

FAQ'S EMPLOYMENT ISSUES IN CHINA

Shall a labour contract be in writing?

According to the Labour Law of the People's Republic of China, a labour contract shall be executed in writing, except part-time labor contracts. A written labour contract shall contain the following provisions:

- 1.Term of a labour contract.
- 2.Work assignment.
- 3.Labour protection and working conditions.
- 4.Labour remuneration.
- 5.Labour discipline.
- 6.Conditions for the termination of a labour contract.
- 7.Liabilities for the violation of a labour contract.

What are the grounds for termination of a labour contract?

Labour Law of the People's Republic of China provides certain grounds for termination of a labour contract. Labour contract can be terminated by an employer/employee unilaterally or upon agreement between the parties. An employer shall notify an employee in writing 30 days prior to the termination. Please note that an employee may terminate the labour contract without notifying an employer for any of the grounds listed in the Labour Contract Law of the People's Republic of China, including cases when an employer forces an employee to perform dangerous assignments that threaten his or her personal safety or contradict the laws of the People's Republic of China.

What mandatory social benefits shall an employer provide to an employee?

According to the Labour Law of the People's Republic of China, an employer shall provide an employee with social security benefits in the following cases:

1. Retirement benefits.
2. Injury or disability during employment or occupational disease.
3. Termination of a labour contract due to liquidation or suspension of the activity of the employer.
4. Birth of a child.
5. In case of death of an employee.

Under what circumstances is an employee entitled to receive compensation?

An employer shall provide compensation to an employee in cases of termination of a labour contract caused by the liquidation or suspension of the activity of the employer; reduction of staff; or by the initiation of an employee due to failure of the employer to comply with the terms of the labour contract or in other cases stipulated by the laws of the People's Republic of China and a labour contract. Please note that the amount of the compensation is determined in accordance with the amount of a salary and work experience.