

Trial Measures for Collective Consultation on Wages 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.

Contents

Table of Contents	1
Chapter I — General Provisions	1
Chapter II — Content of Collective Consultation on Wages	2
Chapter III — Representatives for Collective Consultation on Wages	2
Chapter IV — Procedures for Collective Consultation on Wages	2
Chapter V — Review of Wage Agreements	2
Chapter VI — Supplementary Provisions	3

Promulgated by Order No. 9 of the Ministry of Labor and Social Security of the People’s Republic of China on November 8, 2000, effective as of November 8, 2000.

Table of Contents

- Chapter I — General Provisions
- Chapter II — Content of Collective Consultation on Wages
- Chapter III — Representatives for Collective Consultation on Wages
- Chapter IV — Procedures for Collective Consultation on Wages
- Chapter V — Review of Wage Agreements
- Chapter VI — Supplementary Provisions

Chapter I — General Provisions

Article 1 — These Measures are formulated in accordance with the Labor Law of the People’s Republic of China, the Trade Union Law of the People’s Republic of China and other relevant laws and regulations for the purposes of standardizing the collective consultation on wages and the conclusion of collective wage agreements, safeguarding the lawful rights and interests of both workers and employers, and promoting harmonious and stable labor relations.

Article 2 — These Measures shall apply to collective consultation on wages and the conclusion of collective wage agreements between enterprises and their workers within the territory of the People’s Republic of China.

Article 3 — Collective consultation on wages shall adhere to the principles of equality, voluntariness and consensus through consultation.

Article 4 — The labor security administrative departments of people's governments at or above the county level shall supervise, administer and guide the collective consultation on wages and collective wage agreements of enterprises.

Chapter II — Content of Collective Consultation on Wages

Article 5 — The content of collective consultation on wages shall include:

1. The term and level of the wage agreement; 2. The wage distribution system, wage standards and wage distribution forms; 3. The annual average wage level of employees and the range of wage adjustment; 4. Standards for payment of bonuses, allowances and subsidies; 5. Wage payment methods; 6. Procedures for modification and rescission of the wage agreement; 7. Conditions for suspending and resuming the performance of the wage agreement; 8. Liability for breach of the wage agreement; 9. Other matters related to wages that both parties consider should be settled through consultation.

Article 6 — The conclusion of a collective wage agreement by both parties through consultation shall be binding on both the workers and the employer. Individual labor contracts concluded between workers and the employer shall not contain wage payment standards lower than those stipulated in the collective wage agreement.

Chapter III — Representatives for Collective Consultation on Wages

Article 7 — Workers' representatives for collective consultation on wages shall be recommended by the trade union or elected by workers. The chief representative of the workers shall be the chairperson of the trade union.

Article 8 — The employer's representatives for collective consultation on wages shall be designated by the legal representative of the employer. The chief representative of the employer shall be the legal representative of the employer or a person authorized in writing by the legal representative.

Article 9 — The number of representatives for both parties shall be equal, with each party having three to ten representatives. Each party shall determine one chief representative.

Article 10 — External professionals may be engaged to participate in collective consultation on wages, provided that the number of externally engaged persons shall not exceed one-third of the number of representatives of the engaging party.

Chapter IV — Procedures for Collective Consultation on Wages

Article 11 — Either workers or the employer may propose a request for collective consultation on wages. The other party shall respond in writing within 20 days of receiving the request.

Article 12 — The parties shall carry out the consultation after appointing representatives. The consultation shall be conducted in the form of consultation meetings.

Article 13 — During the consultation, both parties shall fully express their opinions, explain their positions and hold discussions on an equal footing. No party shall impose its will on the other.

Article 14 — Where a consensus is reached on the draft wage agreement through consultation, the chief representatives of both parties shall sign the draft and submit it to the workers' congress or all workers for discussion and adoption.

Article 15 — Where the parties fail to reach a consensus, the labor security administrative department may coordinate to facilitate continued consultation.

Chapter V — Review of Wage Agreements

Article 16 — The collective wage agreement shall become effective upon signature and seal by the chief representatives of both parties and submission to the labor security administrative department for review.

Article 17 — The labor security administrative department shall complete the review within 15 days of receiving the text of the wage agreement. Where no objection is raised within the time limit, the wage agreement shall take effect automatically.

Article 18 — Both parties shall submit the wage agreement within seven days of its conclusion.

Article 19 — After the effective date of the wage agreement, both parties shall perform the agreement in accordance with its provisions. Either party shall have the right to supervise the performance of the other party.

Chapter VI — Supplementary Provisions

Article 20 — These Measures shall apply by reference to collective consultation on wages and the conclusion of collective wage agreements between public institutions and their workers.

Article 21 — Regional or industry collective wage agreements may be concluded through regional or industry collective consultation on wages, and the specific measures therefor shall be formulated separately.

Article 22 — These Measures shall come into force on November 8, 2000.

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 collective wage negotiation and labor relations in China, please contact Dan Young Business Consultancy.