an employee to violate this Law, the labor administration department shall order the employer to terminate the probation. If the illegally stipulated probation has been performed, the employer shall pay compensation to the employee according to the time worked on probation beyond the statutory probation period, at the rate of the employee's monthly wage following the completion of his probation.

5 Where an employer violates this Law by detaining the resident identity cards or other certificates of the employees, the labor administrative department shall order the employer to return the ID and certificates to the employees within a time limit and shall punish the employer according to the relevant laws.

6 Where an employer violates this Law by collecting money and property from employees in the name of guaranty or in any other excuses, the labor administrative department shall order the employer to return the said property to the employees within a time limit and fine the employer not less than 500 yuan but not more than 1000 yuan for each person. If any damage is caused to the employees, the employer shall be liable for compensation.

7 Where an employer dissolves or terminates the labor contract in pursuance of law, if the employer retains the archives or other articles of the employees, it shall be liable according to the provisions of the preceding paragraph.

8 Where an employing entity is under any of the following circumstances, the labor administrative department shall order it to pay the remunerations or economic compensations within a time limit. If the remuneration is lower than the local minimum wage, the employer shall pay the difference. If payment is not made within the time limit, the employer shall be ordered to pay an extra compensation to the employee at a rate of not less than 50 percent and not more than 100 percent of the payable amount:

(1) failing to pay an employee his remunerations in full amount and on time as stipulated in the labor contract or prescribed by the state;

(2) paying an employee the wage below the local minimum wage standard;

(3) requiring overtime work without paying overtime remunerations; or

(4) dissolving or terminating a labor contract without paying the employee the economic compensation under this Law.

9 Where a labor contract is confirmed invalid under Article 26 of this Law and any damage is caused to the other party, the party at fault shall be liable for compensation.

10 If an employer violates this Law by dissolving or terminating the labor contract, it shall pay compensation to the employee at the rate of twice the economic compensations as prescribed in Article 47 of this Law.

11 Where an employer is under any of the following circumstances, it shall be given an administrative punishment. If any crime is constituted, it shall be liable to criminal liabilities. If any damage is caused to the employee, the employer shall be liable for compensation:

(1) compelling the employee to work by violence, threat or illegal limitation of personal freedom;

(2) illegally commanding or forcing any employee to perform dangerous operations endangering the employee's life;

(3) insulting, corporally punishing, beating, illegally searching, or restraining any employee; or

(4) causing damage to the physical or mental health of employees because of poor working conditions or severely polluted environments;

12 Where an employer violates this Law by failing to issue to an employee a written certificate for the dissolution or termination of a labor contract, it shall be ordered to make a ratification by the labor administrative department. If any damage is caused to an employee, the employer shall be liable for compensation.

0 Where an employee violates this Law to dissolve the labor contract, or violates the stipulations of the labor contract about the confidentiality obligation, if any loss is caused to the employer, he shall be liable for compensation.

1 Where an employer hires any employee whose labor contract with another employer has not been dissolved or terminated yet, if any loss is caused to the employer mentioned later, the employer first mentioned shall bear joint and several liability of compensation.

2 Where any entity, in violation of the provisions of this Law, engages in the labor dispatch business without licensing, the labor administrative department shall order the violator to cease its violations, confiscate its illegal income, and impose a fine of one up to five times the amount of illegal income; or if there is no illegal income, may impose a fine of not more than 50,000 yuan on the violator.

3 Where a labor dispatch entity or employer that violates any provision of this Law on labor dispatch shall be ordered by the labor administrative department to make compensation to the employee within a prescribed time limit; and if the entity or employer fails to do so within the prescribed time limit, it shall be fined 5,000 yuan up to 10,000 yuan on the employer, and for a labor dispatch entity, its license for engaging in the labor dispatch business shall be revoked. Where the employer causes any damage to the dispatched worker, the labor dispatch entity and the employer shall assume joint and several liabilities.

4 Where an employer without the lawful business operation qualifications commits any violation or crime, it shall be subject to legal liabilities. If the employees have already worked for the employer, the employer or its capital contributors shall, under the relevant provisions of this Law, pay the employees economic compensations, economic compensations or indemnities. If any damage is caused to the employee, it shall be liable for compensation.

5 Where an individual as a business operation contractor hires employees in violation of this Law and causes any damage to any employee, the contractor, the employing organization and the individual business operation contractor shall be jointly and severally liable for compensation.

6 If the labor administrative department, or any other relevant administrative department, or any of the functionaries thereof neglects its (his) duties, or fails to perform the statutory duties, or exercises its (his) duties in violation of law, it (he) shall be liable for compensation. The directly liable person-in-charge and other directly liable persons shall be given an administrative sanction. If any crime is constituted, they shall be subject to criminal liabilities.

VIII Supplementary Provisions

1 For the formation, performance, modification, dissolution, or termination of a labor contract between a public institution and an employee under the conditions of employment, if it is otherwise provided for in any law, administrative regulation or by the State Council, the latter shall be followed. If there is no such provision, the relevant provisions of this Law shall be observed.

2 Labor contracts concluded before the implementation of this Law and continue to exist on the implementation date of this Law shall continue to be valid. For the purposes of Item (3) of the second Paragraph of Article 14 of this Law, the number of consecutive times on which a fixed-term labor contract is renewed shall be counted from the first renewal of such contract to occur after the implementation of this Law.

3 Where a labor contract was established prior to the implementation of this Law without the conclusion of a written labor contract, such contract shall be deemed to be a written labor contract within one month from the date when this Law becomes effective.

4 Where a labor contract existing on the implementation date of this Law is dissolved or terminated after the implementation of this Law and, according to Article 46 of this Law, economic compensation is payable, the number of years for which the economic compensation is payable shall be counted from the implementation date of this Law. If, under relevant effective regulations prior to the implementation of this Law, the employee is entitled to the economic compensation from the employer in respect of a period prior to the implementation of this Law, the matters shall be handled according to the relevant effective regulations at that time.

8 This Law shall come into force as of January 1, 2008.

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