100 Practical Q&A on Chinese Labor Law — Labor Contracts, Wages, Social Insurance, Termination & Disputes

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Unofficial English translation prepared for reference only. The official Chinese text prevails.

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This practical Q&A guide covers the 100 most frequently asked questions on Chinese labor and employment law, drawn from the Labor Law, Labor Contract Law, Social Insurance Law, Work-Related Injury Insurance Regulations, Regulations on the Administration of Housing Provident Funds, and other key legislation. Designed for foreign-invested enterprises, HR professionals, and legal practitioners navigating China's employment regulatory framework.

I. Labor Contracts (Q1–Q25)

Q1. What is a labor contract?

A labor contract is an agreement between an employee and an employer that establishes the employment relationship and defines the rights and obligations of both parties. Pursuant to Article 10 of the Labor Contract Law, a written labor contract shall be concluded when an employment relationship is established. Where an employment relationship has been established but a written contract has not been concluded simultaneously, the contract shall be concluded within one month from the date the employee commences work.

Q2. What types of labor contracts are there?

Pursuant to Article 12 of the Labor Contract Law, labor contracts are classified into three types: fixed-term labor contracts, open-ended (non-fixed-term) labor contracts, and labor contracts that expire upon completion of a specified task. A fixed-term contract stipulates an express termination date; an open-ended contract has no express termination date; and a contract that expires upon completion of a specified task takes the completion of the task as the terminating condition.

Q3. What is the maximum probation period that may be agreed upon?

Pursuant to Article 19 of the Labor Contract Law: if the contract term is three months or more but less than one year, the probation period shall not exceed one month; if the contract term is one year or more but less

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than three years, the probation period shall not exceed two months; for fixed-term contracts of three years or more and open-ended labor contracts, the probation period shall not exceed six months. The same employer may agree on a probation period with the same employee only once.

Q4. Is there a minimum wage standard during the probation period?

Article 20 of the Labor Contract Law provides that an employee's wages during the probation period shall not be lower than the lowest wage for the same position at the employer's organization or 80% of the wages agreed upon in the labor contract, and shall not be lower than the minimum wage standard of the locality where the employer is situated. Both standards must be satisfied simultaneously.

Q5. What are the consequences of failing to conclude a written labor contract?

Article 82 of the Labor Contract Law provides: where an employer fails to conclude a written labor contract with an employee within one month but less than one year from the date the employee commences work, the employer shall pay the employee double wages for each month. Where one full year has elapsed and a written contract has still not been concluded, the parties shall be deemed to have concluded an open-ended labor contract.

Q6. What mandatory clauses must a labor contract contain?

Pursuant to Article 17 of the Labor Contract Law, the mandatory clauses include: the employer's name, domicile, and legal representative; the employee's name, address, and identity document number; the contract term; job content and work location; working hours, rest, and leave; labor remuneration; social insurance; and labor protection, working conditions, and protection against occupational hazards.

Q7. May an employer unilaterally modify a labor contract?

No. Article 35 of the Labor Contract Law provides that modification of a labor contract shall follow the principles of equality, voluntariness, and mutual agreement, and shall be made in written form. The modified labor contract text shall be held by the employer and the employee, one copy each. A unilateral modification is not binding on the employee.

Q8. What is the difference between labor dispatch and regular employment?

Labor dispatch is a form of employment in which a dispatch entity concludes a labor contract with an employee and dispatches the employee to work at a host entity. Pursuant to the Labor Contract Law and the Interim Provisions on Labor Dispatch: the proportion of dispatched employees shall not exceed 10% of the total workforce; dispatched positions are limited to temporary (not exceeding six months), auxiliary, or substitute positions; dispatched employees are entitled to equal pay for equal work.

Q9. What special provisions apply to part-time (non-full-time) employment?

Articles 68 through 72 of the Labor Contract Law provide: part-time employment is remunerated on an hourly basis, with average daily working hours not exceeding four hours and weekly cumulative hours not exceeding twenty-four. An oral agreement may be concluded; no probation period may be agreed upon; either party may terminate the employment at any time without paying economic compensation. The wage payment cycle shall not exceed fifteen days.

Q10. What is the difference between a confidentiality agreement and a non-compete restriction?

A confidentiality agreement is a covenant requiring the employee to protect trade secrets during the term of employment and post-termination; its scope is relatively broad, and compensation is generally not payable. A non-compete restriction restricts the employee from working for a competing entity after leaving employment. Pursuant to Article 23 of the Labor Contract Law, the non-compete period shall not exceed two years, and the employer must pay the employee economic compensation on a monthly basis during the restriction period.

Q11. Under what circumstances must an open-ended labor contract be concluded?

Article 14 of the Labor Contract Law provides: where the employee has continuously worked for the same employer for ten full years; where two consecutive fixed-term labor contracts have been concluded and the employee is not subject to any statutory grounds for termination, and upon renewal the employee proposes or agrees to renew; or where the employer has failed to conclude a written contract for one full year from the date the employee commences work — an open-ended labor contract shall be deemed to have been concluded, or shall be concluded upon the employee's request.

Q12. May an employer withhold an employee's identity card or collect a deposit?

No. Article 9 of the Labor Contract Law expressly provides: when recruiting an employee, an employer shall not withhold the employee's resident identity card or other credentials, and shall not require the employee to provide a guarantee or collect property from the employee under any other name. Violators shall be ordered by the labor administrative department to return such items within a prescribed time limit and shall be subject to fines.

Q13. Do interns need to sign a labor contract?

Where a currently enrolled student undertakes an internship in their spare time, this is generally not recognized as an employment relationship, and a labor contract is not mandatorily required; however, it is advisable to sign an internship agreement specifying the rights and obligations of both parties. Where a graduate has already left the educational institution and establishes an employment relationship with an employer for the purpose of employment, a labor contract shall be concluded.

Q14. What should be done if employment continues after the labor contract expires but no renewal is signed?

Article 34 of the Judicial Interpretation (I) of the Supreme People's Court on Labor Dispute Cases provides: where the employee continues to work for the original employer after the contract term expires and the employer raises no objection, the parties shall be deemed to have agreed to continue performing the labor contract on the original terms. The employer shall sign a supplementary written contract within one month; otherwise, the employer may be liable for double wages.

Q15. Are a service contract and a labor contract the same thing?

No. A labor contract is governed by the Labor Law and the Labor Contract Law: the employee is under the employer's management, receives labor remuneration, and is entitled to labor protections such as minimum wage and social insurance. A civil service contract is governed by the Civil Code: the parties are equal civil subjects, and labor law protections do not apply. The two differ significantly in terms of legal applicability and degree of protection.

Q16. Is it lawful for an employer to unilaterally change an employee's position?

Except in statutory circumstances, an employer may not, in principle, unilaterally transfer an employee to a different position. Article 40 of the Labor Contract Law provides: where, after the statutory medical treatment period for illness or non-work-related injury, the employee is unable to perform their original work, or where the employee is incompetent and remains incompetent after being transferred, the employer may unilaterally terminate the contract but must pay economic compensation. In other circumstances, a position transfer requires mutual agreement with the employee.

Q17. Do part-time employees (moonlighters) need to sign a labor contract?

It depends. Where an employee establishes employment relationships with multiple employers, separate written labor contracts shall be concluded, except for part-time employment. Part-time employment may use an oral agreement. Pursuant to Article 69 of the Labor Contract Law, a part-time employee may conclude labor contracts with multiple employers, provided that subsequently concluded contracts do not affect the

performance of previously concluded ones.

Q18. Is a new contract required when an employee is transferred between affiliated companies within a corporate group?

Yes. Although the companies are affiliated, each is an independent legal entity. Where the subject of the employment relationship changes, the original contract shall be terminated and a new contract concluded. Whether the employee's years of service with the original company are counted continuously must be confirmed in writing by the new company; otherwise, economic compensation will be calculated separately based on actual years of service at each entity.

Q19. May a labor contract stipulate liquidated damages (penalty for breach)?

Articles 22 and 25 of the Labor Contract Law strictly limit liquidated damages to two scenarios only: where the employer has provided the employee with special training at its own expense and agreed on a service period; and where a non-compete agreement has been concluded. Any other stipulated liquidated damages are void. Ordinary labor contracts may not impose liquidated damages on the employee.

Q20. Does an electronic labor contract have legal effect?

Yes. Pursuant to the Electronic Signature Law and the official letter from the General Office of the Ministry of Human Resources and Social Security concerning the conclusion of electronic labor contracts, an electronic labor contract concluded by mutual agreement between the employee and employer, using a reliable electronic signature conforming to the Electronic Signature Law, has the same legal effect as a paper contract. The employer shall ensure that the electronic contract is accessible at all times.

Q21. Does the original labor contract remain valid if the employer undergoes a merger or division?

Yes. Article 34 of the Labor Contract Law provides: where an employer undergoes a merger, division, or similar event, the original labor contract shall remain valid and shall continue to be performed by the employer that succeeds to the rights and obligations thereof. The employee is not required to sign a new contract, though it is advisable for the successor entity to provide written confirmation.

Q22. Under what circumstances is a labor contract void or partially void?

Article 26 of the Labor Contract Law provides that a labor contract is void or partially void where: it was concluded or modified through fraud, coercion, or exploitation of the other party's precarious position, causing the party to act contrary to their true intent; the employer disclaims its statutory obligations or excludes the employee's rights; or the contract violates mandatory provisions of laws or administrative regulations. Invalidity shall be confirmed by a labor dispute arbitration institution or a people's court.

Q23. How are an employee's rights protected if a labor contract is found to be void?

Article 28 of the Labor Contract Law provides: where a labor contract is confirmed to be void but the employee has already performed work, the employer shall pay labor remuneration to the employee. The amount shall be determined by reference to the remuneration of employees in the same or similar positions at the employer. If the invalidity is attributable to the employer, the employee may also claim damages.

Q24. How can the existence of an employment relationship be proven?

Pursuant to the Ministry of Labor and Social Security's Notice on Matters Concerning the Determination of Employment Relationships, evidence includes: wage payment vouchers or records, social insurance contribution records, work permits or service badges, recruitment registration forms or application forms, attendance records, and testimony of other employees. The employer bears the burden of proof with respect to wage payment records and social insurance records.

Q25. Are platform riders and ride-hailing drivers in an employment relationship with the platform?

According to MOHRSS Document [2021] No. 56, three categories are distinguished: where the circumstances satisfy the criteria for establishing an employment relationship, such relationship shall be established in accordance with law; where the circumstances do not fully satisfy the criteria (the platform exercises some degree of labor management but the parties have not formed a traditional subordinate employment relationship), the enterprise shall be guided to conclude a written agreement with the worker to safeguard basic rights and interests; where individuals operate independently relying on the platform, the relationship shall be treated as a civil relationship.

II. Labor Remuneration and Wages (Q26–Q40)

Q26. What is the minimum wage standard?

The minimum wage is the minimum labor remuneration that an employer shall lawfully pay to an employee who has performed normal work during the statutory working hours or the working hours agreed in the labor contract. Pursuant to the Provisions on Minimum Wages, minimum wage standards shall be adjusted at least once every two years, determined by provincial-level people's governments, and reported to the State Council for filing.

Q27. Does the minimum wage include individual social insurance and housing provident fund contributions?

Regulations vary by locality. In Guangdong, the minimum wage includes individual social insurance and housing provident fund contributions. However, Beijing expressly provides that the minimum wage does not include individual social insurance and housing provident fund contributions, and the employer must pay these separately. It is recommended to consult local regulations.

Q28. How is overtime pay calculated?

Article 13 of the Interim Provisions on Wage Payment provides: for extended working hours on regular working days, overtime pay shall be at least 150% of wages; for work on rest days (weekends) where compensatory rest cannot be arranged, at least 200% of wages; and for work on statutory holidays, at least 300% of wages.

Q29. How is the overtime pay calculation base determined?

Practices vary slightly by locality, but the base is generally the employee's normal working-time wages. In Beijing and Guangdong, the base is determined by the wage standard stipulated in the labor contract; if not stipulated, by the collective contract; if neither stipulates, by the employee's normal labor wages. The daily wage for overtime calculation is derived by dividing by 21.75 days.

Q30. What can an employee do if the employer defaults on wage payment?

The employee may: file a complaint with the labor inspection authority (hotline: 12333); apply for arbitration with the labor and personnel dispute arbitration commission; or file a lawsuit if dissatisfied with the arbitral award. Pursuant to Article 85 of the Labor Contract Law, the labor administrative authority may order payment within a prescribed period, and impose an additional 50% to 100% compensation for overdue payment.

Q31. What is the maximum wage payment cycle?

Article 7 of the Interim Provisions on Wage Payment provides: wages must be paid on the date agreed between the employer and employee; if the date falls on a holiday or rest day, payment shall be made in advance on the nearest working day. Wages shall be paid at least once a month; weekly, daily, or hourly wage systems may pay on a corresponding cycle. The payment cycle for part-time employment shall not exceed fifteen days.

Q32. Under what circumstances may an employer lawfully deduct wages?

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Article 15 of the Interim Provisions on Wage Payment provides that employers may make deductions for: individual income tax; social insurance premiums payable by the employee; child support or spousal maintenance ordered by court judgment or ruling; and other items permitted by laws and regulations. Monthly deductions shall not exceed 20% of that month's wages.

Q33. Must year-end bonuses be paid?

Year-end bonuses are a discretionary benefit determined by the employer and are not a statutory mandatory payment. However, if the labor contract or internal rules and regulations expressly stipulate the conditions for payment and the employee meets those conditions, the employer shall pay accordingly. Whether an employee who resignes mid-year is entitled to a pro-rated bonus depends on company policy.

Q34. How are wages paid during a shutdown or production stoppage?

Article 12 of the Interim Provisions on Wage Payment provides: where the employer suspends operations for reasons not attributable to the employee, wages shall be paid at the standard stipulated in the labor contract for the first wage payment cycle. Beyond one cycle, if the employee provides normal labor, wages shall be at least the local minimum wage; if not, a basic living allowance shall be paid per local regulations.

Q35. Are piece-rate workers entitled to minimum wage protection?

Yes. Article 12 of the Provisions on Minimum Wages expressly provides: employers adopting piece-rate or commission-based wage systems shall, on the basis of scientifically reasonable work quotas, pay wages not lower than the applicable minimum wage standard. Even if the employee fails to meet the quota, wages paid shall not be lower than the local minimum wage.

Q36. What is the difference between wage deduction and wage arrears?

Wage deduction refers to an employer unjustifiably reducing the employee's due wage compensation. Wage arrears refer to an employer unjustifiably failing to pay wages beyond the prescribed payment deadline. The legal consequences differ: for deductions or arrears without cause, labor inspectors may order payment within a prescribed period and impose additional compensation; serious arrears may also constitute a criminal offense.

Q37. Must wage slips be issued to employees?

Article 6 of the Interim Provisions on Wage Payment requires that employers provide an individual wage statement (wage slip) to employees upon payment of wages. The wage slip shall include gross pay, net pay, and itemized deductions. Localities such as Shanghai also require written provision and retention for at least two years.

Q38. When must wages be settled upon departure?

Article 9 of the Interim Provisions on Wage Payment provides: upon dissolution or termination of the labor contract, the employer shall pay all wages due in a lump sum at the time of dissolution or termination. In practice, specific timing requirements vary slightly by locality (some require same-day settlement, others within 3-5 working days post-departure), but the principle is to settle promptly.

Q39. Who pays the wages of dispatched employees?

Pursuant to Article 58 of the Labor Contract Law, the labor dispatch entity (i.e., the dispatch company) is the employer and shall pay the dispatched employee's labor remuneration on a monthly basis. The host entity (i.e., the actual workplace) is only responsible for providing relevant wage information. The dispatch entity shall not deduct the labor remuneration paid by the host entity to the dispatched employee.

Q40. How are wages calculated during the suspension-from-work-with-pay period (work injury)?

Pursuant to Article 33 of the Work-Related Injury Insurance Regulations: where an employee sustains a work-related injury or contracts an occupational disease and requires suspension of work for medical treatment, the original wages and benefits shall remain unchanged during the suspension period (generally not exceeding 12 months) and shall be paid monthly by the employer. The wage standard is the employee's normal wage before the injury, not the minimum wage.

III. Working Hours, Rest and Leave (Q41–Q55)

Q41. What is the standard working hours system?

Article 3 of the State Council Provisions on Employee Working Hours provides that employees shall work eight hours per day and 40 hours per week. State organs and public institutions observe unified working hours with Saturday and Sunday as weekly rest days. Enterprises may flexibly arrange weekly rest days to suit their circumstances, but employees shall have at least one rest day per week.

Q42. What is the comprehensive working hours calculation system?

The comprehensive working hours calculation system calculates working hours over a cycle (week, month, quarter, or year), provided that average daily and weekly working hours are substantially the same as the statutory standard hours. It applies to industries such as transport, railways, post and telecommunications, construction, and tourism. Implementation requires approval from the labor administrative authority.

Q43. What is the flexible (non-fixed) working hours system?

The flexible working hours system applies to positions where, due to the nature of production, special operational requirements, or scope of duties, working hours cannot be measured by the standard system or require flexible scheduling. It applies to senior management, field staff, sales personnel, and certain duty personnel. Implementation requires labor administrative authority approval, and overtime pay provisions do not apply.

Q44. What are the statutory holidays and how many days are there?

Pursuant to the Measures on National Holidays and Commemorative Days, there are 11 public holidays: New Year's Day (1 day), Spring Festival (3 days), Qingming Festival (1 day), Labor Day (1 day), Dragon Boat Festival (1 day), Mid-Autumn Festival (1 day), and National Day (3 days). Overtime on statutory holidays must be compensated at 300% of wages.

Q45. How many days of annual leave are there? What if leave is unused?

Article 3 of the Regulations on Paid Annual Leave for Employees provides: employees with cumulative work experience of 1-10 years are entitled to 5 days; 10-20 years, 10 days; 20+ years, 15 days. For unused annual leave, the employer shall pay annual leave wages at 300% of daily wages (which includes 100% of normal wages, so the additional payment is effectively 200%).

Q46. How is sick leave pay calculated?

Pursuant to Opinion No. 59 of the Opinions on Several Issues Concerning the Implementation of the Labor Law: during the statutory medical treatment period for illness or non-work-related injury, the enterprise shall pay sick leave wages or sickness relief in accordance with relevant provisions. Such wages may be lower than the local minimum wage but shall not be lower than 80% thereof. Specific standards are determined by provincial/municipal regulations.

Q47. How many days of marriage leave and maternity leave are there?

Marriage leave: Pursuant to the Marriage Law and provincial regulations, the statutory marriage leave is 3 days. Late marriage incentive leave has been abolished, though localities may have supplementary provisions. Maternity leave: Pursuant to Article 7 of the Special Provisions on the Labor Protection of Female

Employees, the basic maternity leave is 98 days (up to 15 days before delivery); 15 additional days for difficult delivery; 15 additional days for each additional infant in multiple births. Provinces also provide incentive maternity leave (typically 30-80 days).

Q48. Under what circumstances may personal leave be taken?

Personal leave is taken when an employee cannot attend work due to personal matters. The law does not impose mandatory provisions on personal leave; it is managed by the employer under its internal rules and regulations. Wages may not be paid during personal leave. Employers are recommended to clearly stipulate the approval process, number of days, and duration in their internal rules, following principles of fairness and reasonableness.

Q49. What special protections apply to female employees during the breastfeeding period?

Article 9 of the Special Provisions on the Labor Protection of Female Employees provides: for female employees breastfeeding an infant under one year of age, the employer shall not extend working hours or assign night shift work. The employer shall provide one hour of breastfeeding time within each working day; for multiple births, one additional hour per day for each additional infant.

Q50. Is it a disciplinary violation for an employee to refuse overtime?

Article 41 of the Labor Law provides: where an employer needs to extend working hours due to production or operational requirements, it may do so after consultation with the trade union and the employee. This shows that overtime requires mutual agreement. Except in emergencies such as natural disasters or accidents, employees have the right to refuse overtime, and the employer shall not treat such refusal as a disciplinary violation or impose sanctions.

Q51. May an employer provide only compensatory rest instead of overtime pay for work on rest days?

Article 44 of the Labor Law provides: where employees work on a rest day and cannot be given compensatory rest, they shall be paid at least 200% of wages. Thus, for work on rest days (weekends), the employer may elect to provide compensatory rest in lieu of overtime pay. However, for statutory holiday work, compensatory rest cannot substitute for overtime pay, and 300% overtime pay must be made.

Q52. How long is the medical treatment period, and how does it differ from sick leave?

The medical treatment period is the period during which an employee who is ill or suffers a non-work-related injury may stop work for medical treatment and rest, during which the employer may not terminate the labor contract. Pursuant to Ministry of Labor Document [1994] No. 479, the period ranges from 3 to 24 months depending on the employee's total work experience and years of service with the current employer. Sick leave is the actual period of absence; the medical treatment period is the legally protected period.

Q53. What is the only-child nursing care leave?

In recent years, multiple provinces and cities (such as Henan, Fujian, Guangdong) have introduced only-child nursing care leave systems: when parents who are the only child are hospitalized, the child may take paid nursing care leave. The number of days varies by locality (typically 5-15 days per year), and wages are paid as normal during the leave. Consult local regulations for details.

Q54. Is the high-temperature allowance mandatory?

Pursuant to the Administrative Measures on Heatstroke Prevention and Cooling (SAWS [2012] No. 89): employers that assign employees to outdoor open-air work at temperatures above 35 degrees C, or cannot effectively reduce workplace temperatures below 33 degrees C, shall pay a high-temperature allowance, which shall be included in the total wage bill. The allowance standard is set by each province/municipality.

Q55. After one year of continuous work, how many days of annual leave are available in the second year?

Pursuant to the Regulations on Paid Annual Leave for Employees, employees with cumulative work experience of 1-10 years are entitled to 5 days of annual leave. Note: cumulative work experience refers to the employee's total work history across all employers, not just the current employer. When transferring from another employer, the employee should provide evidence such as social insurance payment records to prove cumulative work experience.

IV. Social Insurance (Q56–Q70)

Q56. What exactly does "Five Social Insurances and One Housing Fund" include?

The five insurances are: pension insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance. The one fund is the Housing Provident Fund. Pension, medical, and unemployment insurance contributions are shared between employer and employee; work injury and maternity insurance are paid solely by the employer. Since 2019, maternity and medical insurance have been merged.

Q57. How is the social insurance contribution base determined?

The contribution base is the employee's average monthly salary for the preceding year. If the employee's salary exceeds 300% of the local average salary, the base is capped at 300%; if below 60%, the base is floored at 60%. For new hires, the base is determined by the first month's salary. The base is adjusted once per year, typically in July.

Q58. Must social insurance be paid during the probation period?

Yes. Article 58 of the Social Insurance Law provides that employers shall register employees for social insurance within 30 days from the date employment commences. The probation period is a phase of the employment relationship and is likewise a period of employment; the employer must lawfully pay social insurance for probationary employees and may not refuse on the ground of probation.

Q59. Must pension insurance contributions be made for 15 years before receiving a pension?

Article 16 of the Social Insurance Law provides: individuals who have contributed to basic pension insurance for a cumulative total of 15 years upon reaching the statutory retirement age may receive a basic pension on a monthly basis. Those with less than 15 years may continue contributing until reaching 15 years, or transfer to the new rural social pension insurance or urban residents' social pension insurance.

Q60. What if social insurance contributions are interrupted when changing jobs?

Interrupted contributions may be made up, but policies vary by locality. Pension insurance: contributions may be made up or continued, and cumulative years are unaffected. Medical insurance: if the interruption exceeds a certain period (typically 3 months), medical insurance reimbursement becomes unavailable; upon resumption of contributions, there is a waiting period (typically 3-6 months). It is recommended to register as a flexibly employed person for social insurance as soon as possible after leaving a job.

Q61. What circumstances constitute a work-related injury?

Article 14 of the Work-Related Injury Insurance Regulations sets out seven circumstances that shall be recognized as work-related injuries: injury from an accident at the workplace during working hours while performing work duties; injury from an accident when carrying out preparatory or concluding work related to the job at the workplace before or after working hours; injury from violence or other accidental harm at the workplace during working hours while performing work duties; suffering an occupational disease; injury or disappearance while on work-related travel; injury from a traffic accident for which the employee bears no primary responsibility during the commute; and other circumstances provided by laws and administrative regulations.

Q62. Does a traffic accident during the commute count as a work-related injury?

Article 14(6) of the Work-Related Injury Insurance Regulations provides: injury from a traffic accident or an accident involving urban rail transit, passenger ferry, or train for which the employee bears no primary responsibility during the commute shall be recognized as a work-related injury. Both conditions must be met: it occurs during the commute on a reasonable route and at a reasonable time; and the employee bears no primary responsibility (as determined by the traffic police liability determination).

Q63. Who may file a work-related injury recognition application and what is the deadline?

The employer shall file an application with the local human resources and social security authority within 30 days from the date of the accidental injury or the date of diagnosis/assessment of an occupational disease. If the employer fails to apply, the injured employee, their close relatives, or the trade union may file within one year. Applications filed beyond the deadline will not be accepted.

Q64. What are the benefits under work-related injury insurance?

Work-related injury insurance benefits mainly include: medical expenses (full reimbursement for items within the work injury insurance treatment catalog); suspension-from-work wages (original wages and benefits unchanged); inpatient meal subsidies; nursing fees; a lump-sum disability allowance (7-27 months' wages depending on disability grade); disability allowance (monthly for Grades 1-4); and a lump-sum death-on-duty allowance (20 times the national urban residents' per capita disposable income of the preceding year).

Q65. How long may unemployment insurance benefits be received?

Pursuant to Article 17 of the Unemployment Insurance Regulations: where cumulative contributions before unemployment total 1-5 years, the maximum benefit period is 12 months; 5-10 years, maximum 18 months; 10+ years, maximum 24 months. Upon re-employment and subsequent unemployment, contribution time is recalculated, and the benefit period is combined with any unclaimed prior period, not exceeding 24 months in total.

Q66. What conditions must be met to receive unemployment insurance benefits?

Article 14 of the Unemployment Insurance Regulations sets out three conditions: the employer and the individual have contributed to unemployment insurance for at least one year before unemployment; the employment was interrupted for reasons not attributable to the individual (e.g., termination by the employer, non-renewal of a fixed-term contract; voluntary resignation does not qualify); the individual has registered as unemployed and is actively seeking employment. Qualified recipients may also enjoy basic medical insurance benefits.

Q67. What benefits does maternity insurance provide for female employees?

Maternity insurance benefits include: maternity medical expenses (prenatal checkups, hospital delivery costs, family planning procedure costs); maternity allowance (calculated as the employer's average monthly salary for the preceding year, divided by 30, multiplied by the number of maternity leave days); and wages during maternity leave. Pursuant to the Special Provisions on the Labor Protection of Female Employees, female employees are entitled to 98 days of basic maternity leave, with additional incentive leave provided by localities.

Q68. How are social insurance relationships transferred when changing cities of employment?

Pension insurance relationships may be transferred across provinces. Pursuant to the Interim Measures for the Transfer and Continuation of Basic Pension Insurance Relationships for Urban Enterprise Employees, an insured person who moves across provinces for employment shall, after enrolling in social insurance at the new place of employment, submit a transfer and continuation application to the new social insurance agency, which will coordinate with the original agency. Most processes may now be completed online through the National Social Insurance Public Service Platform.

Q69. Is it lawful for an employee to voluntarily waive social insurance contributions?

No. Contributing to social insurance is a statutory obligation of the employer and cannot be waived by agreement. Article 72 of the Labor Law provides: employers and employees must participate in social insurance in accordance with law. Even if an employee issues a written waiver, the waiver is void for violating mandatory legal provisions, and the employer shall still make up the contributions and bear corresponding late payment surcharges.

Q70. May flexibly employed persons participate in social insurance?

Yes. Pursuant to the Social Insurance Law: self-employed individuals without employees, part-time workers not covered by employers' basic pension and medical insurance, and other flexibly employed persons may participate in basic pension insurance and basic medical insurance, making contributions individually as prescribed. Work-related injury insurance cannot currently be participated in on an individual basis.

V. Housing Provident Fund (Q71–Q80)

Q71. Is the Housing Provident Fund mandatory?

Yes. Article 20 of the Regulations on the Administration of Housing Provident Funds provides: employers shall make housing provident fund contributions on time and in full, and shall not make overdue or under-contributions. This is a statutory obligation, irrespective of household registration status or enterprise ownership form. Violators may be fined not less than RMB 10,000 and not more than RMB 50,000.

Q72. What is the Housing Provident Fund contribution rate?

Article 18 provides that the contribution rate for both employee and employer shall not be lower than 5% of the employee's average monthly salary in the preceding year. In practice, rates generally range from 5% to 12%, with equal rates for employer and employee. The specific rate is proposed by each municipality's Housing Provident Fund Management Committee and submitted to the municipal government for approval.

Q73. What advantages does a Housing Provident Fund loan offer over a commercial loan?

The greatest advantage is the low interest rate — currently approximately 2.85% for first-home loans exceeding five years, versus approximately 3.95% or higher for commercial loans. Additionally, the down payment ratio is typically lower (20% for a first home), the maximum term is 30 years, and repayment methods are flexible. The loan amount is, however, subject to limits that vary by locality.

Q74. For what purposes may the Housing Provident Fund be withdrawn?

Article 24 permits withdrawals for: purchasing, constructing, renovating, or carrying out major repairs on one's own residence; repaying home purchase loan principal and interest; renting a residence; retirement; total loss of work capacity and termination of the employment relationship; emigration and settlement abroad; and death or declaration of death. Various localities also permit withdrawals for special circumstances such as critical illness or minimum subsistence allowance receipt.

Q75. How is the Housing Provident Fund handled after a job change?

Within the same city: the former employer freezes the account, the new employer reactivates it, and the fund is transferred automatically. Across cities: a cross-city transfer and continuation may be processed through the National Housing Provident Fund Mini-Program or the local provident fund center. If new employment has not yet been secured, the account remains frozen, and withdrawals may be made if conditions are met.

Q76. What liability does an employer bear for failing to contribute or under-contributing?

Article 37 provides: where an employer fails to register or open accounts, the housing provident fund management center shall order rectification; failure to do so results in a fine of RMB 10,000-50,000. Article 38 provides: where an employer fails to contribute or under-contributes beyond the prescribed period, court enforcement may be sought.

Q77. May Housing Provident Fund be withdrawn after resignation?

Yes, subject to conditions. Where the employment relationship is dissolved or terminated: after the account has been frozen for six full months (requirements vary slightly by locality) and no new contributions have been made, a withdrawal may be made. During the freeze period, withdrawals may also be made for home purchase, renting, or retirement. It is recommended to first freeze the account after resignation and withdraw once conditions are met.

Q78. How is the Housing Provident Fund loan amount calculated?

The loan amount is influenced by: a multiple of the account balance (typically 10-40 times); monthly contribution amount and repayment capacity (monthly repayment not exceeding 50% of household monthly income); the local maximum loan limit (e.g., Beijing: RMB 1.2 million for first home; Shanghai: RMB 1 million); and the property value. The specific amount shall be determined by the local housing provident fund center.

Q79. May self-employed persons contribute to the Housing Provident Fund?

Yes. Urban self-employed persons may voluntarily contribute. Multiple cities (Beijing, Shanghai, Guangzhou, Shenzhen, etc.) have opened voluntary contributions to flexibly employed persons, who may select their own contribution rate and base. Upon contributing, qualified persons enjoy the same withdrawal and loan rights as employed workers.

Q80. May the Housing Provident Fund be used to pay rent?

Yes. Pursuant to the Notice on Relaxing the Conditions for Withdrawing Housing Provident Funds to Pay Rent, where an employee has made continuous and full contributions for three months, and neither the employee nor their spouse owns a residence in the contribution city and they are renting, the couple's housing provident fund may be withdrawn to pay rent. The withdrawal amount is determined by the local center based on local rent levels and per capita living space; a lease agreement and invoices are generally not required.

VI. Termination of Labor Relations (Q81–Q95)

Q81. How much notice is required for an employee to voluntarily resign?

Article 37 of the Labor Contract Law provides: an employee may dissolve the labor contract by giving the employer 30 days' prior written notice. During the probation period, three days' prior notice is sufficient. Voluntary resignation does not require the employer's approval, but the employee shall fulfill the statutory prior notice obligation.

Q82. When may an employee dissolve the contract immediately without prior notice?

Article 38 of the Labor Contract Law provides that an employee may immediately dissolve the labor contract where the employer: fails to pay labor remuneration in full and on time; fails to pay social insurance premiums; has internal rules that violate laws and impair employee rights; uses fraud, coercion, or exploitation to cause the employee to contract contrary to their true intent; or compels hazardous operations endangering personal safety. The employer shall pay economic compensation.

Q83. When may an employer unilaterally terminate the contract without paying compensation?

Article 39 provides that an employer may terminate without compensation where the employee: is proven during probation not to meet employment conditions; materially violates internal rules; commits serious dereliction of duty or graft causing substantial damage; simultaneously establishes an employment relationship with another employer and refuses to rectify; uses fraudulent means to cause the employer to contract contrary to its true intent; or is subject to criminal liability.

Q84. When may an employer terminate the contract but must pay economic compensation?

Article 40 provides: where the employee, after the statutory medical treatment period, is unable to perform their original work or alternative work; is incompetent and remains so after training or reassignment; or there has been a material change in objective circumstances rendering the contract impossible to perform and the parties cannot agree on amendment. The employer shall give 30 days' notice (or payment in lieu) and pay economic compensation.

Q85. How is economic compensation calculated?

Article 47 provides: one month's salary for each full year of service. Six months or more but less than one year counts as one year; less than six months counts as half a year with half a month's salary. Monthly salary is the employee's average monthly salary for the 12 months preceding termination. Where monthly salary exceeds three times the local average, compensation is capped at three times the local average, and compensable years shall not exceed 12.

Q86. How are damages for unlawful termination calculated?

Article 87 provides: where an employer unlawfully dissolves or terminates a labor contract, it shall pay damages at twice the rate of the economic compensation under Article 47 — commonly referred to as "2N" (where N represents years of service). Damages and economic compensation cannot both be obtained; upon receiving damages, the employee may not additionally demand reinstatement.

Q87. When is an employer prohibited from terminating the labor contract?

Article 42 prohibits termination where: the employee has been engaged in operations exposing them to occupational disease hazards and has not undergone a pre-departure health examination, or is under observation for suspected occupational disease; has contracted an occupational disease or sustained a work-related injury and has been confirmed to have lost or partially lost work capacity; is within the statutory medical treatment period for illness or non-work-related injury; a female employee is during pregnancy, maternity leave, or breastfeeding; the employee has worked continuously for 15+ years and is less than five years from the statutory retirement age; or other statutory circumstances.

Q88. Is economic compensation payable if a fixed-term contract expires and is not renewed?

Article 46(5) provides: where a fixed-term labor contract expires and is terminated, the employer shall pay economic compensation, except where the employer maintains or improves the contract terms for renewal and the employee does not agree to renewal. Thus, the employer is exempt only where it maintains or improves conditions and the employee elects not to renew.

Q89. Is a separation certificate mandatory upon termination?

Yes. Article 50 provides that upon termination, the employer shall issue a separation certificate and, within 15 days, complete procedures for transferring the employee's personal file and social insurance relationships. This is a statutory right; if the employer refuses and the employee suffers losses as a result, the employer bears liability for damages.

Q90. May an employer withhold wages if the employee fails to complete the handover procedure?

In principle, no. Wages are remuneration for work already performed and shall be settled lawfully. If the employee fails to cooperate with the handover and the employer suffers actual losses, the employer may claim damages through labor arbitration, but may not directly withhold wages.

Q91. What are the conditions and procedures for economic redundancy (mass layoffs)?

Article 41 provides that redundancy shall meet at least one of the following: restructuring under the Enterprise Bankruptcy Law; serious difficulties in production and operations; need to reduce workforce after switching production, undergoing major technological innovation or adjusting mode of operation, even after

amending contracts; or a material change in objective economic circumstances. Where 20 or more employees, or fewer than 20 but 10% or more of the workforce, are to be terminated, the employer shall explain to the trade union or all employees 30 days in advance, take their views into account, and report to the labor administrative authority.

Q92. Which employees shall be given priority in retention during redundancy?

Article 41 provides that priority shall be given to: employees with relatively long-term fixed-term contracts; employees with open-ended contracts; and employees who are the sole source of household employment with elderly persons or minors to support. If the employer recruits again within six months, it shall notify the laid-off employees and give them priority under equal conditions.

Q93. What is the relationship between a rehired retiree and the employer?

Article 32 of the Supreme People's Court Judicial Interpretation (I) on Labor Disputes provides: disputes between an employer and a person already lawfully enjoying pension insurance benefits or receiving a pension shall be treated as a civil service relationship. Accordingly, rehired retirees are in a civil service relationship; the Labor Law and Labor Contract Law do not apply; social insurance contributions are not required; and labor law protections such as economic compensation do not apply.

Q94. Upon the death of an employee, what rights may their relatives claim?

The close relatives may claim: the balance of the individual pension insurance account (inheritable); funeral subsidies and survivors' pensions where conditions are met (death-on-duty benefits for employees who die on the job); payment in lieu of untaken annual leave; and wages, bonuses, and other labor remuneration due up to the date of death. These may be claimed from the employer or the social insurance agency.

Q95. What should be noted when terminating a labor contract by mutual agreement?

The parties shall execute a written termination agreement, expressly setting out the termination date, wage settlement, the amount and payment schedule of economic compensation, and a clause confirming no other outstanding disputes. A no-further-disputes clause can effectively avoid the risk of subsequent arbitration. The employee shall carefully verify the lawfulness of the compensation amount before signing.

VII. Labor Dispute Resolution (Q96–Q100)

Q96. What are the avenues for resolving labor disputes?

Article 5 of the Labor Dispute Mediation and Arbitration Law provides the following sequence: negotiation (direct settlement with the employer); mediation (applying to the enterprise labor dispute mediation committee or a grassroots people's mediation organization); arbitration (filing with the labor and personnel dispute arbitration commission — a mandatory prerequisite to litigation); and litigation (filing a lawsuit if dissatisfied with the arbitral award).

Q97. What is the limitation period for filing a labor arbitration application?

Article 27 provides that the limitation period is one year, calculated from the date on which the party knew or ought to have known that their rights were infringed. Disputes over arrears of labor remuneration during the subsistence of the employment relationship are not subject to the one-year limitation; however, once the employment relationship is terminated, the application must be filed within one year from the date of termination.

Q98. Is there a fee for labor arbitration?

No. Article 53 provides that labor dispute arbitration is free of charge, with operating expenses guaranteed by government finance. This effectively reduces the cost of asserting rights, ensuring that employees are not prevented from pursuing arbitration due to financial hardship.

Q99. Which labor disputes are subject to the single-arbitration finality rule?

Article 47 provides that arbitral awards are final and effective on issuance for: disputes over claims for labor remuneration, work-related injury medical expenses, economic compensation, or damages, where the amount does not exceed 12 months' worth of the local minimum monthly wage; and disputes arising from the implementation of national labor standards concerning working hours, rest and leave, social insurance, and the like. Employees dissatisfied with a final award may still file a lawsuit.

Q100. How is the competent court determined for labor dispute litigation?

Article 3 of the Supreme People's Court Judicial Interpretation (I) on Labor Disputes provides that labor dispute cases shall be under the jurisdiction of the basic-level people's court at the place where the employer is domiciled or where the labor contract is performed. Where the place of performance is unclear, the court at the employer's domicile shall have jurisdiction. Any objection to jurisdiction shall be raised within the period for filing a defense.

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