Labor Law of the People’s Republic of China

Dan Young Business Consultancy — www.danyoungcpa.com

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

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Chapter I — General Provisions

Article 1 — This Law is enacted in accordance with the Constitution in order to protect the lawful rights and interests of laborers, adjust labor relations, establish and safeguard a labor system suited to the socialist market economy, and promote economic development and social progress.

Article 2 — This Law shall apply to enterprises, individually-owned economic organizations, and the laborers who have formed a labor relationship therewith within the territory of the People's Republic of China. State authorities, public institutions, social organizations, and the laborers with whom they have formed a labor relationship shall be governed by this Law.

Article 3 — Laborers shall enjoy the following rights: the right to equal employment and choice of occupation, the right to remuneration for labor, the right to rest and leave, the right to occupational safety and health protection, the right to receive vocational skills training, the right to enjoy social insurance and welfare, the right to submit labor disputes for resolution, and other labor rights prescribed by law. Laborers shall fulfill their labor tasks, improve their vocational skills, observe occupational safety and health regulations, and comply with labor discipline and professional ethics.

Article 4 — Employers shall establish and improve rules and regulations in accordance with law so as to ensure that laborers enjoy labor rights and fulfill labor obligations.

Article 5 — The State shall adopt various measures to promote employment, develop vocational education, formulate labor standards, regulate social income, improve social insurance, coordinate labor relations, and gradually raise the living standards of laborers.

Article 6 — The State shall advocate laborers' participation in social voluntary labor, labor competitions, and activities of putting forward rational proposals; encourage and protect laborers in conducting scientific research, technological renovation, and invention; and commend and award model workers and advanced workers.

Article 7 — Laborers shall have the right to join and organize trade unions in accordance with law. Trade unions shall represent and protect the lawful rights and interests of laborers and engage in activities independently in accordance with law.

Article 8 — Laborers shall participate in democratic management or negotiate with employers on an equal footing regarding the protection of the lawful rights and interests of laborers through the assembly of staff and workers, the congress of staff and workers, or other forms prescribed by law.

Article 9 — The labor administrative department of the State Council shall be responsible for labor work nationwide. The local people's governments at or above the county level shall be responsible for labor work

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within their respective administrative areas.

Chapter II — Promotion of Employment

Article 10 — The State shall create employment conditions and expand employment opportunities by promoting economic and social development. The State shall encourage enterprises, public institutions, and social organizations to establish industries or expand operations within the scope permitted by laws and administrative regulations so as to increase employment. The State shall support laborers in voluntarily organizing themselves for employment and in engaging in individual business operations to achieve employment.

Article 11 — Local people's governments at various levels shall take measures to develop various types of employment agencies and provide employment services.

Article 12 — Laborers shall not be discriminated against in employment on the basis of ethnicity, race, sex, or religious belief.

Article 13 — Women shall enjoy equal rights with men in employment. Except where the types of work or posts for which women are not suited are prescribed by the State, no employer may refuse to hire women on the ground of sex or raise the employment standards for women.

Article 14 — Where special provisions exist in laws and regulations concerning the employment of persons with disabilities, ethnic minority persons, or demobilized military personnel, those provisions shall apply.

Article 15 — No employer shall be permitted to recruit juveniles under the age of sixteen. Institutions of literature and art, physical culture and sport, and special arts and crafts that recruit juveniles under the age of sixteen must comply with relevant State provisions and ensure their right to compulsory education.

Chapter III — Labor Contracts and Collective Contracts

Article 16 — A labor contract is an agreement that establishes the labor relationship between a laborer and an employer and defines the rights and obligations of each party. Labor contracts shall be concluded where labor relationships are to be established.

Article 17 — The conclusion and amendment of labor contracts shall comply with the principles of equality, voluntariness, and agreement through consultation, and shall not contravene the provisions of laws and administrative regulations. Labor contracts shall have legal binding force once concluded in accordance with law, and the parties shall perform the obligations stipulated therein.

Article 18 — The following labor contracts shall be invalid: labor contracts that contravene laws or administrative regulations; and labor contracts concluded by means of fraud or intimidation. An invalid labor contract shall have no legal binding force from the time of its conclusion. Where part of a labor contract is confirmed to be invalid and the remaining part is not affected, the remaining part shall remain valid. The invalidity of a labor contract shall be confirmed by a labor dispute arbitration committee or a people's court.

Article 19 — Labor contracts shall be concluded in written form and shall contain the following terms: the term of the labor contract; the content of the work; labor protection and working conditions; labor remuneration; labor discipline; conditions for termination of the labor contract; and liability for breach of the labor contract. Apart from the essential terms specified in the preceding paragraph, the parties may agree upon other terms in the labor contract through consultation.

Article 20 — The term of a labor contract shall be divided into fixed term, open-ended term, and term based on the completion of a specific task. Where a laborer has worked for the same employer for ten consecutive years or more, and both parties agree to extend the term of the labor contract, if the laborer proposes to conclude a labor contract with an open-ended term, such a contract shall be concluded.

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Article 21 — A probation period may be stipulated in a labor contract. The probation period shall not exceed six months.

Article 22 — The parties to a labor contract may stipulate in the labor contract matters concerning the keeping of commercial secrets of the employer.

Article 23 — Labor contracts shall terminate upon expiration of their term or occurrence of the conditions for termination agreed upon by the parties. A labor contract may be extended upon agreement of the parties through consultation.

Article 24 — Labor contracts may be revoked by agreement reached by the parties through consultation.

Article 25 — An employer may revoke a labor contract where a laborer falls under any of the following circumstances: the laborer has been proved during the probation period not to satisfy the recruitment requirements; the laborer has seriously violated labor discipline or the employer's rules and regulations; the laborer has caused substantial damage to the employer through gross negligence or malpractice; or the laborer has been held to bear criminal liability in accordance with law.

Article 26 — An employer may revoke a labor contract by giving thirty days' prior written notice to the laborer concerned where the laborer falls under any of the following circumstances: the laborer, after undergoing medical treatment for an illness or non-work-related injury, is unable to engage in the original work or other work arranged by the employer; the laborer is incompetent for the work and remains incompetent after receiving training or after being assigned to another post; or the objective circumstances on which the labor contract was concluded have changed significantly, rendering the original labor contract impossible to perform and the parties have been unable through consultation to reach an agreement on amending the labor contract.

Article 27 — Where an employer is on the verge of bankruptcy undergoing statutory rectification or experiences serious difficulties in its production and operations, and it is truly necessary to reduce its workforce, the employer shall explain the situation to the trade union or all staff and workers thirty days in advance, solicit the opinions thereof, and may reduce the workforce after reporting to the labor administrative department. Where the employer reduces its workforce in accordance with this Article and subsequently recruits workers within six months, priority shall be given to the workers previously made redundant.

Article 28 — Where an employer revokes a labor contract in accordance with the provisions of Article 24, Article 26, or Article 27 of this Law, it shall provide economic compensation in accordance with relevant State provisions.

Article 29 — An employer shall not revoke a labor contract in accordance with the provisions of Article 26 or Article 27 where the laborer falls under any of the following circumstances: the laborer has suffered an occupational disease or work-related injury and has been confirmed to have lost wholly or partially the capacity to work; the laborer is receiving medical treatment for an illness or injury within the period prescribed by law; the female worker is during her pregnancy, maternity leave, or breastfeeding period; or other circumstances prescribed by laws and administrative regulations.

Article 30 — Where an employer revokes a labor contract and the trade union considers the revocation inappropriate, the trade union shall have the right to put forward its opinions. Where the employer violates the law, regulations, or the labor contract, the trade union shall have the right to request that the matter be reconsidered. Where the laborer applies for arbitration or institutes legal proceedings, the trade union shall provide support and assistance in accordance with law.

Article 31 — Where a laborer intends to revoke his labor contract, he shall give thirty days' prior written notice to the employer.

Article 32 — A laborer may notify the employer at any time of the revocation of his labor contract where the laborer falls under any of the following circumstances: the laborer is within the probation period; the

employer compels the laborer to work by means of violence, intimidation, or illegal restriction of personal freedom; or the employer fails to pay labor remuneration or to provide working conditions as agreed upon in the labor contract.

Article 33 — The staff and workers of an enterprise may, as a party, conclude a collective contract with the enterprise on matters concerning labor remuneration, working hours, rest and leave, occupational safety and health, insurance and welfare, and other matters. The draft collective contract shall be submitted to the congress of staff and workers or to all staff and workers for discussion and adoption. A collective contract shall be concluded by the trade union on behalf of the staff and workers with the enterprise; where the trade union has not yet been established in the enterprise, the contract shall be concluded by representatives elected by the staff and workers with the enterprise.

Article 34 — After the conclusion of a collective contract, the contract shall be submitted to the labor administrative department. Where no objection is raised by the labor administrative department within fifteen days of receipt of the collective contract, the collective contract shall automatically go into effect.

Article 35 — A collective contract legally concluded shall be binding on all staff and workers of the enterprise and the enterprise itself. The labor remuneration and working conditions stipulated in the labor contract concluded between a laborer and the enterprise shall not be lower than those stipulated in the collective contract.

Chapter IV — Working Hours, Rest, and Leave

Article 36 — The State shall implement a working hour system under which laborers shall work for no more than eight hours a day and no more than forty-four hours a week on average.

Article 37 — For laborers working on a piecework basis, the employer shall reasonably determine the quotas for labor and the standards for piecework remuneration in accordance with the working hour system stipulated in Article 36 of this Law.

Article 38 — Employers shall ensure that laborers have at least one rest day per week.

Article 39 — Where an enterprise is unable to implement the provisions of Article 36 and Article 38 of this Law due to the characteristics of its production, it may adopt other measures for work and rest upon the approval of the labor administrative department.

Article 40 — Employers shall arrange holidays for laborers during the following festivals in accordance with law: New Year's Day; Spring Festival; International Labor Day; National Day; and other holidays prescribed by laws and regulations.

Article 41 — An employer may extend working hours due to the needs of production or operations after consultation with the trade union and laborers, but the extended working hours shall not generally exceed one hour per day. Where the extension of working hours is necessary due to special reasons, the extended hours shall not exceed three hours per day, and the total hours extended per month shall not exceed thirty-six hours, provided that the health of the laborers is guaranteed.

Article 42 — The extension of working hours shall not be subject to the restrictions of Article 41 of this Law under any of the following circumstances: where workers' lives or health are endangered and emergency measures are needed; where emergency repairs are needed to equipment and facilities essential to production, transportation lines, or public facilities that have broken down; or other circumstances prescribed by laws and administrative regulations.

Article 43 — Employers shall not extend the working hours of laborers in contravention of this Law.

Article 44 — Where an employer arranges for a laborer to extend working hours, the employer shall pay remuneration for the extended working hours according to the following standards: where the laborer is

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arranged to extend working hours, remuneration of not less than one hundred fifty percent of the normal wages shall be paid; where the laborer is arranged to work on a rest day and no compensatory rest can be arranged, remuneration of not less than two hundred percent of the normal wages shall be paid; where the laborer is arranged to work on a statutory holiday, remuneration of not less than three hundred percent of the normal wages shall be paid.

Article 45 — The State shall implement a system of paid annual leave. Laborers who have worked continuously for one year or more shall be entitled to paid annual leave. The specific measures shall be formulated by the State Council.

Chapter V — Wages

Article 46 — The distribution of wages shall follow the principle of distribution according to work, and equal pay shall be provided to men and women for equal work. The level of wages shall be gradually raised on the basis of economic development. The State shall exercise macro-control over total wages.

Article 47 — An employer shall, in accordance with law and based on the characteristics of its production and operation and its economic efficiency, independently determine the form of wage distribution and the level of wages in accordance with law.

Article 48 — The State shall implement a system of guaranteed minimum wages. The specific standards of the minimum wage shall be determined by the people's governments of provinces, autonomous regions, or municipalities directly under the Central Government and submitted to the State Council for filing. Wages paid to laborers by employers shall not be lower than the local minimum wage standard.

Article 49 — The determination and adjustment of the minimum wage standard shall comprehensively take into account the following factors: the minimum living expenses of laborers and the average number of dependents they support; the average wage level in society; labor productivity; the employment situation; and the differences in levels of economic development among regions.

Article 50 — Wages shall be paid monthly to laborers in the form of currency. Wages payable to laborers shall not be embezzled or delayed without cause.

Article 51 — An employer shall pay wages to laborers for statutory holiday periods, marriage or funeral leave periods, and periods of participating in social activities in accordance with law.

Chapter VI — Occupational Safety and Health

Article 52 — Employers shall establish and improve an occupational safety and health system, strictly implement the State rules and standards for occupational safety and health, educate laborers on occupational safety and health, prevent accidents in the process of work, and reduce occupational hazards.

Article 53 — Occupational safety and health facilities shall comply with the standards prescribed by the State. The occupational safety and health facilities of a new construction, renovation, or expansion project shall be designed, constructed, and put into operation or use simultaneously with the main part of the project.

Article 54 — Employers shall provide laborers with occupational safety and health conditions meeting the State provisions and necessary articles of labor protection, and laborers engaged in work with occupational hazards shall receive regular physical examinations.

Article 55 — Laborers engaged in special operations shall receive specialized training and acquire qualifications for such special operations.

Article 56 — Laborers shall strictly observe safe operating procedures in the course of work. Laborers shall have the right to refuse to carry out operations where management personnel of an employer give directions

in violation of regulations or order work at risk, and shall have the right to criticize, report, or file accusations against acts endangering life safety and physical health. Female workers and juvenile workers shall receive special protection as provided by the State.

Article 57 — The State shall establish a system for the statistics, reporting, and handling of accidents, injuries, and fatalities and occupational diseases. The labor administrative departments, relevant departments, and employers of the people's governments at or above the county level shall carry out statistics, reporting, and handling in accordance with law.

Chapter VII — Special Protection for Female and Juvenile Workers

Article 58 — The State shall provide special labor protection for female workers and juvenile workers. Juvenile workers shall refer to laborers between the ages of sixteen and eighteen.

Article 59 — Female workers shall not be arranged to work in underground mines, or to engage in work with Grade IV physical labor intensity as prescribed by the State, or in other work forbidden for women.

Article 60 — Female workers shall not be arranged to work at heights, work at low temperatures, or work in cold water during their menstrual periods as prescribed by the State, or to engage in work with Grade III physical labor intensity as prescribed by the State.

Article 61 — Female workers shall not be arranged to engage in work with Grade III physical labor intensity as prescribed by the State during their pregnancy, or in other work forbidden during pregnancy. Female workers pregnant for seven months or more shall not be arranged to extend working hours or work on night shifts.

Article 62 — Female workers shall be entitled to no less than ninety days of maternity leave after childbirth.

Article 63 — Female workers breastfeeding infants under one year old shall not be arranged to engage in work with Grade III physical labor intensity as prescribed by the State, or in other work forbidden during the breastfeeding period. They shall not be arranged to extend working hours or work on night shifts.

Article 64 — Juvenile workers shall not be arranged to work in underground mines, work with toxic or hazardous substances, work with Grade IV physical labor intensity as prescribed by the State, or in other work forbidden for juveniles.

Article 65 — Employers shall arrange regular physical examinations for juvenile workers.

Chapter VIII — Vocational Training

Article 66 — The State shall develop vocational training through various channels and adopt various measures to develop the vocational skills of laborers, improve their quality, and enhance their employability and work capability.

Article 67 — People's governments at various levels shall incorporate the development of vocational training in their plans for social and economic development, and encourage and support enterprises, public institutions, social organizations, and individuals to conduct various forms of vocational training.

Article 68 — Employers shall establish a vocational training system; draw and use funds for vocational training in accordance with State provisions; and provide vocational training for laborers in a planned manner and in light of the actual conditions of the employer. Laborers engaged in technical work shall receive pre-employment training before taking up their posts.

Article 69 — The State shall determine occupational classifications, formulate vocational skill standards for specified occupations, and implement a system of vocational qualification certification. Examination and appraisal institutions authorized by the State shall be responsible for the examination and appraisal of the vocational skills of laborers.

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Chapter IX — Social Insurance and Welfare

Article 70 — The State shall develop social insurance undertakings, establish a social insurance system, and set up social insurance funds so that laborers may receive assistance and compensation under circumstances of old age, illness, work-related injury, unemployment, childbirth, and other such circumstances.

Article 71 — The level of social insurance shall be commensurate with the level of social and economic development and social sustainability.

Article 72 — The sources of social insurance funds shall be determined according to the type of insurance, and social pooling shall be progressively implemented. Employers and laborers shall participate in social insurance and pay social insurance premiums in accordance with law.

Article 73 — Laborers shall, under the following circumstances, enjoy social insurance benefits in accordance with law: retirement; illness or injury; disability caused by work-related injury or occupational disease; unemployment; and childbirth. The dependents of a laborer who dies shall be entitled to a survivor's allowance in accordance with law. The conditions and standards for laborers to enjoy social insurance benefits shall be prescribed by laws and regulations. Social insurance benefits payable to laborers shall be paid on time and in full.

Article 74 — Social insurance fund agencies shall receive, expend, manage, and operate social insurance funds in accordance with the law and shall assume the responsibility of maintaining and increasing the value of the social insurance funds. The supervisory bodies of social insurance funds shall exercise supervision over the receipt, expenditure, management, and operation of social insurance funds in accordance with the law. The establishment and functions of social insurance fund agencies and social insurance fund supervisory bodies shall be prescribed by law. No organization or individual shall be allowed to misappropriate social insurance funds.

Article 75 — The State shall encourage employers to establish supplementary insurance for laborers in light of their actual circumstances. The State shall promote the development of individual savings insurance.

Article 76 — The State shall develop social welfare undertakings, construct public welfare facilities, and provide conditions for laborers to rest, recuperate, and convalesce. Employers shall create conditions to improve collective welfare and increase the welfare benefits of laborers.

Chapter X — Labor Disputes

Article 77 — Where a labor dispute arises between an employer and a laborer, the parties may apply for mediation, arbitration, or institute legal proceedings, or may seek resolution through consultation. The principle of mediation shall apply to the procedures of arbitration and litigation.

Article 78 — In resolving labor disputes, the principles of legality, fairness, and timeliness shall be followed, and the lawful rights and interests of the parties to the labor dispute shall be protected in accordance with law.

Article 79 — After a labor dispute arises, the parties may apply to the labor dispute mediation committee of their unit for mediation. Where mediation is unsuccessful or one party refuses to comply with the mediation, the matter may be submitted to the labor dispute arbitration committee for arbitration. Either party may also directly apply to the labor dispute arbitration committee for arbitration. A party dissatisfied with the arbitral award may institute legal proceedings in the people's court.

Article 80 — A labor dispute mediation committee may be established within the employer. The labor dispute mediation committee shall be composed of representatives of staff and workers, representatives of the employer, and representatives of the trade union. The chairperson of the labor dispute mediation committee shall be held by a representative of the trade union. Where an agreement is reached through mediation in a

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labor dispute, the parties shall perform the agreement.

Article 81 — Labor dispute arbitration committees shall be composed of representatives of the labor administrative department, representatives of the trade union at the corresponding level, and representatives of employers. The chairperson of a labor dispute arbitration committee shall be held by a representative of the labor administrative department.

Article 82 — A party applying for arbitration shall submit a written application to the labor dispute arbitration committee within sixty days from the date on which the labor dispute arose. An arbitral award shall generally be made within sixty days of receipt of the arbitration application. The parties shall perform the arbitral award where they have no objection to it.

Article 83 — A party to a labor dispute who is dissatisfied with the arbitral award may institute legal proceedings in the people's court within fifteen days of the date of receipt of the written award. Where one party neither institutes legal proceedings within the statutory period nor performs the arbitral award, the other party may apply to the people's court for compulsory enforcement.

Article 84 — Where a dispute arises out of a collective contract and the parties cannot resolve it through consultation, the labor administrative department of the local people's government may organize the relevant parties to coordinate the handling of the dispute. Where a dispute arises out of the performance of a collective contract and the parties cannot resolve it through consultation, the dispute may be submitted to the labor dispute arbitration committee for arbitration, and a party dissatisfied with the arbitral award may institute legal proceedings in the people's court within fifteen days of the date of receipt of the written award.

Chapter XI — Supervision and Inspection

Article 85 — The labor administrative departments of the people's governments at or above the county level shall supervise and inspect the employer's compliance with laws and regulations on labor, and shall have the right to stop any act in violation of laws and regulations on labor and order the rectification thereof.

Article 86 — Labor inspectors of the labor administrative departments of the people's governments at or above the county level, when performing their official duties, shall have the right to enter an employer's premises to inspect the employer's compliance with labor laws and regulations, consult the necessary data, and inspect the work sites. Labor inspectors of the labor administrative departments of the people's governments at or above the county level shall produce their credentials when performing their official duties, impartially enforce the law, and comply with relevant regulations.

Article 87 — Relevant departments of the people's governments at or above the county level shall, within the scope of their respective functions and duties, supervise the employer's compliance with laws and regulations on labor.

Article 88 — Trade unions at various levels shall protect the lawful rights and interests of laborers in accordance with law and supervise the employer's compliance with laws and regulations on labor. Any organization or individual shall have the right to report or file accusations against violations of laws and regulations on labor.

Chapter XII — Legal Liability

Article 89 — Where the rules and regulations of an employer concerning labor contravene the provisions of laws and regulations, the labor administrative department shall issue a warning to the employer and order it to make rectification; where any harm is caused to a laborer, the employer shall bear liability for compensation.

Article 90 — Where an employer extends working hours of laborers in violation of this Law, the labor administrative department shall issue a warning to the employer, order it to make rectification, and may

impose a fine.

Article 91 — Where an employer infringes upon the lawful rights and interests of laborers in any of the following ways, the labor administrative department shall order the employer to pay labor remuneration or make up for the economic loss and may order it to pay compensation: embezzling or delaying without cause the payment of labor remuneration to laborers; refusing to pay laborers remuneration for extended working hours; paying wages lower than the local minimum wage standard to laborers; or failing to provide economic compensation to laborers in accordance with this Law after revoking a labor contract. The right to order the employer to pay compensation.

Article 92 — Where the occupational safety facilities or health conditions of an employer fail to comply with State provisions, or the employer fails to provide laborers with necessary labor protection articles and labor protection facilities, the labor administrative department, relevant departments, or relevant authorities shall order the employer to make rectification and may impose a fine. Where the circumstances are serious, a request shall be submitted to the people's government at or above the county level for a decision ordering the employer to suspend production for rectification. Where the employer fails to take measures against potential accidents that may cause major casualties and other serious consequences, the matter shall be submitted to the people's government at or above the county level for a decision ordering the employer to suspend production for rectification.

Article 93 — Where an employer compels a laborer to work at risk in violation of regulations, thereby causing a major casualty accident and serious consequences, criminal liability shall be pursued in accordance with law against the persons responsible.

Article 94 — Where an employer illegally recruits juveniles under the age of sixteen, the labor administrative department shall order the employer to make rectification and impose a fine. Where the circumstances are serious, the market regulatory department shall revoke the business license.

Article 95 — Where an employer violates the provisions of this Law regarding the protection of female workers and juvenile workers, thereby infringing upon their lawful rights and interests, the labor administrative department shall order the employer to make rectification and impose a fine. Where any harm is caused to female workers or juvenile workers, the employer shall bear liability for compensation.

Article 96 — Where an employer commits any of the following acts, the public security authority shall impose a detention penalty of not more than fifteen days, a fine, or a warning on the persons responsible; and where the act constitutes a crime, criminal liability shall be pursued against the persons responsible in accordance with law: compelling laborers to work by means of violence, intimidation, or illegal restriction of personal freedom; or humiliating, imposing corporal punishment on, beating, illegally searching, or detaining laborers.

Article 97 — Where an invalid contract concluded due to the employer's fault causes harm to a laborer, the employer shall bear liability for compensation.

Article 98 — Where an employer revokes a labor contract or intentionally delays the conclusion of a labor contract in violation of the conditions prescribed in this Law, the labor administrative department shall order the employer to make rectification. Where any harm is caused to a laborer, the employer shall bear liability for compensation.

Article 99 — Where an employer recruits laborers whose labor contracts have not been revoked, and economic losses are caused to the former employer, the employer shall bear joint and several liability for compensation in accordance with law.

Article 100 — Where an employer fails to pay social insurance premiums without cause, the labor administrative department shall order the employer to pay within a specified time limit. Where the payment is not made beyond the time limit, a late fee may be imposed.

Article 101 — Where an employer unreasonably obstructs the labor administrative department, relevant departments, and their functionaries from exercising the power of supervision and inspection, or retaliates against informants, the labor administrative department or relevant departments shall impose a fine on the employer. Where the act constitutes a crime, criminal liability shall be pursued against the persons responsible in accordance with law.

Article 102 — Where a laborer revokes a labor contract in violation of the conditions prescribed in this Law or breaches the terms on confidentiality agreed upon in the labor contract, thereby causing economic losses to the employer, the laborer shall bear liability for compensation in accordance with law.

Article 103 — Where functionaries of the labor administrative department or relevant departments abuse their authority, neglect their duties, or engage in malpractices for personal gain, and the act constitutes a crime, criminal liability shall be pursued in accordance with law; where the act does not constitute a crime, administrative sanctions shall be imposed.

Article 104 — Where public servants or functionaries of social insurance fund agencies misappropriate social insurance funds and the act constitutes a crime, criminal liability shall be pursued in accordance with law.

Article 105 — Where other laws or administrative regulations have already provided for punishment for the infringement of the lawful rights and interests of laborers in violation of this Law, the provisions of such laws or administrative regulations shall apply to the imposition of such punishment.

Chapter XIII — Supplementary Provisions

Article 106 — The people's governments of provinces, autonomous regions, and municipalities directly under the Central Government shall, in accordance with this Law and the actual circumstances in their respective areas, formulate implementation procedures for the labor contract system and report to the State Council for filing.

Article 107 — This Law shall take effect as of January 1, 1995.

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