Labor Law of the People's Republic of China (2009 Revision)

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CHAPTER 1 GENERAL PROVISIONS

Article 1 This Law is formulated in accordance with the Constitution of the People's Republic of China in order to protect the legal rights and interests of workers, to regulate Labor relations, to establish and safeguard a Labor system that is adaptable to the socialist market economy and to promote economic development and social progress.

Article 2 This Law shall apply to all enterprises and individual economic organizations within the territory of the People's Republic of China (hereinafter referred to as employer units) and to staff and workers who have contractual Labor relationships with those employers.

This law shall also apply to government organs, institutions, social organizations and to workers who have a contractual Labor relationship with those organs, institutions and organizations.

Article 3 A worker shall enjoy the right to equal opportunities of employment and choice of job, the right to obtain Labor remuneration, the right to rest and have holidays, the right to receive Labor safety and health protection, the right to undertake vocational training, the right to enjoy social insurance and welfare, the right to request settlement of Labor disputes and other Labor rights stipulated by the law.

A worker shall fulfil work assignments, improve his/her vocational skills, implement Labor safety and hygiene regulations and observe Labor discipline and professional ethics.

Article 4 An employer unit shall establish and improve its rules and regulations in accordance with the law in order to ensure that is workers enjoy Labor rights and perform Labor obligations.

Article 5 The State shall adopt all possible measures to promote employment, develop vocational education, formulate Labor standards, regulate social income, improve social insurance, coordinate Labor relations and progressively improve the living standards of workers.

Article 6 The State encourages workers to participate in voluntary social Labor, launch Labor emulation campaigns and suggest rationalization innovation and invention, and commend and reward model and advanced workers.

Article 7 Workers have the right to join or organize trade unions in accordance with the law.

Trade unions shall represent and protect the legal rights and interests of workers and carry out their activities independently in accordance with the law.

Article 8 A worker shall, in accordance with legal procedures, participate in democratic management through workers' congress, workers' representative assembly or other forums, or carry out consultation on the basis of equality with his/her employer unit concerning the protection of his/her legal rights and interests.

Article 9 The Labor administration department of the State Council is responsible for Labor work throughout China.

The Labor administration departments of the local People's Governments at county level or above shall be responsible for Labor work within their respective administrative regions.

CHAPTER 2 PROMOTION OF EMPLOYMENT

Article 10 The State shall create employment conditions and expand employment opportunities by promoting economic and social development.

The State encourage enterprises, institutions and social organizations to initiate industries or develop business operations within the framework stipulated by laws and statutory regulations so as to increase employment opportunities.

The State support workers in their voluntary organization to engage in business operations or to engage in individual business operations in order to secure employment.

Article 11 The local People's Government at all levels shall adopt measures to develop various types of employment introduction agencies to provide employment services.

Article 12 With regard to employment, workers shall not be discriminated against on the grounds of nationality, race, sex or religious belief.

Article 13 Women shall enjoy equal employment rights to men. When recruiting employees, women shall not be refused on the grounds of sex, nor shall the recruitment standards for women be raised, except in those types of work or positions of work which are unsuitable for women as stipulated by the State.

Article 14 If there are special provisions in laws and statutory regulations concerning employment of disabled persons, minority nationalities and soldiers retiring from active service, such provisions shall apply.

Article 15 Recruitment of persons under the age of sixteen (16) years shall be strictly prohibited.

Where it is especially necessary in such fields as culture and the arts, sports and special arts and crafts, persons under sixteen (16) years of age may be recruited, with the procedures for examination and approval being carried out pursuant to relevant State regulations and such employees being ensured the right to receive a compulsory education.

CHAPTER 3 LABOR CONTRACTS AND COLLECTIVE CONTRACTS

Article 16 A Labor contract shall refer to an agreement made between a worker and an employer unit to establish a work-based relationship and to define the rights and obligations of both parties.

To establish a work-based relationship a Labor contract shall be concluded.

Article 17 Conclusion and amendment of a Labor contract shall be in compliance with the principles of equality, voluntary participation and mutual consent, and shall not be in violation of the principles of laws and statutory regulations.

On its signing in accordance with the law, a Labor contract shall immediately become legally binding on both parties. The parties to a Labor contract must assume obligations as stipulated in the Labor contract.

Article 18 The following types of Labor contract shall be deemed invalid:

(1) where a Labor contract is in violation of the provisions of laws and statutory regulations; and

(2) where a Labor contract is concluded through means of deception, threat or other unlawful means.

An invalid Labor contract shall have no legal binding force after it has been concluded. Where part of a Labor contract is invalid and this part does not affect other parts of the Labor contract, the other parts of the Labor contract shall remain valid.

The Labor disputes arbitration committee or the People's Court shall have the power to confirm the invalidity of a Labor contract.

Article 19 A Labor contract shall be concluded in writing and shall include the following items:

- (1) term of the Labor contract;
- (2) work tasks;
- (3) Labor protection and Labor conditions;
- (4) Labor remuneration;
- (5) Labor discipline;
- (6) conditions for termination of Labor contract;
- (7) responsibility for breach of Labor contract.

Apart from the items which must be included in a Labor contract as stipulated in the preceding paragraph, the parties to the Labor contract may add other items following consultation.

Article 20 The term of a Labor contract may be fixed, flexible or set according to a certain amount of work to be fulfilled.

If an extension of a Labor contract is agreed upon by both parties after a worker has worked for a continuous period of ten (10) years for the same unit, a Labor contract with a flexible term shall be concluded if the worker wishes to enter into a Labor contract with a flexible term.

Article 21 A Labor contract may stipulate a probationary period. The maximum probationary period shall not exceed six (6) months.

Article 22 The parties to a Labor contract may stipulate items in the Labor contract concerning the keeping of commercial secrets of the employer unit.

Article 23 A Labor contract shall be promptly terminated on the expiry of its term of duration or when conditions occur for termination of the Labor contract as agreed by the parties concerned.

Article 24 The parties to a Labor contract may dissolve a Labor contract, subject to agreement following consultation.

Article 25 An employer unit may dissolve a Labor contract in any of the following circumstances:

(1) where it is proved, on the expiry of the probationary period, that a worker has failed to meet employment requirements;

(2) where a worker has seriously violated Labor discipline or the rules and regulations of the employer unit;

(3) where a worker has committed serious dereliction of his/her duties or has practised favoritism or other irregularities resulting in serious losses being incurred by the employer unit;

(4) where a worker has been accused of criminal liability in accordance with the law.

Article 26 An employer unit may rescind a Labor contract in any of the following circumstances, however, written notice shall be provided to a worker in person, thirty (30) days in advance:

(1) where, after undergoing a period of medical treatment, a worker with an illness or non-work-related injury is unable to perform his original work duties and is also unable to perform another job arranged by the employer unit; (2) where a worker is not competent to perform the job and remains unqualified even after training or being moved to another post;

(3) where a Labor contract can no longer be implemented due to major changes in the objective conditions which were relied on as the basis for concluding the Labor contract and an agreement to amend the Labor contract cannot be reached by both parties through consultation.

Article 27 If an employer unit genuinely needs to reduce staff during a period of statutory reorganization due to the unit being on the verge of bankruptcy or due to major difficulties in its production and business operations, the trade union, or all workers and staff, shall be informed of the facts of the situation thirty (30) days in advance; and staff may be reduced after the opinions of the trade union, or all workers and staff, have been heard, and a report made to the Labor administration department.

Where an employer unit has retrenched staff in accordance with the provisions of this Art, and recruits workers within six (6) months, those staff who were retrenched shall have priority in recruitment.

Article 28 If a Labor contract is rescinded by an employer unit in accordance with the provisions of Art. 24, 26 or 27 of this Law, appropriate compensation shall be provided pursuant to relevant State regulations.

Article 29 An employer unit shall not be permitted to rescind a Labor contract in accordance with the provisions of Art. 26 or 27 of this Law in any of following circumstances:

(1) where a worker suffers from an occupational disease or a work-related injury and has been confirmed as being totally or partially unable to work;

(2) where a worker suffers from an illness or injury form which medical treatment within a stipulated period is allowed;

(3) where a female worker is pregnant, on maternity leave or within the stipulated period for nursing;

(4) in other circumstances as stipulated in laws and statutory regulations.

Article 30 If a Labor contract is rescinded by an employer unit which has been deemed improper by the trade union, the trade union shall have the right to object. If an employer unit is found to have violated laws, statutory regulations or the Labor contract, the trade union shall have the right to demand correction; the trade union shall support and assist a worker who applies for arbitration or takes legal proceedings against the employer unit.

Article 31 A worker rescinding a Labor contract shall inform the employer unit in writing thirty (30) days in advance.

Article 32 A worker may, at any time, advise the employer unit to terminate a Labor contract in any of the following circumstances:

(1) during the probationary period;

(2) where an employer unit forces the worker to work through means of force, threat or illegal restriction of personal freedom;

(3) where an employer unit fails to pay Labor remuneration or to provide work conditions stipulated in the Labor contract.

Article 33 The workers of an enterprise may enter into a collective contract on Labor remuneration, working hours, rest days and holidays, Labor safety and hygiene, insurance and welfare and other related matters. A draft collective contract shall be submitted to the workers congress, or to all of the workers, for discussion and adoption.

A collective contract shall be signed by the enterprise and the trade union on behalf of the workers; or shall be signed by the enterprise and a representative elected by the workers.

Article 34 A collective contract, after signing, shall be submitted to the Labor administration department. A collective contract shall be deemed to take effect if the Labor administration department raises no objections within fifteen (15) days of receiving the collective contract.

Article 35 A collective contract signed in accordance with the law shall have legal binding force on the enterprise and all of its staff and workers. The working conditions and Labor remuneration standards stipulated in a Labor contract which has been signed by an individual worker and an enterprise shall not be lower than those stipulated in a collective contract.

CHAPTER 4 WORKING HOURS, REST DAYS AND HOLIDAYS

Article 36 The State shall implement a system of daily working hours for each worker not in excess of eight (8) hours and average weekly working hours not in excess of forty-four (44) hours.

Article 37 If a worker is involved in piece work, the employer unit shall, in accordance with the working hours system stipulated in Art. 36 of this Law, rationally determine the work quotas and piece work rate for the worker.

Article 38 An employer unit shall ensure that every worker has a rest day of at least one (1) day each week.

Article 39 In case an enterprise is unable to implement the provisions of Art. 36 and 38 of this Law due to requirements of its production, other measures for working hours and rest days may be introduced, subject to approval by the Labor administration department.

Article 40 An employer unit shall arrange for its workers to have holidays on the following festivals:

- (1) New Year's Day;
- (2) Traditional Spring Festival;
- (3) International Labor Day;
- (4) National Day;

(5) Other festivals which should be holidays as stipulated by laws and statutory regulations.

Article 41 According to the requirements of production and business operations, an employer unit may extend the working hours of a worker after consulting with the trade union and the worker concerned, however, the overtime worked shall in general not exceed one (1) hour per day; in special circumstances where and extension of working hours is required, the overtime worked shall not exceed three (3) hours per day under conditions which ensure the health of the workers, and the amount of overtime worked shall not exceed thirty-six (36) hours per month.

Article 42 An extension of working hours shall not be restricted by the provisions of Art. 41 of the Law in any of the following circumstances:

(1) in emergency situations, when the lives and health of workers and safely of property are threatened due to natural disaster, accident or other causes;

(2) where urgent repairs must be promptly made to production equipment, transportation lines or public facilities which are out of order so as to affect production or the public interest;

(3) in other circumstances as stipulated by laws and statutory regulations.

Article 43 An employer unit shall not be permitted to violate the provisions of this Law by extending the working hours of its workers.

Article 44 An employer unit shall, in accordance with the following standards, pay workers wages which are higher than the normal wage rates for normal working hours, in any of the following circumstances:

(1) when arranging for a worker to work overtime, not less than 150% of the normal wage shall be paid;

(2) when arranging for a worker to work during rest days and where such rest days cannot be postponed and taken at another time, not less than 200% of the normal wage shall be paid;

(3) when arranging for a worker to work during an official public holiday, not less that 300% of the normal wage shall be paid.

Article 45 The State shall implement a system of annual leave.

A worker who has worked for one (1) or more successive years shall enjoy paid annual leave. Detailed measures shall be formulated by the State Council.

CHAPTER 5 WAGES

Article 46 Wages shall be paid in accordance with the principle of "to each according to his work" and based on equal pay for equal work.

Wage levels shall be increased gradually on the basis of economic growth. The State shall exercise macro-control over the national payroll.

Article 47 An employer unit shall, in accordance with the characteristics of its production and business operations and its economic results, independently determine its own wage distribution measures and wage levels.

Article 48 The State shall implement a minimum wage protection system. Specific standards for minimum wages shall be determined by the provincial, autonomous regional and directly administered municipal People's Governments and shall be reported to the State Council for the record.

Wages paid to the workers of an employer unit shall not be less than the local minimum wage standards.

Article 49 When determining and adjusting minimum wage standards, the following factors shall be taken into consideration:

(1) the minimum living expenses of a worker and the average minimum living expenses of a worker's family dependents;

- (2) the average social wage level;
- (3) Labor productivity;
- (4) employment situation;
- (5) differences in the levels of economic development between different regions.

Article 50 Wages shall be paid to workers in cash on a monthly basis. Deduction or delay of wage payment to a worker without proper reason shall not be permitted.

Article 51 An employer unit shall pay wages in accordance with the law to its workers for official public holidays, for marriage or bereavement leave and for the period of participation in social activities in accordance with the law.

CHAPTER 6 LABOR SAFETY AND HYGIENE

Article 52 An employer unit must establish a sound Labor safety and hygiene system and shall strictly implement State rules and standards of Labor safety and hygiene, conduct Labor safety and hygiene education among its workers, prevent accidents and reduce occupational hazards.

Article 53 Labor safety and hygiene facilities must be in compliance with the standards stipulated by the State.

Labor safety and hygiene facilities for a newly constructed, re-built or extension to a project must be designed, constructed and put into use at the same time as the main project.

Article 54 An employer unit shall provide its workers with Labor safety and hygiene conditions and necessary Articles for Labor protection in conformity with the regulations of the State; workers whose work involves occupationally hazardous substances shall undertake regular occupational health checks.

Article 55 A worker engaged in a special occupation must receive special training and shall acquire relevant qualifications.

Article 56 A worker must strictly observe operational safety procedures.

A worker shall have the right to refuse to carry out dangerous operations forced upon him/her by management personnel or by his/her employer unit in violation of relevant operational regulations; a worker shall also have the right to criticize, inform or bring charges against any act that is harmful to life, safety and personal health.

Article 57 The State shall establish a system of statistics, reporting and handling of fatalities and injuries and occupational diseases. The Labor administration department of the people's governments at county level or above, relevant departments and employer units shall collect statistics, report and handle fatalities and injuries incurred by workers during the course of their work, and occupational diseases, in accordance with the law.

CHAPTER 7 SPECIAL PROTECTION OF FEMALE WORKERS AND UNDER AGE WORKERS

Article 58 The State shall exercise special Labor protection measures for female workers and under-age workers.

Under-age workers shall refer to those workers who are over sixteen (16) years and under eighteen (18) years of age.

Article 59 It shall be forbidden to arrange for female workers to engage in Labor in mining pits, in Labor involving physical Labor of the fourth degree of intensity as specified by the State, or in any kinds of work to be avoided by female workers.

Article 60 During the menstrual period of female workers, it shall not be permitted to arrange for them to engage in Labor at high altitudes, in low temperatures or which involves contact with cold water, or Labor involving physical Labor of the third degree of intensity as specified by the State.

Article 61 It shall not be permitted to arrange for pregnant workers to engage in Labor involving physical Labor of the third degree of intensity as specified by the State, or in any kind of Labor to be avoided during pregnancy. No extra hours or night shift Labor shall be arranged for female workers in or past the seventh (7th) month of pregnancy.

Article 62 Maternity leave for female workers shall be at least ninety (90) days.

Article 63 During the infant-feeding period allowed to female workers with a baby under one (1) year of age, it shall not be permitted to arrange for them to engage in Labor involving physical Labor of the third degree of intensity as specified by the State or any kind of Labor to be avoided during the feeding period. No extra hours or night shift Labor shall be arranged for such female workers.

Article 64 It shall not be permitted to arrange for underage workers to engage in Labor in mining pits, to work with poisonous or harmful substances, Labor involving physical Labor of the fourth (4th) degree of intensity as specified by the State, or any other kind of work to be avoided by underage workers.

Article 65 An employer unit shall arrange for regular health checks to be provided to underage workers.

CHAPTER 8 VOCATIONAL TRAINING

Article 66 The State shall develop vocational training undertakings through all possible means by adopting all measures to develop the vocational skills of workers, to improve quality of education and enhance opportunities for employment and work skills.

Article 67 The People's Governments at all levels shall incorporate vocational training in their social and economic development programs and shall encourage and support enterprises, institutions, social organizations and individuals which possess the conditions to conduct all forms of vocational training.

Article 68 An employer unit shall establish a system of vocational training and shall, pursuant to State regulations, allocate and use funds for vocational training to conduct vocational training for its workers in a planned way with regard to the actual circumstances of the unit.

Training, prior to commencement, must be provided to those workers who engage in work with technical requirements.

Article 69 The State shall determine occupational classifications, formulate standards for the classification of occupational skills and introduce a vocational qualification certificate system. The examination and assessment authorities approved by the government shall be responsible for examination and assessment of occupational skills of workers.

CHAPTER 9 SOCIAL INSURANCE AND WELFARE

Article 70 The State shall develop social insurance undertakings, establish a social insurance system and social insurance funds in order to assist and compensate workers who are old, who suffer illness and work-related injuries, are unemployed or give birth, etc.

Article 71 The level of social insurance shall be appropriate to the level of social and economic development and the capacity of society to provide support.

Article 72 Social insurance funds shall, in accordance with the types of insurance, determine the sources of funds and shall progressively be placed under uniform arrangements. An employer unit and its workers must participate in social insurance schemes and pay social insurance premiums in accordance with the law.

Article 73 Workers shall enjoy social insurance benefits in accordance with the law in any of the following circumstances:

- (1) on retirement;
- (2) when suffering from an illness or sustaining an injury;

(3) when disabled by a work-related injury or suffering an occupational disease;

(4) when unemployed;

(5) when giving birth.

In the event of a fatality, the family members of the deceased shall receive dependent subsidies.

The conditions and standards of social insurance benefits for workers shall be stipulated by laws and statutory regulations.

Social insurance benefit payments to workers must be made on time and in full.

Article 74 A social insurance fund authority shall be responsible for receipts, expenditures, management and operation of the social insurance fund pursuant to laws and regulations and shall also be responsible for safeguarding and increasing the value of the social insurance fund.

A social insurance fund supervisory authority shall be responsible for supervision of receipts, expenditures, management and operation of social insurance funds pursuant to laws and regulations.

Establishment and functions of a social insurance fund authority and of the social insurance fund supervisory authority shall be stipulated by the law.

No organization shall be permitted to embezzle funds from a social insurance fund.

Article 75 The State shall encourage employer units to establish supplementary insurance for their workers according to the actual circumstances of the employer units.

The State shall advocate individual workers to participate in savings insurance.

Article 76 The State shall develop social welfare undertakings, construct public welfare facilities to provide conditions for workers to rest, convalesce and recuperate.

An employer unit shall create conditions to improve the collective welfare and to raise the welfare benefits of its workers.

CHAPTER 10 LABOR DISPUTES

Article 77 If a Labor dispute occurs between an employer unit and a worker, the parties concerned may, in accordance with the law, apply for conciliation or arbitration, file a suit in the People's Court or settle the dispute through consultation.

The principles of conciliation shall apply to arbitration and to legal proceedings.

Article 78 In settling a Labor dispute, the principles of legitimacy, fairness and timeliness shall be followed in order to safeguard the legal rights and interests of the parties to a dispute in accordance with the law.

Article 79 When a Labor dispute occurs, the parties to the dispute shall apply to the Labor dispute conciliation committee of the unit for conciliation; if conciliation fails to resolve the matter and one of the parties concerned demands arbitration, it may apply to the Labor dispute arbitration committee for arbitration. If one party disagrees with an arbitration ruling, a suit may be filed in the people's court.

Article 80 A Labor disputation conciliation committee may be established in an employer unit. A Labor dispute conciliation committee shall consist of representatives of the workers, the employer unit and the trade union. The chairperson of a Labor dispute conciliation committee shall be a representative of the trade union.

If an agreement is reached upon a Labor dispute through conciliation, the parties concerned shall implement the terms of the agreement.

Article 81 A Labor dispute arbitration committee shall consist of representatives of the Labor administration department, the trade union at the same level and the employer unit. The chairperson of a Labor dispute arbitration committee shall be a representative of the Labor administration department.

Article 82 A party which requests arbitration shall file a written application with the Labor disputes arbitration committee within sixty (60) days from the date on which the Labor dispute occurs. An arbitration ruling shall, in general, be made within sixth (60) days of receiving an arbitration application. If there are no objections to the arbitration ruling, the parties concerned shall comply with the terms of that ruling.

Article 83 If one party to a Labor dispute disagrees with an arbitration ruling, it may file a suit in the people's court within fifteen (15) days of receiving notice of the arbitration ruling. If one party fails to initiate legal proceedings and fails to comply with the arbitration ruling within the prescribed time limit, the other party may apply to the People's Court for enforcement.

Article 84 If a dispute over the conclusion of a collective contract occurs and the parties concerned fail to resolve the matter through consultation, the Labor administration department of the local People's Government may arrange coordinated settlement for the parties concerned.

If a dispute over the implementation of a collective contract occurs and the parties to the dispute fail to resolve the matter through consultation, an application may be filed with the Labor dispute arbitration committee for arbitration; if one party disagrees with the arbitration

ruling, it may file a suit in the people's court within fifteen (15) days of receiving notice of the arbitration ruling.

CHAPTER 11 SUPERVISION AND INSPECTION

Article 85 The Labor administration departments of the People's Governments at county level and above shall carry out supervision and inspection of the employer units with regard to implementation of Labor laws and regulations in accordance with the law. They shall have the right to stop any act which is in violation of Labor laws and regulations and order rectification.

Article 86 Inspectors from the Labor administration departments of the People's Governments at county level and above shall, while on duty, have the right to enter employer units to inquire about the implementation of Labor laws and regulations, consult documents as necessary and inspect Labor premises.

Inspectors from the Labor administration departments of the People's Governments at county level and above must present their identification cards while performing their duties and shall handle matters with impartiality while observing relevant regulations.

Article 87 Relevant departments of the people's governments at county level and above shall supervise the implementation of Labor laws and regulations within the scope of their respective functions and powers.

Article 88 Trade unions at all levels shall safeguard the legal rights and interests of workers in accordance with the law and supervise the implementation by employer units of Labor laws and regulations.

Any organization or individual shall have the right to inform and bring charges against any act which is in violation of Labor laws and regulations.

CHAPTER 12 LEGAL LIABILITY

Article 89 If Labor rules and regulations formulated by an employer unit are in violation of laws and statutory regulations, the Labor administration department in charge shall issue a warning and order the unit to rectify the situation; if such rules and regulations have caused harm to workers, the employer unit shall bear liability for compensation.

Article 90 If an employer unit has extended the working hours of its workers in violation of the provisions of this Law, the Labor administration department in charge shall issue a warning and order the employer unit to rectify the situation and, moreover, may impose a fine.

Article 91 If an employer unit has committed any of the following acts so as to infringe the legal rights and interests of its workers, the Labor administration department in charge shall order the employer unit in question to pay wages and/or economic compensation to those workers and, moreover, may order the employer unit to pay compensation for:

(1) the deduction or delay, without proper reason, of the payment of workers' wages;

(2) the refusal to pay remuneration to workers for overtime work performed;

(3) the payment of workers' wages at a rate lower than the local minimum wage rate;

(4) the failure to pay economic compensation to workers in accordance with the provisions of this Law after the dissolution of a Labor contract.

Article 92 If Labor safety facilities and Labor hygiene conditions of an employer unit fail to meet the requirements of the State or if an employer unit fails to provide the necessary Labor protection equipment and Labor protection facilities, the Labor administration department in charge or relevant departments shall order the employer unit in question to rectify the situation and, moreover, may impose a fine; if the case is very serious, the people's government at county level and above shall be requested to make a decision to order the employer unit in question to suspend operations for reorganization; if an employer unit fails to adopt measures to prevent potential accidents so as to result in a major accident in which loss of life of a worker(s) is sustained, shall have criminal liability pursued with reference to the provisions of the Criminal Law.

Article 93 If an employer unit forces its workers to take risks in performing dangerous operations in violation of relevant rules and regulations and thereby causes major injuries or fatalities, those personnel responsible shall have criminal liability pursued in accordance with the law.

Article 94 If an employer unit has illegally recruited persons under sixteen (16) years of age, the Labor administration department in charge shall order that employer unit to rectify the situation and, moreover, may impose a fine; if the case is very serious, the administration for industry and commerce shall revoke the business licence of that employer unit.

Article 95 If an employer unit has violated the provisions of this law on the protection of female and underage workers so as to infringe their legal rights and interests, the Labor administration department in charge shall order the employer unit in question to rectify the situation and, moreover, may impose a fine; the employer unit shall bear liability for compensation for harm caused to female and underage workers.

Article 96 If an employer unit has committed any of the following acts, the public security organ may detain those personnel responsible for up to fifteen (15) days, or impose a fine or issue a warning; should the case be serious enough to constitute a crime, the personnel responsible shall have criminal liability pursued in accordance with the law:

(1) compelling workers to work by the use of force, threat or by resorting to means designed to restrict personal freedom;

(2) insulting, physically punishing, beating, illegally searching or taking workers into custody.

Article 97 If an invalid contract concluded as a result of a fault of the employer unit has caused harm to workers, that employer unit shall bear liability for compensation.

Article 98 If an employer unit dissolves a Labor contract in violation of the requirements of this Law or deliberately delays the conclusion of a Labor contract, the Labor administration department in charge shall order that unit to rectify the situation; if the case has caused harm to workers, the employer unit shall bear liability for compensation.

Article 99 If an employer unit has employed a worker whose Labor contract with a former employer unit has not yet been dissolved so as to cause the former employer unit to incur economic losses, the employer unit shall bear liability for compensation in accordance with the law.

Article 100 If an employer unit fails to pay social insurance premiums without proper reason, the Labor administration department in charge shall order the employer unit to pay outstanding premiums within a prescribed time limit; if the employer unit fails to make payment within the prescribed time limit, a late payment fine may be imposed.

Article 101 If an employer unit unjustifiably obstructs the Labor administration department in charge, relevant departments and their personnel in the exercise of the rights of supervision and inspection or retaliates against informants, the Labor administration department in charge or relevant departments shall impose a fine; if the case is serious enough to constitute a crime, the personnel responsible shall have criminal liability pursued in accordance with the law.

Article 102 If a worker rescinds a Labor contract in violation of the requirements of this Law or has violated the provisions on keeping secrets stipulated in the Labor contract, thus causing the employer unit to incur economic losses, the worker in question shall bear liability for compensation in accordance with the law.

Article 103 If personnel of a Labor administration department or relevant department are found to have abused their powers of office, committed dereliction of duty or practiced favoritism or other irregularities so as to constitute a crime, criminal liability shall be pursued in accordance with the law.

Article 104 If a government functionary or a staff member of the social insurance fund authority is found to have embezzled the social insurance fund so as to constitute a crime, criminal liability shall be pursued in accordance with the law.

Article 105 If there are provisions of other laws or statutory regulations on the punishment of infringements of the legal rights and interests of workers as stipulated by this Law, such provisions shall apply.

CHAPTER 13 SUPPLEMENTARY PROVISIONS

Article 106 Procedures for the implementation of the Labor contract system shall be formulated by the provincial, autonomous regional and directly administered municipal People's Governments in accordance with this Law, as well as taking into account the actual circumstances in their respective regions, and these shall be reported to the State Council for its record.

Article 107 This Law shall take effect from 1 January 1995.