



The Labor Contract Law of the People's Republic of China

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Labor Contract Law of the People's Republic of China

“Labor Contract Law of the People's Republic of China”, which is adopted at the Twenty-Eighth Meeting of the Standing Committee of the Tenth National People's Congress on June 29, 2007, is promulgated now and will be effective as of January 1, 2008.

Chairman of the People's Republic of China: Hu Jintao

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Chapter I General Provisions

Article 1

This Law is formulated in order to perfect the labor contract system, clarify rights and obligations of both parties to labor contract, protect labor's legal benefits, and structure and develop harmonious and stable labor relationship.

Article 2

This Law applies to establishment of labor relationship, conclusion, implementation, modification, revocation, or termination of labor contract between all enterprises and individual economic organizations, private non-enterprise units and other organizations (hereinafter referred to as employing units) within the boundary of the People's Republic of China and laborers.

The conclusion, implementation, modification, revocation, or termination of labor contract by State organs, institutional organizations and societies as well as laborers who form a labor contract relationship therewith shall follow this Law.

Article 3

Conclusion of a labor contract shall follow the principles of legality, equality, fairness, voluntariness, unanimity through consultation, loyalty and credibility.

A labor contract once concluded in accordance with the law shall possess legal binding force. The employing units and laborers shall fulfill the obligations as stipulated in the labor contract.

Article 4

The employing units shall establish and perfect labor rules and regulations to ensure that laborers enjoy the right to work and fulfill labor obligations.

During concluding, modifying, or determining rules and regulations on labor remuneration, working hours, rest and vacations, occupational safety and health, insurance and welfare, employee training, labor discipline, management of fix quotas of work, and other great issues directly concerning the interests of laborers, the employing units shall submit programs and opinions to the congress of staff and workers or all of its staff and workers for discussion, and make final decision through equal consultation with the trade union or representatives of the staff and workers.

The trade union or the staff and workers shall have the right to air its opinions if it regards as inappropriate the implementation and determination of rules and

regulations, and other great issues, and the modification and perfection shall be conducted through consultation with employing units

The employing units shall disclose in public or notify the laborers of the determination on rules and regulations, and great issues directly concerning the laborers' interests.

Article 5

The labor administrative departments of the people's governments at or above the county level shall set up and perfect the coordination system by the three parties involved in labor relationship jointly with the trade union and representative from enterprise to jointly research and solve great issues on labor relationship.

Article 6

Trade union shall assist and direct laborers to legally conclude and implement labor contract with the employing units, and set up a collective consultation mechanism with employing units to protect laborers' legitimate rights and interests.

Chapter II Conclusion of Labor Contract

Article 7

The employing units shall set up labor relationship with laborers upon the date of employment. The employing units shall prepare a register of the staff and workers for inspection.

Article 8

The employing units shall inform the laborers of the truth about contents of work, working conditions, location of work, occupational hazards, production safety, labor remuneration, and other details that the labor wants to know during recruitment; the employing units shall have the right to know the basic information directly related to the labor contract and the labor shall make a statement of the truth.

Article 9

The employing units are not allowed to detain the resident identification card and other certifications of laborers, request laborers to provide guarantees, or charge any belongings from laborers under other names during recruitment.

Article 10

A labor contract shall be concluded in writing form once a labor relationship is set up.

A written labor contract, which failed to be concluded simultaneously upon the establishment of labor relationship, shall be concluded within one month from the date of employment.

Where the employing unit and the laborers have concluded a labor contract prior to the employment, the labor relationship is deemed to be set up from the date of employment.

Article 11

Where the employing units fail to conclude a written labor contract upon the employment, or the labor remuneration agreed upon with laborers is not clear, the labor remuneration of newly employed laborers shall be determined in accordance with the provisions in collective contract; the principle of equal pay for equal work shall be adopted if there is no such a collective contract or the labor remuneration is not stipulated in the collective contract.

Article 12

The labor contracts shall be divided into fixed term labor contract, non-fixed term labor contract and labor contract taking the completion of a specific amount of work as a term.

Article 13

Fixed term labor contract, refers to a labor contract in which the employing units and laborers have agreed upon the exact time for termination of the contract.

The employing units may conclude a fixed term labor contract with laborers based on the unanimity through consultation.

Article 14

Non-fixed term labor contract, refers to a labor contract in which the employing units and laborers have not agreed upon the exact time for termination of labor contract.

The employing units may conclude a non-fixed term labor contract with laborers based on the unanimity through consultation. A non-fixed term labor contract shall be concluded if the laborers want or agree to renew or conclude labor contract in any of

the following circumstances unless the laborers want to conclude a fixed term labor contract:

- (1) The laborers have kept working in this employing unit for ten years ;
- (2) The laborers have kept working in this employing unit for ten years when the employing unit initially implements labor contract system or the labor contract is renewed during restructuring of state-owned enterprise, and the gap to the legitimate retirement age is less than ten years;
- (3) Where fixed term labor contract was concluded successively for two times and the labor is free of circumstances specified in Article 39, and clause (1) and clause (2) in Article 40 of this Law, the labor contract shall be renewed.

It shall be deemed that the employing units have concluded a non-fixed term labor contract with the laborers if the employing units fail to conclude a written labor contract with the laborers within one year from the date of the employment.

Article 15

Labor contract taking the completion of a specific amount of work as a term, refers to the labor contract in which the employing unit and laborer has agreed upon taking the completion of a specific work as a term of contract.

The employing units shall conclude a labor contract taking the completion of a specific amount of work as a term with the laborers based on the unanimity through consultation.

Article 16

A labor contract shall be concluded based on the unanimity through consultation between the employing units and the laborers and become effective upon the signature or seal on the document of labor contract by the employing units and the laborers.

Labor contract shall be made in two copies and each party of the employing unit and the laborers shall keep one.

Article 17

A labor contract shall contain the following clauses:

- (1) name, address and legal representative or person in charge of employing unit;
- (2) name, address and number of resident identification card or other valid identification certifications of laborer;
- (3) term of labor contract;

- (4) contents and location of work;
- (5) working hours, rests and vacations;
- (6) labor remuneration;
- (7) social security;
- (8) labor protection, working conditions, and protection of occupational hazard
- (9) Other issues to be contained in labor contract according to provisions of law, regulations and rules.

Apart from the clauses required by the preceding paragraph, other contents including probation period, training, confidentiality, additional insurance and welfare may be agreed upon in a labor contract through consultation between the employing unit and the laborers.

Article 18

Where a dispute takes place because a labor contract fails to clearly specify the standards on labor remuneration and working conditions, the employing units and the laborers may negotiate again; if such consultation fails, the provisions of collective contract shall apply; if there is no such a collective contract or there is no such provisions on labor remuneration in collective contract, the principle of equal pay for equal work shall apply; if there is no such a collective contract or there is no such provisions on working conditions, the relevant state regulations shall apply.

Article 19

For a labor contract whose term is longer than three months and shorter than one year, the probation period shall not exceed one month; for a labor contract whose term is longer than one year and shorter than three years, the probation period shall not exceed two months; for a labor contract with a fixed term longer than three years or non-fixed term labor contract, the probation period shall not exceed six months.

The probation period shall be agreed upon for only one time by the same employing unit and the same laborer.

The probation period is not allowed for a labor contract taking a completion of a specific amount of work as a term or a labor contract with a term shorter than three months.

The probation period shall be included in the term of the labor contract. If only probation period is specified in a labor contract, the probation period is invalid and the specified probation period shall be regarded as the term of such labor contract.

Article 20

The wage paid to the laborer during the probation period shall not be lower than the minimum wage for the same post or 80% of the wage specified in the labor contract, and shall not be lower than the standard on minimum wage in the area where the employing unit is located.

Article 21

The employing units shall not revoke the labor contract during the probation period unless the laborers commit the circumstances specified in Article 39, and clause (1) and clause (2) in Article 40 of this Law. The employing units that have revoked the labor contract during probation period shall explain its reasons to the laborers.

Article 22

Where an employing unit provides the laborers with special training funds and vocational training, it may reach an agreement on service period with the laborers.

The laborers who violate the agreement on service period, shall pay penalty to the employing unit according to the agreement. The amount of penalty shall not exceed the training funds provided by the employing unit. The amount of penalty required by the employing unit to be paid by the laborers shall not exceed the amount shared with the remaining period of the service period.

It shall not influence the regular increase of labor remuneration through the implementation of wage adjustment mechanism during service period that an employing unit has made an agreement on service period with the laborers.

Article 23

The employing units and the laborers may reach an agreement in their labor contract on matters concerning keeping the commercial secrets of the employing unit and confidentiality related to intellectual properties of the employing unit.

For the laborers who take responsibility of confidentiality, the employing units may agree upon a clause for competition restriction in the labor contract or confidential agreement with the laborers, and it is agreed that the laborers shall be given economic compensations during competition restriction period by the month after the labor contract is revoked or terminated. The laborers who violate the agreement of competition restriction shall pay penalty to the employing units according to the agreement.

Article 24

The personnel subject to competition restriction shall be limited to senior management, senior technical staff and other personnel liable for confidentiality of the employing units. The scope, location and term of competition restriction shall be determined by the employing units and the laborers. The competition restriction shall not run counter to provisions of laws and regulations.

The term of competition restriction within which the personnel specified in the preceding clause shall not take up post in other employing units that produce or operate similar products to the original employing unit, or engage in similar business and have competitive relationship with the original employing unit, or produce or operate similar products, engages in similar business by himself, shall not exceed two years after revocation or termination of labor contract.

Article 25

The employing units and the laborers shall not reach an agreement that the laborers shall be liable for penalty except in the circumstances specified in Article 22 and Article 23 of this Law.

Article 26

The following labor contracts shall be invalid or partially invalid:

- (1) labor contract is concluded or modified against the laborers' intention by resorting to such measures as cheating and intimidation, or taking advantage of the laborer's difficulty;
- (2) the employing units exempt itself from legal obligations and eliminates the rights of laborer;
- (3) Labor contract in violation of mandatory provisions in laws, administrative rules and regulations.

The invalidity or partial invalidity of a labor contract shall be confirmed by a labor dispute arbitration committee or a people's court.

Article 27

Where a part of a labor contract is confirmed as invalid, the validity of the remaining part is not affected and the remaining part shall remain valid.

Article 28

Where the labor contract is confirmed as invalid and the laborers have already paid their efforts, the employing units shall pay labor remuneration to the laborers. The

amount of labor remuneration shall be referred to the labor remuneration for the same or similar post in this employing unit.

Chapter III Implementation and Modification of Labor Contract

Article 29

The employing units and the laborers shall fully perform their obligations according to the provisions in the labor contract.

Article 30

The employing units shall timely pay labor remuneration in full amount according to the provisions in the labor contract, and rules and regulations.

Where the employing units delay or fail to pay labor remuneration in full amount, the laborers may apply to local people's court for pay order according to law and the people's court shall give pay order according to law.

Article 31

The employing units shall strictly implement the standard on fix quotas of work and shall not directly or in disguised form force the laborers to do overtime job. If the employing units arrange overtime job, it shall pay overtime rates to the laborers according to the relevant rules and regulations.

Article 32

It shall not be regarded as violation of labor contract that laborers refuse to operate if the management personnel of the employing unit command the operation in violation of rules and regulations or force laborers to run risks in operation.

The laborers shall have the right to criticize, report or file charges against working conditions endangering the safety of their lives and health.

Article 33

Modification in name, legal representative, personnel in charge or investor of the employing unit shall not influence the implementation of labor contract.

Article 34

The original labor contract shall remain valid in case of merger or division of original employing unit and such labor contract shall be fulfilled by new employing unit who inherits the rights and obligations of the original employing unit.

Article 35

The employing units and the laborers may modify the contents of the labor contract based on the unanimity through consultation. The modification of labor contract shall be made in writing form.

The modified labor contract shall be made in two copies and each party of the employing unit and the laborers shall keep one.

Chapter VI Revocation and Termination of Labor Contract

Article 36

A labor contract may be revoked upon agreement reached between the employing unit and the laborers through consultation.

Article 37

A laborer who gives a written notice to the employing unit 30 days in advance may revoke his labor contract. A laborer who gives a written notice to the employing unit 3 days in advance may revoke his labor contract during probation period.

Article 38

A laborer may revoke his labor contract in any of the following circumstances:

- (1) the employing unit fails to provide labor protection or working conditions as agreed upon in the labor contract;
- (2) the employing unit fails to timely pay labor remuneration in full amount;
- (3) the employing unit fails to pay social insurance premiums for laborers;
- (4) the rules and regulations of the employing unit are in violation of laws and regulations and causes losses to the laborer's rights and interests;
- (5) the labor contract becomes invalid due to circumstance specified in clause 1 of Article 26 of this Law;
- (6) Other circumstances specified in laws and administrative rules and regulations where the laborer may revoke the labor contract.

Where the employing unit forces the laborers to work by resorting to violence, intimidation or illegal restriction of personal freedom, or the employing unit commands the operation in violation of rules and regulations, or forces laborers to run risks in operation endangering the safety of their lives and health, the laborers may revoke the labor contract immediately without prior notice to the employing unit.

Article 39

An employing unit may revoke the labor contract with the laborers in any of the following circumstances:

- (1) to be proved not up to the requirements for recruitment during the probation period;
- (2) to seriously violate rules and regulations of the employing unit;
- (3) to cause great losses to the employing unit due to serious dereliction of duty or engagement in malpractice for selfish ends;
- (4) the laborer has established labor relationship with other employing unit at the same time so that the completion of work in original employing unit is influenced seriously or the laborer refuses the request of the original employing unit to make correction;
- (5) the labor contract becomes invalid due to circumstances specified in clause 1 of Article 26 of this Law;
- (6) To be investigated for criminal responsibilities in accordance with the law.

Article 40

In any of the following circumstances, the employing unit may revoke a labor contract but a written notification shall be given to the laborer 30 days in advance or the additional wage for one month shall be paid to the laborers:

- (1) where a laborer is unable to take up his original work or any new work arranged by the employing unit after the completion of his medical treatment for illness or injury not suffered from at work;
- (2) where a laborer is unqualified for his work and remains unqualified even after receiving a training or an adjustment to an other work post; and
- (3) No agreement on modification of the labor contract can be reached through consultation by the employing unit and laborer when the objective conditions taken as the basis for the conclusion of the contract have greatly changed so that the original labor contract can no longer be carried out.

Article 41

In any of following circumstances, if reduction of its personnel of more than 20 or less than 20 but more than 10% of total amount of the staff and workers is really necessary, the employing unit may make such reduction after it has explained the situation to the trade union or all of its staff and workers 30 days in advance, solicited opinions from them and submitted the reduction plan to the labor administrative department.

- (1) restructuring is performed according to the Enterprise Bankruptcy Law;
- (2) the employing unit runs deep into difficulties in production and management;
- (3) the reduction of personnel is necessary after modification of labor contract in case of changing product, significant technical innovation, or adjustment in operation manner;
- (4) The objective conditions taken as the basis for the conclusion of the labor contract have greatly changed so that the original labor contract can no longer be carried out.

The following personnel shall have the priority to be remained during reduction of personnel:

- (1) a laborer who has concluded fixed term labor contract with a relatively long term with the unit;
- (2) a laborer who has concluded non-fixed term labor contract with the unit;
- (3) a laborer whose family has aged or juvenile member and no other family member is employed;

Where the employing unit is to recruit personnel six months after the personnel reduction performed according to clause of this Article, the reduced personnel shall be informed and have the priority to be re-employed.

Article 42

The employing unit shall not revoke a labor contract in accordance with the provisions in Article 40 and Article 41 of this Law with the laborer in any of the following circumstances:

- (1) the laborer who engages in operation exposed to occupational disease and hazards fails to perform occupational physical examination prior to leaving his post or the laborer who is suspect of patient with occupational disease is in treatment or medical observation;
- (2) to be confirmed to have totally or partially lost the ability to work due to occupational diseases or injuries suffered from at work in this unit;

- (3) to be receiving medical treatment for diseases or injuries not suffered from at work within the prescribed period of time
- (4) to be a female staff member or worker during pregnant, puerperal, or breast-feeding period; or
- (5) to keep working in this unit for more than 15 years and the gap to the legitimate retirement age is less than 5 years;
- (6) Other circumstances specified by laws, administrative rules and regulations.

Article 43

The employing unit that revokes labor contract unilaterally shall inform the trade union of reasons in advance. If an employing unit violates laws, administrative rules and regulations, or labor contracts, the trade union shall have the right to request the employing unit for correction. The employing unit shall take such opinions into consideration and inform the trade union of the handling results in written forms.

Article 44

A labor contract shall be terminated upon any of the following circumstances:

- (1) expiration of labor contract;
- (2) the laborer starts enjoying the basic endowment insurance;
- (3) death of the laborer, or the laborer's death or disappear declared by people's court;
- (4) bankruptcy of the employing unit is declared according to law;
- (5) the employing unit's business license is withdrawn, the employing unit is ordered to shutdown, or the employing unit decides to dismiss in advance;
- (6) Other circumstances specified by laws, administrative rules and regulations.

Article 45

A labor contract shall be renewed and terminated until the corresponding situation disappears in any of circumstances specified in Article 42 of this Law even if the labor contract expires. But the termination of labor contract of laborers who have totally or partially lost ability to work as specified in clause 2 of Article 42 of this Law shall be conducted according to the relevant regulations on work related injury insurance.

Article 46

The employing unit shall make up for economic losses of laborers in any of the following circumstances:

- (1) the laborer has revoked the labor contract according to Article 38 of this Law;
- (2) the employing unit has requested the laborer for revocation of labor contract and revoked the labor contract based on the unanimity through consultation with the laborer;
- (3) the employing unit has revoked the labor contract in accordance with provisions in Article 40 of this Law;
- (4) the employing unit has revoked the labor contract in accordance with provisions in Article 41 of this Law;
- (5) a fixed term labor contract is terminated in accordance with clause 1 of Article 44 of this Law unless the laborer disagrees the renewal of labor contract even if the employing unit has maintained or improved the conditions agreed in the labor contract for such renewal;
- (6) the labor contract is terminated in accordance with clause 4 and clause 5 in Article 44 of this Law;
- (7) Other circumstance specified by laws, administrative rules and regulations.

Article 47

Economic compensations shall be paid to the laborer based on his working period in this unit by the standard of wage of one month for every whole year. The working period that is shorter than one year and longer than six months shall be counted as one year; for the period shorter than six months, the economic compensation equal to half of monthly wage shall be paid to the laborer.

Where the monthly wage of the laborer is higher than the average monthly wage of the staff and worker in the previous year disclosed by the municipality directly under the Central Government or people's government of municipal level in the area where the employing unit is located by 300%, the economic compensation shall be paid at three times of the average monthly wage of the staff and workers and the maximum period for the economic compensation shall not exceed 12 years.

The monthly wage so called in this clause refers to the average monthly wage of the laborer during the last 12 months prior to revocation or termination of the labor contract.

Article 48

Where the employing unit revokes or terminates the labor contract in violation of the provisions of this Law, it shall continuously implement the labor contract if the

laborer requests; it shall pay compensations in accordance with provisions in Article 87 of this Law if the laborer does not request for continuous implementation or the labor contract can no longer be implemented.

Article 49

The state shall take various measures to establish and complete the system for cross regional transfer and renewal of social insurance relationship of laborers.

Article 50

The employing unit shall present evidence for revocation or termination of labor contract while revoking or terminating the labor contract and conduct the procedures for transfer of archives and social insurance of the laborer within 15 days.

The laborer shall hand over his work in accordance with the agreement between the parties involved. The employing unit shall pay economic compensations during handover if such compensations are required by the relevant provisions in this Law.

The employing unit shall properly keep the copy of the terminated or revoked labor contract for at least two years for the purpose of inspection.

Chapter V Special Provisions

Section 1 Collective Contract

Article 51

The staff and workers of an employing unit as one party may conclude a collective contract with the employing unit on matters relating to labor remuneration, working hours, rest and vacations, occupational safety and health, and insurance and welfare. The draft collective contract shall be submitted to the congress of the staff and workers or to all the 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 employing unit; in an employing unit where the trade union has not yet been set up, such contract shall be also concluded by the representatives elected by the staff and workers with the employing unit under guidance of the superior trade union.

Article 52

The staff and workers of an employing unit as one party may conclude a special collective contract with the employing unit on individual matter relating to occupational safety and health, protection of female workers' rights and interests, and wage adjustment mechanism.

Article 53

In the area below the county level, the trade union may conclude a trade collective contract or regional collective contract with representative of enterprises in industries including mining, construction, catering, etc.

Article 54

A collective contract shall be submitted to the labor administrative department after its conclusion. The collective contract shall go into effect automatically if no objections are raised by the labor administrative department within 15 days from the date of the receipt of a copy of the contract.

Collective contracts concluded in accordance with the law shall have binding force to both the employing unit and the laborers. The trade or regional collective contracts shall have binding force to both the employing units in such trade or region and the laborers.

Article 55

The standards on working conditions and labor remunerations agreed upon in collective contracts shall not be lower than those minimum standards stipulated by local people's government. The standards on working conditions and labor remunerations agreed upon in labor contracts concluded between the laborers and the employing unit shall not be lower than those as stipulated in collective contracts.

Article 56

Where the employing unit violates collective contract and infringes in the legitimate rights and interests of the staff and workers, the trade union shall have the right to request the employing unit to take responsibilities; if any dispute takes place during implementation of collective contract and fails to be solved through consultation, the trade union may apply for arbitration or bring in a law suit.

Section 2 Labor Dispatch

Article 57

The labor dispatch units shall be established in accordance with the relevant provisions of Company Law with a minimum registered capital of RMB500,000.00.

Article 58

As the labor dispatch unit is the “employing unit” so called in this Law, it shall perform the obligations of employing unit to laborers. A labor contract concluded between the labor dispatch unit and the dispatched laborers shall clearly stipulate the employment unit for the dispatched laborers, term of dispatch, and work post in addition to the issues required by the provisions in Article 17 of this Law.

The labor dispatch units shall conclude a fixed term labor contract with a term of at least 2 years with the dispatched laborers, and pay labor remuneration by month; when the dispatched laborers are in idle period, the labor dispatch unit shall pay labor remuneration to laborers by month at the standard on minimum wages stipulated by local people’s government.

Article 59

The laborers dispatched by the labor dispatch units shall conclude labor dispatch agreement with the employment unit that receives the employment in form of labor dispatch (hereinafter referred to as “employment unit”). The labor dispatch agreement shall stipulate dispatched work post, quantity of personnel, term of dispatch, labor remuneration, amount and payment of social insurance, and responsibilities for violation of agreement.

The employment units shall determine the term of dispatch with the labor dispatch unit based on actual demand on work post, and shall not conclude several short term labor dispatch agreement by separation of the successive employment term.

Article 60

The labor dispatch unit shall inform the dispatched laborers of the contents of labor dispatch agreement.

The labor dispatch unit shall not deduct the labor remuneration paid by the employment unit in accordance with the labor dispatch agreement.

The labor dispatch unit and the employment unit shall not charge any fees from the dispatched laborers.

Article 61

Where the labor dispatch unit dispatches laborers cross area, the labor remuneration and working conditions enjoyed by the dispatched laborers shall be stipulated in accordance with the local standards in the area where the employment unit is located.

Article 62

The employment unit shall fulfill the following obligations:

- (1) to implement state labor standards and provide corresponding working conditions and labor protection;
- (2) to inform the dispatched laborers of working requirements and labor remuneration;
- (3) to pay overtime rates, performance bonus and provide welfare corresponding to work post;
- (4) to provide the dispatched laborers with necessary training required by the work post;
- (5) to regularly conduct wage adjustment mechanism for continuous employment;

The employment unit shall not dispatch the dispatched laborers to other employing units.

Article 63

The dispatched laborers shall have the right to enjoy the same treatment of equal pay for equal work as those laborers in the employment unit. If there is no laborer who has similar work post in the employment unit, the labor remuneration shall be determined by referring to that of the laborer who has same or similar work post in the area where the employment unit is located.

Article 64

The dispatched laborers shall have the right to participate in and organize trade union in accordance with the law in the labor dispatch unit or the employment unit to safeguard their legitimate rights and interests.

Article 65

The dispatched laborers may revoke the labor contract with the labor dispatch unit in accordance with the provisions in Article 36 and Article 38 of this Law.

The employment unit may return the dispatched laborer to the labor dispatch unit in any circumstances stipulated in Article 39, clause 1 and clause 2 of Article 40 of this

Law, and the labor dispatch unit may revoke the labor contract with the laborer in accordance with the relevant provisions of this Law.

Article 66

Labor dispatch is generally adopted for temporary, supplementary or alternative work posts.

Article 67

The employing unit shall not set up a labor dispatch unit to dispatch laborers to this unit or its subsidiary units.

Section 3 Non-fulltime Employment

Article 68

Non-fulltime employment refers to the employment form in which the wage is mainly calculated on working hours, the daily working hours of laborer in the same employing unit is generally less than 4 hours and the accelerated weekly working hours is less than 24 hours.

Article 69

Both parties involved in non-fulltime employment may reach an oral agreement.

The laborers engage in non-fulltime employment may conclude labor contract with one or more than one employing unit; however, the subsequently concluded labor contract shall not affect the implementation of previously concluded labor contract.

Article 70

Both parties involved in non-fulltime employment shall not make an agreement on probation period.

Article 71

Either of both parties involved in non-fulltime employment may, at any time, inform the opposite party of termination of employment. The employing unit shall not pay economic compensations to the laborers upon termination of employment.

Article 72

The standard on hourly wage of non-fulltime employment shall not be lower the standard on minimum hourly wage stipulated by the local people's government of the area where the employing unit is located.

The maximum settlement and payment term of labor remuneration for non-fulltime employment shall not exceed 15 days.

Chapter VI Supervision and Inspection

Article 73

State Council labor administrative department shall be responsible for supervising and inspecting national wide implementation of labor contracts.

The labor administrative departments of people's governments at or above the county level shall be responsible for supervising and inspecting the implementation of labor contracts within its administrative area.

The labor administrative departments of people's governments at or above the county level shall listen to opinions from trade union, representatives of enterprises and the appropriate department in related trade during supervision and inspection of implementation of labor contracts.

Article 74

The labor administrative departments of people's governments at or above the county level shall, in accordance with the law, supervise and inspect the implementation of labor contract by the employing unit in following aspects:

- (1) preparation and implementation of labor rules and regulations directly concerning laborers' interests;
- (2) conclusion and revocation of labor contract with laborers;
- (3) observation of the relevant regulations regarding labor dispatch by labor dispatch unit and employment unit;
- (4) observation of regulations on working hours and rests and vacations of laborers;
- (5) payment of labor remuneration agreed upon in labor contract and implementation of minimum wage standard;
- (6) participation in various social insurances and payment of social insurance premiums;

(7) other labor supervision and inspection stipulated by laws, rules and regulations.

Article 75

The labor administrative departments of people's governments above the county level, while performing supervision and inspection, shall have the right to examine data regarding labor contract or collective contract, to inspect labor sites, and the employing unit and laborers shall produce the relevant data and great faithfully.

The inspectors from the labor administrative departments shall produce their certifications while performing supervision and inspection, practice their authorities according to the law and behave in a civilized manner.

Article 76

The construction, health, production safety supervision and management administrative departments of people's governments at or above the county level shall, within the scope of their responsibilities and duties, supervise and inspect the implementation of labor contract by the employing unit.

Article 77

Where a laborer's legitimate rights and interests are infringed, the labor shall have the right to request the relevant departments for legal treatment, or apply for arbitration or bring in a lawsuit according to the law.

Article 78

Trade union shall, in accordance with the law, safeguard the legitimate rights and interests of laborers, and supervise the implementation of labor contract and collective contract by the employing units. If the employing unit violates labor law, regulations, labor contract or collective contract, the trade union shall have the right to air its opinions or to request for correction; where the labor applies for arbitration, or brings in a lawsuit, the trade union shall render him support and assistance in accordance with the law.

Article 79

Any organization or individual shall have the right to expose any acts that run counter to this Law, the labor administrative department of people's government at or above the county level shall verify, deal with in time and award the meritorious personnel.

Chapter VII Legal Responsibility

Article 80

Where the rules and regulations concerning the laborers' interests formulated by the employing unit run counter to the provisions of laws, rules and regulations, the labor administrative department shall give a warning to the unit, order it to make corrections; where any harms have been caused to laborers, the unit shall be liable for compensations.

Article 81

Where the labor contract provided by an employing unit fails to clearly stipulate the necessary provisions for labor contract required by this Law, or the employing unit fails to give the copy of labor contract to the laborers, the employing unit shall be ordered to make correction by the labor administrative department; it shall assume liability for compensations where any losses are caused to the laborers.

Article 82

Where an employing unit fails to conclude a written labor contract with the laborers during a period of time longer than one month and less than one year from the date of employment, it shall pay labor remuneration at double level to the laborers for every month.

Where an employing unit fails to conclude non-fixed term labor contract with the laborers in violation of provisions of this Law, it shall pay labor remuneration to the laborers at double level for every month from the date when the non-fixed term labor contract was concluded.

Article 83

Where an employing unit reaches an agreement on probation period with the laborers in violation of provisions of this Law, it shall be ordered to make correction by the labor administrative department; where the illegally agreed probation period is fulfilled, the employing unit shall pay compensations to the laborers by the standard of full monthly wage for probation period based on the part of fulfilled period exceeding the legal probation period.

Article 84

Where an employing unit detains resident identification card and other certifications

of the laborers in violation of this Law, it shall be ordered to return the certifications to the laborers in personal and given punishments in accordance with the provisions of law by the labor administrative department.

Where an employing unit collects belongings from laborers under the name of guarantee or others in violation of provisions of this Law, it shall be ordered to return such belongings to laborers in personal and be imposed a fine with the standard of 500 to 2,000 Yuan per labor by the labor administrative department, it shall assume liabilities for compensation if such offenses cause losses to laborers.

Where an employing unit detains belongings or archive of the laborers when the laborers revoke or terminate labor contract according to law, it shall be punished according to the preceding provision.

Article 85

Where an employing unit commits any of the following acts, the labor administrative department shall order it to pay labor remuneration, overtime rates, or make up for economic losses within fixed period of time; to make up for the gap where the labor remuneration is below the local standard on minimum wages; the employing unit shall be ordered to pay additional compensations by the standard of 50% to 100% of the payable amount to laborer where it fails to make the payment beyond the time limit.

- (1) to fail to timely pay labor remuneration in full to laborer according to the provisions in labor contract or state regulations;
- (2) to pay laborers wages below local standard on minimum wages
- (3) to arrange overtime work without overtime rates;
- (4) To fail to provide laborers with economic compensations in accordance with the provisions of this Law after revocation or termination of labor contracts.

Article 86

The party with fault shall assume liability for compensations where a labor contract is confirmed as invalid according to Article 26 of this Law and causes losses to the opposite party.

Article 87

An employing unit that revokes or terminates the labor contract in violation of this Law shall pay compensations to laborers at double level of the standard economic compensations specified in Article 47 under this Law.

Article 88

When an employing unit commits any of following acts, it shall be given an administrative punishment and criminal responsibilities shall be investigated according to the law if the act constitutes a crime; and shall take responsibility for compensations if any harms is caused to laborers:

- (1) to force the laborer to work by resorting to violence, intimidation or illegal restriction of personal freedom; or
- (2) to command the operation in violation of rules and regulations or force laborers to run risks in operation endangering the safety of their lives;
- (3) humiliating, giving corporal punishment, beating, illegally searching or detaining laborers;
- (4) Poor working conditions and serious environmental pollution resulting serious damages to physical and mental health of laborers.

Article 89

The employing unit that has failed to present written proof for revocation or termination of labor contract to laborers in violation of this Law, shall be ordered by the labor administrative departments to make correction; and shall be liable for compensations if any loss is caused to laborers.

Article 90

Laborers who revoke labor contract in violation of the provisions under this Law or violate confidential obligations or competition restriction specified in the labor contract and thus have resulted in economic losses to the employing unit shall be responsible for compensations.

Article 91

The employing unit that recruits laborers whose labor contracts with other original employing unit have not yet been revoked or terminated shall assume joint and several liabilities for compensation if economic losses have been caused to the original employing unit of the laborers.

Article 92

The labor administrative departments and other relevant departments shall order the labor dispatch unit to correct their violations of this Law, or impose a fine by the standard of one thousand to five thousand Yuan per person and the industry and

commerce administrative departments shall revoke the business license of the labor dispatch unit; if any harm is caused to the dispatched labor, the labor dispatch unit and the employing unit shall assume joint and several liabilities for compensations.

Article 93

The violations of law and crimes of employing unit without qualification for legal operation shall be investigated for criminal responsibilities according to law; if the labor already starts working, such unit or its investor shall pay labor remuneration, economic compensations, and shall be responsible for compensation if such offenses result in any losses to the labor.

Article 94

If individual contractor violates the provisions under this Law during recruitment and results in losses to labor, the contract award organization and the individual contractor shall assume joint and several liabilities for compensations.

Article 95

The labor administrative departments or other relevant departments and its functionaries who neglect their duties, and fail to fulfill their legal responsibility, or illegally practice their powers and authorities, shall be responsible for compensation if their offenses result in any losses to labor or employing unit; the directly responsible leader and other directly responsible functionaries shall be given administrative sanction if the offenses do not yet constitute a crime, or shall be investigated for criminal responsibilities according to law if a crime is constituted.

Chapter VIII Supplementary Provisions

Article 96

Conclusion, implementation, modification, revocation or termination of labor contract between institutional units and its employed staff shall be conducted in accordance with such provisions if it is otherwise specified in the relevant law, regulations or other documents of the State Council, or shall be conducted in accordance with relevant provisions under this Law.

Article 97

The labor contract that is legally concluded prior to the implementation of this Law

and is valid at the effective date of this Law, shall be implemented continuously; the times of continuous conclusion of fixed term labor contract specified under the third provision of Section 2 of Article 14 shall be calculated from the renewal of fixed term labor contract following the implementation of this Law.

If the written labor contract that fails to be concluded and the labor relationship is established prior to implementation of this Law, such contract shall be concluded within one month from the date of implementation of this Law.

When the labor contract that is valid at the date of implementation of this Law is revoked or terminated after implementation of this Law and it is required to make up for economic losses in accordance with provisions under Article 46, the period for compensations shall be calculated from the date of implementation of this Law; if compensations are required by the previous regulations prior to the implementation of this Law, the employing unit shall pay such compensations to labor in accordance with such previous regulations.

Article 98

This Law shall become effective as of January 1, 2008.