

Provisions on the Medical Treatment Period for Enterprise Employees 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.

Promulgated by Document No. 479 of the Ministry of Labor on December 1, 1994, effective as of January 1, 1995.

Article 1 — Purpose — These Provisions are formulated for the purposes of ensuring the basic livelihood of enterprise employees during the period of medical treatment for illness or non-work-related injuries, protecting their lawful rights and interests, and standardizing the personnel management of enterprises.

Article 2 — Definition and Scope — For the purposes of these Provisions, “medical treatment period” refers to the time limit within which an enterprise employee who stops work for medical treatment due to illness or non-work-related injury shall not rescind the labor contract. These Provisions shall apply to employees of all types of enterprises within the territory of the People's Republic of China.

Article 3 — Duration of Medical Treatment Period — Where an enterprise employee needs to stop work for medical treatment due to illness or non-work-related injury, the medical treatment period shall be determined as follows based on the employee's actual years of work and years of work with the enterprise:

1. Where the actual years of work are less than ten years:

- a. Where the years of work with the enterprise are less than five years, the medical treatment period shall be three months;
- b. Where the years of work with the enterprise are five years or more, the medical treatment period shall be six months.

2. Where the actual years of work are ten years or more:

- a. Where the years of work with the enterprise are less than five years, the medical treatment period shall be six months;
- b. Where the years of work with the enterprise are five years or more but less than ten years, the medical treatment period shall be nine months;
- c. Where the years of work with the enterprise are ten years or more but less than 15 years, the medical treatment period shall be 12 months;
- d. Where the years of work with the enterprise are 15 years or more but less than 20 years, the medical treatment period shall be 18 months;
- e. Where the years of work with the enterprise are 20 years or more, the medical treatment period shall be 24 months.

Article 4 — Calculation of Sick Leave Period — The medical treatment period shall be calculated cumulatively. Where the medical treatment period is three months, the cumulative sick leave period shall be calculated based on six months; where the medical treatment period is six months, the cumulative sick leave period shall be calculated based on 12 months; where the medical treatment period is nine months, the cumulative sick leave period shall be calculated based on 15 months; where the medical treatment period is 12 months, the cumulative sick leave period shall be calculated based on 18 months; where the medical treatment period is 18 months, the cumulative sick leave period shall be calculated based on 24 months; where the medical treatment period is 24 months, the cumulative sick leave period shall be calculated based

on 30 months.

Article 5 — Rescission of Labor Contract After Medical Treatment Period — Where an enterprise employee who still cannot perform the original work or other work arranged by the enterprise after the expiration of the medical treatment period for non-work-related illness or injury, the enterprise may rescind the labor contract in accordance with the relevant provisions of the Labor Law.

Article 6 — Wage During Medical Treatment Period — During the medical treatment period, the wages or sickness relief funds of enterprise employees shall be paid in accordance with the relevant provisions of the State. The specific payment standards may be lower than the local minimum wage standard but shall not be lower than 80 percent of the local minimum wage standard.

Article 7 — Medical Treatment Period for Special Diseases — For enterprise employees suffering from special diseases (such as cancer, psychosis, paralysis, etc.) who still cannot be cured after 24 months of medical treatment, the medical treatment period may be appropriately extended with the approval of the enterprise and the labor administrative department.

Article 8 — Supplementary Provisions — The interpretation of these Provisions shall be vested in the Ministry of Labor. These Provisions shall come into force on January 1, 1995.

This translation is provided for informational purposes only. For legal matters, please consult the original Chinese text or seek professional legal advice. For assistance with HR compliance, medical leave policies and labor law in China, please contact Dan Young Business Consultancy.