

PROCEDURES OF SHANGHAI MUNICIPALITY ON UNEMPLOYMENT INSURANCE

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Article 1 Purpose and Basis These Procedures are formulated with a view to ensuring the basic life of the unemployed people during the period of unemployment and promoting the reemployment of the unemployed people in accordance with the relevant regulations of the Labor Law of the People Republic of China, the Regulations on Unemployment Insurance and the Interim Regulations on the Collection of Social Security Premium, as well as in the light of the actual situations of this Municipality.

Article 2 Scope of Application These Procedures apply to the town enterprises, government agencies, institutions, social organizations and the other units approved by the Municipal People's Government (hereinafter referred to as units) as well as the employees.

Article 3 Sources of the Fund The unemployment insurance fund comes mainly from the following: 1. Unemployment insurance premium paid by the unit and the employees; 2. Income from the interest gained from the unemployment insurance fund; 3. Overdue fines; 4. The fiscal subsidies from the local government when the unemployment insurance fund is insufficient; and 5. Other funds legally incorporated into the unemployment fund.

Article 4 Registration of Unemployment Insurance All the units that fall within These Procedures shall register unemployment insurance for the units and their employees in the social insurance administrative center. Newly-established units shall complete the procedures of the unemployment insurance registration in the social insurance administrative center within 30 days from the date of obtaining their business permit or of their establishment. When a unit is divided or merged, goes bankrupt or is shut down, the unit shall, within 30 days, go through the formalities for alteration or cancellation of the unemployment insurance registration with the unemployment insurance administrative center that handled the registration.

Article 5 The Ratio and the Base of Payment A unit shall pay the unemployment insurance premium at the rate of 2% of the unemployment insurance base due in that month. An employee shall pay the unemployment insurance at the rate of 1% of the unemployment insurance base due in that month. The peasant-turned contract worker employed by the unit does not pay the unemployment insurance premium. The payment base of the unemployment insurance premium is determined by the payment base of endowment insurance premium.

Article 6 Time and Mode of Payment A unit shall pay monthly unemployment insurance premium to the social security administrative center while the unemployment insurance premium paid by the employees shall be withheld by their unit from their monthly wages.

Article 7 The Channels through Which the Unemployment Insurance Premium Shall be Entered The unemployment insurance premium paid by the units shall be entered as expenditures through the following channels: 1. Entered as expenditures before tax for enterprises; 2. Entered as administrative expenses or operating expenses for the government agencies, social organizations and institutions.

Article 8 Unemployment Registration and Application for Unemployment Insurance Benefits When a unit terminates or discontinues the labor or working relationships with the employees, it shall inform them of the rights of enjoying the unemployment insurance benefits stipulated by the relevant regulations and of going through the formalities of dismissal at the employment service center where the unit is located within 15 days. The unemployed persons shall go through the formalities of the unemployment registration and the unemployment insurance benefits application at the employment service institution of the district or county where the registered permanent residence is located 30 days after receiving the notification of terminating or discontinuing the labor or working relationships. The unemployed persons shall submit the relevant materials bearing the status of unemployment when going through the formalities of the unemployment registration and the unemployment insurance benefits application. The employees who underwent education through labor or were sentenced into imprisonment but are now released from prison or terminate their education through labor may go through the formalities of the unemployment registration and the unemployment insurance benefits application in accordance with These Procedures 30 days after returning to the place where the registered permanent residence is located.

Article 9 Verification of Application The employment service institutions shall examine and verify the applications of the unemployment insurance benefits of the unemployed persons within 15 days. It shall verify time and

standard to those who are qualified for the unemployment insurance benefits. Article 10 Requirements of Getting the Unemployment Insurance Benefits Those who satisfy the following requirements may get the unemployment insurance benefits: 1. Discontinuing employment not out of one's own wishes within the legal labor age; 2. Having the registered regular permanent residency of this Municipality; 3. Paying the unemployment insurance premium regularly in accordance with the procedures during one's employment; 4. Paying the unemployment insurance premium for 1 year before discontinuing or terminating one's labor or working relationships; and 5. Going through the formalities of the unemployment registration and the unemployment insurance benefits application in accordance with these Procedures and having job application desires. The unemployed persons may enjoy other unemployment treatments in accordance with These Procedures during the period of receiving the unemployment insurance benefits. Article 11 Computation of Time Limit of Receiving the Unemployment Insurance Benefits The time limit of an unemployed person getting the unemployment insurance benefits shall be computed in accordance with the accumulated payment of the unemployment insurance premium he or she made before being unemployed (deducting the number of years of those who paid the unemployment insurance premium but had already received the unemployment insurance benefits). The time limit of the unemployed persons getting the unemployment insurance benefits is 2 months to those whose accumulated payment of the unemployment insurance premium is more than 1 year but less than 2 years; on this basis, a further increase of every 1 year shall bring in a rise of 2 months. The longest time limit of the unemployed persons getting the unemployment insurance benefits is 12 months to those whose accumulated payment of the unemployment insurance premium is more than 1 year but less than 5 years; and that of more than 5 years but less than 10 years is 18 months; and that of more than 10 years is 24 months. If the successive payment of the unemployment insurance premium made by the unemployed person is less than 1 year but the accumulated payment is more than 1 year, though less than 2 years, it may be deemed as amounting to 1 year. Article 12 The Incorporated Computation of the Remaining Time Limit If the unemployed person does not receive the unemployment insurance benefits, the time limit may be kept. When he or she is reemployed and their payment of the unemployment insurance premium amounts to more than 1 year, but unemployed again, the remaining time limit should be incorporated in their computation. After combined computation, the longest time limit for the unemployed persons getting the unemployment insurance benefits shall not exceed 24 months. Article 13 Computation of the Unemployment Insurance Benefits Standard The standard for receiving the unemployment insurance benefits from the 1st month to 12th month is determined by the number of years of the unemployment insurance premium the unemployed person paid; and that from 13th month to 24th month is 80% of the standard from 1st month to 12th month. The standard of the unemployment insurance benefits shall be lower than the floor wages of the Municipality of the year but higher than the lowest life guarantee standard of the town of the year. Article 14 Receiving the Unemployment Insurance Benefits The unemployed persons, after going through the formalities of the unemployment insurance benefits application, may receive the unemployment insurance benefits the next month from the date of being verified as satisfying the relevant requirements, but the reception of the unemployment insurance benefits shall be counted as beginning from the date of going through the formalities of application of the unemployment insurance benefits. Article 15 Situations Where the Receiving of the Unemployment Insurance Benefits Is Suspended The unemployed persons with any of the following situations shall be suspended from receiving the unemployment insurance benefits; they may receive the unemployment insurance benefits of the remaining period again when they are reemployed later: 1. Being conscripted; 2. Being enrolled into the full-time institutions of middle or higher education; 3. Being engaged in remunerative jobs; or 4. Undergoing education through labor or being sentenced into prison. Article 16 Situations where the Receiving of the Unemployment Insurance Benefits Is Stopped The unemployed persons with any of the following situations shall be stopped from receiving the unemployment insurance benefits: 1. Reaching the legal retirement age; 2. Emigrating to other countries; or 3. Refusing the employment opportunities for 3 times provided by the employment service center without proper reasons. Article 17 Subsidies for Child-bearing If an unemployed woman gives birth to a child during the unemployment insurance benefits receiving period, and if it conforms to the state birth control stipulations, she may receive three months' child-bearing subsidies. The standard for child-bearing subsidies is the same as the unemployment insurance benefits she is entitled to. Article 18 Subsidies for Medical Care If an unemployed person gives birth to a child or contracts a disease during the unemployment insurance

benefits receiving period, she or he may go to the district hospital where she or he has the household registration or goes to the designated medical institution and applies to the employment service center for the medical subsidies. If, however, the child-bearing is unplanned, or if the disease or wound is caused by the illegal activities like fighting, the unemployed person shall not apply for the medical subsidies. The standard for the medical subsidies is 70% of the of the medical expenses enjoyed by the unemployed persons. If the medical expenses are too big for the person or the family to bear, the unemployed person may apply to the employment service center for the additional medical subsidies.

Article 19 Subsidies for Funeral and Subsidies in Compensation of the Bereaved Family If an unemployed person dies during the unemployment insurance benefits receiving period, his or her family may apply to the employment service center for subsidies for funeral or lump-sum compensation in support of the lineal relative(s). If, however, the unemployed person dies because of fighting or other illegal activities, he or she is not allowed to apply for subsidies for funeral or compensation in support of the lineal relative(s). The standard of subsidies for funeral or lump-sum bereavement compensation in support of the lineal relative(s) is by referring to the standard enjoyed by the employees of the enterprises in this Municipality.

Article 20 Unemployment Subsidies An unemployed person, though not qualified for the unemployment insurance benefits, may apply to the employment service center where his or her household registration is made for 1-6 months unemployment subsidies if meeting one of the following requirements: 1. Conforming to the stipulations of the Items 1, 2, 3 and 5 of Article 10 of These Procedures yet the successive payment of unemployment insurance premium has not reached 1 year and the life is indeed difficult; 2. The unemployment insurance benefits expires but it is difficult to get a job because of a serious disease or life is difficult because of other reasons; or 3. A peasant-turned contract worker employed by a unit which pays the unemployment insurance premium successively and his work amounts to 1 year, but does not get renewal of the contract after the term expires or the contract is terminated ahead of time, and for the time being has no income after returning to the countryside and life is indeed difficult. The standard of unemployment subsidies is the same as the standard of the lowest life guarantee of the townfolk of the year. If an unemployed person in the stipulations of Section 1 of this Article gives birth to a child or contracts a disease during unemployment subsidy receiving period, she or he may apply for 3 months child-bearing subsidies or medical subsidies by referring to Articles 17 and 18 of these Procedures. The child-bearing subsidies standard is the same as the standard for receiving the unemployment insurance benefits. An unemployed old person who pays unemployment insurance premium for many years may apply for unemployment subsidy apart from applying for the unemployment insurance benefits. The standard of the highest unemployment subsidies shall not exceed 25% of the floor wages of this Municipality of the year.

Article 21 Receiving Fund in Support of Production An unemployed person who is permitted to open a private enterprise, take up individual business or organize employment by themselves during the unemployment insurance benefits receiving period may, with the business permit or other valid documents, receive the lump-sum unemployment insurance benefits of the remaining period in support of production.

Article 22 Special Stipulations Regarding the Unemployed Persons Approaching Retirement When the term of receiving the unemployment insurance benefits expires, an unemployed person may, if he or she is still difficult to get a new job, or 2 years closer to reach the legal retirement age, or is granted a certain privilege due to special reasons, apply for further receiving the unemployment insurance benefits until the legal retirement age. The standard for further receiving the unemployment insurance benefits is 80% of the receiving standard from 13th month to 24th month, but shall not be lower than the lowest life guarantee standard of the townfolk of the Municipality of the year.

Article 23 Retirement of the Unemployed Persons When an unemployed persons reach the legal retirement age during the unemployment period, he or she shall stop receiving the unemployment insurance benefits. He or she may receive monthly pension after being verified by the social security administrative organs as conforming to pension-receiving requirements.

Article 24 Employment Services The employment service institutions shall provide the unemployed persons with the services like vocational training, job recommendation and regular vocational guide.

Article 25 The Uses of the Fund The unemployment insurance fund is used in the following: 1. Unemployment insurance benefits; 2. Medical and child-bearing subsidies when receiving the unemployment insurance benefits; 3. Funeral subsidy and bereavement compensation in support of the spouse or lineal relatives when the unemployed person dies during the unemployment insurance benefits receiving period; 4. Unemployment subsidies; and 5. The expenses needed by the employment service institutions for

providing vocational training, job recommendation and vocational guide.

Article 26 Overall Arrangement and Tax-exemption of the FundThe unemployment insurance fund is given overall consideration by the Municipality. The unemployment insurance fund is exempt from taxes and other charges.

Article 27 Expenditures of the Employment Service InstitutionsThe expenses needed by the employment service institutions are appraised and decided by the Municipal Labor Bureau and Social Security Bureau in consultation with Municipal Bureau of Finance.

Article 28 Administrative PenaltyAnyone who violates These Procedures will be given a penalty by the administrative departments of labor and social security in accordance with the relevant stipulations of the Regulations on Unemployment Insurance or the Interim Procedures on the Collection of Social Security Premium.

Article 29 Treatments of DisputesAn individual may apply to the district or county labor disputes arbitration commission where the unit is located for arbitration if he or she has disputes with the units regarding the payment of the unemployment insurance premium. If the individual or the unit is dissatisfied with the arbitration, a suit may be filed to the people's court within 15 days since the arbitration verdict being received.

Article 30 Treatment of the Administrative Agencies who Perform Illegal ActionsThe administrative bodies of labor and social security, the employment service institutions and the working staff shall manage and use the unemployed insurance fund in accordance with the relevant stipulations of the state and the Municipality and shall not take the liberty of using them or misappropriate them. Anyone who violates the stipulations shall be given a penalty; those who constitute a crime shall be given a criminal sanction.

Article 31 Stipulations Regarding the Number of Years of PaymentThe work seniority of the employees before October 1, 1998 is regarded as the number of years for the payment of the unemployment insurance premium.

Article 32 Others The unemployment insurance of the self-employed business person of this Municipality, the employed persons in other labor organizations as well as those who work in the offices represented by other provinces or cities but enjoy the household registration of this Municipality may follow these Procedures.

Article 33 Departments Responsible for InterpretationThe Municipal Labor and Social Security Bureau shall be responsible for the specific interpretation of the application of these Procedures.

Article 34 Effective DateThese Procedures shall become effective on April 1, 1999. The Procedures of Shanghai Municipality on Unemployment Insurance promulgated by the Shanghai People's Government on October 15, 1992 shall be annulled spontaneously.

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