

China Work Permit Cancellation: What Happens When Foreign Employees Leave

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

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A foreign employee resigns or you terminate them. The work permit and residence permit don't just expire—they need to be formally cancelled. Skip this step and you create problems for everyone involved.

The Cancellation Timeline

When employment ends, the employer must apply to cancel the foreigner's work permit within 10 working days. After the work permit is cancelled, the residence permit is automatically invalidated, and the foreigner has 30 days to either leave China or apply for a humanitarian stay visa (typically 30 days) to wrap up personal affairs.

Miss the 10-day window and the employer faces administrative penalties. The foreign employee, meanwhile, can't transfer their work permit to a new employer until the old one is cancelled—so delays directly affect their ability to start a new job.

Who Initiates the Cancellation

The employer applies online through the Service System for Foreigners Working in China. The required documents: the cancellation application form, proof that the employment relationship has ended (resignation letter or termination agreement), and the original work permit card.

If the employer refuses to cancel—which happens more often than it should, especially in contentious departures—the foreigner can apply directly to the local foreign experts bureau or science and technology bureau. They'll need to show that the employment relationship has genuinely ended.

The Tax Clearance Angle

Before cancelling the work permit, the foreign employee should complete their tax clearance for the year. If they leave mid-year, the employer needs to do a special tax filing covering the period of employment. This includes calculating final individual income tax, settling any underpayment or overpayment, and issuing a tax clearance certificate.

Some tax bureaus won't process the cancellation of the foreigner's tax registration without a work permit cancellation notice. Others want the tax clearance done first. The sequence varies by city—Shenzhen and Guangzhou have slightly different processes, and it's worth checking before you start.

What Happens to Social Insurance

The foreign employee's social insurance account gets closed upon departure. If they've contributed to the pension scheme, they can apply to withdraw the personal account balance. The employer's contribution stays in the pool—the employee only gets their own contributions back.

The withdrawal requires the work permit cancellation notice, passport, and a designated bank account. Processing takes a few weeks.

Transfer vs Cancellation

If the employee is moving to another employer in China, you don't cancel—you transfer the work permit. The new employer applies for a transfer, the old employer confirms the release, and the permit moves. No cancellation, no exit, no visa reset. This is the preferred path when the employee is staying in China.