

LABOUR LAW OF THE PEOPLE'S REPUBLIC OF CHINA

(Adopted at the Eighth Meeting of the Standing Committee of the Eighth National People's Congress on July 5, 1994 and promulgated by Order No. 28 of the President of the People's Republic of China)

Contents

Chapter I General Provisions

Chapter II Promotion of Employment

Chapter III Labour Contracts and Collective Contracts

Chapter IV Working Hours, Rest and Vacations

Chapter V Wages

Chapter VI Occupational Safety and Health

Chapter VII Special Protection for Female Staff and Workers and Juvenile Workers

Chapter VIII Vocational Training

Chapter IX Social Insurance and Welfare

Chapter X Labour Disputes

Chapter XI Supervision and Inspection

Chapter XII Legal Responsibility

Chapter XIII Supplementary Provisions

Chapter I

General Provisions

Article 1 This Law is formulated in accordance with the Constitution in order to protect the legitimate rights and interests of labourers, regulate labour relationship, establish and safeguard a labour system suited to the socialist market economy, and promote economic development and social progress.

Article 2 This Law shall apply to enterprises, individual economic organizations (hereinafter referred to as employing units) and labourers who form a labour relationship therewith within the territory of the People's Republic of China.

State organs, institutions and public organizations as well as labourers who form a labour contract relationship therewith shall be bound by this Law.

Article 3 Labourers shall have equal right to employment and choice of occupation, the right to remuneration for labour, to rest and vacations, to protection of occupational safety and health, to training in vocational skills, to social insurance and welfare, to submission of labour disputes for settlement and other rights relating to labour stipulated by law.

Labourers shall fulfill their labour tasks, improve their vocational skills, follow rules on occupational safety and health, and observe labour discipline and professional ethics.

Article 4 The employing units shall establish and perfect rules and regulations in accordance with the law so as to ensure that labourers enjoy the right to work and fulfill labour obligations.

Article 5 The State shall take various measures to promote employment, develop vocational education, lay down labour standards, regulate social incomes, perfect social insurance system, coordinate labour relationship, and gradually raise the living standard of labourers.

Article 6 The State shall advocate the participation of labourers in social voluntary labour and the unfolding of labour emulation and rational proposals campaign, encourage and protect labourers in conducting scientific research, technical renovation, inventions and creations, and commend and reward model and advanced workers.

Article 7 Labourers shall have the right to participate in, and organize, trade unions in accordance with the law.

Trade unions shall represent and safeguard the legitimate rights and interests of labourers, and independently carry out their activities in accordance with the law.

Article 8 Labourers shall take part in democratic management or negotiate with the employing units on an equal footing about protection of the legitimate rights and interests of labourers through the assembly of staff and workers or their congress or other forms as provided by law.

Article 9 The administrative department of labour under the State Council shall be in charge of the management of labour in the whole country.

The administrative departments of labour under the local people's governments at or above the county level shall be in charge of the management of labour in their respective administrative areas.

Chapter II

Promotion of Employment

Article 10 The State shall create conditions for employment and increase opportunities therefore by means of promotion of economic and social development.

The State shall encourage enterprises, institutions and public organizations to initiate industries or expand businesses for the increase of employment, within the scope provided by laws, and administrative rules and regulations.

The State shall support labourers to achieve employment by organizing themselves on a voluntary basis or by engaging in individual businesses.

Article 11 Local people's governments at various levels shall take measures, by developing employment agencies of various forms, to provide employment services.

Article 12 Labourers, regardless of their ethnic group, race, sex, or religious belief, shall not be discriminated against in employment.

Article 13 Women shall enjoy the equal right, with men, to employment. With exception of the special types of work or post unsuitable to women as prescribed by the State, no unit may, in employing staff and workers, refuse to employ women by reason of sex or raise the employment standards for women.

Article 14 In respect of the employment of the disabled, people of minority ethnic groups, and demobilized army men, where there are special stipulations in laws, rules and regulations, such stipulations shall apply.

Article 15 No employing units are allowed to recruit minors under the age of 16.

Institutions of literature and art, physical culture, and special arts and crafts that recruit minors under the age of 16 must go through the formalities of examination and approval in accordance with the relevant provisions of the State and guarantee their right to compulsory education.

Chapter III

Labour Contracts and Collective Contracts

Article 16 A labour contract is an agreement that establishes the labour relationship between a laborer and an employing unit and defines the rights and obligations of respective parties.

A labour contract shall be concluded where a labour relationship is to be established.

Article 17 Conclusion and modification of a labour contract shall follow the principles of equality, voluntariness and agreement through consultation, and shall not run counter to the stipulations of laws, administrative rules and regulations.

A labour contract once concluded in accordance with the law shall be legally binding. The parties must fulfill the obligations stipulated in the labour contract.

Article 18 The following labour contracts shall be invalid:

- (1) Labour contracts violating laws, administrative rules and regulations; and
- (2) Labour contracts concluded by means of fraud or intimidation, etc.

An invalid labour contract shall have no legal effect from the time of its conclusion. Where a part of a labour contract is confirmed as invalid and where the validity of the remaining part is not affected, the remaining part shall remain valid.

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

Article 19 A labour contract shall be concluded in written form and contain the following clauses:

- (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 the labour contract; and
- (7) Liabilities for the violation of the labour contract.

Apart from the required clauses specified in the preceding paragraph, a labour contract may contain other clauses agreed upon by the parties through consultation.

Article 20 The term of a labour contract is classified into fixed term, non-fixed term and the completion of a specific assignment as a term.

Where a labourer has worked in the same employing unit for ten consecutive years or more and both parties agree to extend the term of the labour contract, if the labourer requests the conclusion of a labour contract with a non-fixed term, a labour contract with a non-fixed term shall be concluded.

Article 21 A probation period may be specified in a labour contract. The probation period shall not exceed six months.

Article 22 The parties to a labour contract may stipulate in the labour contract matters concerning keeping business secrets of the employing unit.

Article 23 A labour contract shall terminate immediately upon the expiration of its term or the occurrence of the conditions for the termination of the labour contract as agreed upon by the parties.

Article 24 A labour contract may be cancelled by agreement reached between the parties through consultation.

Article 25 If a labourer is under any of the following circumstances, the employing unit may cancel the labour contract with him:

- (1) Having been proved not up to the requirements for recruitment during the probation period;
- (2) Having seriously violated labour discipline or the rules and regulations of the employing unit;
- (3) Having caused great losses to the employing unit through gross neglect of duty or malpractice for personal gains; and
- (4) Having been investigated for criminal responsibility in accordance with the law.

Article 26 In any of the following circumstances, the employing unit may cancel the labour contract, however, a written notice shall be given to the labourer concerned 30 days in advance:

- (1) Where a labourer is unable to take up his original work or any work specially arranged by the employing unit after completion of the period of his medical treatment for illness or not work-related injury;

(2) Where a labourer is unqualified for his work and remains unqualified even after receiving a training or after readjusting the work post; and

(3) Where the objective conditions taken as the basis for the conclusion of the contract have changed so greatly that the original labour contract cannot be carried out, and no agreement on modification of the labour contract can be reached through consultation by the parties.

Article 27 Where it is really necessary for an employing unit to cut down the number of workforce when it comes to the brink of bankruptcy and undergoes a statutory consolidation or runs deep into difficulties in production and management, the employing unit shall explain the situation to the trade union or all of its staff and workers 30 days in advance, solicit opinions from them and report to the administrative department of labour before it may cut down the number of workforce.

Where the employing unit that cut down the number of its workforce in accordance with this Article is to recruit personnel within six months, it shall give priority in employment to the persons who have been laid off.

Article 28 Where an employing unit cancelled its labour contracts according to the stipulations in Article 24, Article 26 and Article 27 of this Law, it shall make economic compensations in accordance with the relevant provisions of the State.

Article 29 Where a labourer is under any of the following circumstances, the employing unit shall not cancel its labour contract with the labourer by availing itself of the stipulations in Article 26 and Article 27 of this Law:

- (1) Being confirmed to have totally or partially lost the ability to work due to occupational diseases or work-related injuries;
- (2) Receiving medical treatment for diseases or injuries within the prescribed period of time;
- (3) Being a female staff member or worker during her pregnant, puerperal, or breast-feeding period; or
- (4) Other circumstances stipulated by laws, administrative rules and regulations.

Article 30 Where an employing unit cancelled its labour contract and the trade union considers it inappropriate, the trade union shall have the right to put forward its opinions. If the employing unit violated the law, rules or regulations or labour contracts, the trade union shall have the right to request that the matter be handled anew. Where the labourer applies for arbitration or institutes a lawsuit, the trade union shall render him support and assistance in accordance with the law.

Article 31 If a labourer is to cancel his labour contract, he shall give a written notice to the employing unit 30 days in advance.

Article 32 A labourer may, in any of the following circumstances, notify at any time the employing unit of his cancelation of the labour contract:

- (1) Within the probation period;
- (2) Where the employing unit forces the labourer to work by means of violence, intimidation or illegal restriction of personal freedom; or

(3) Failure on the part of the employing unit to pay labour remuneration or to provide working conditions as agreed upon in the labour contract.

Article 33 The staff and workers of an enterprise as one party may conclude a collective contract with the enterprise on matters relating to labour remuneration, working hours, rest and vacations, occupational safety and health, 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 enterprise; in an enterprise where the trade union has not yet been set up, such contract shall be concluded by the representatives elected by the staff and workers with the enterprise.

Article 34 Upon conclusion of a collective contract, it shall be submitted to the administrative department of labour. If no objections have been raised by the administrative department of labour within 15 days from the date of receipt of the text of the contract, the collective contract shall go into effect automatically.

Article 35 A collective contract concluded in accordance with the law shall be binding on both the enterprise and all of its staff and workers. The standards of working conditions and labour remuneration agreed upon in labour contracts concluded between individual labourers and the enterprise shall not be lower than those stipulated in the collective contract.

Chapter IV

Working Hours, Rest and Vacations

Article 36 The State shall practise a working hour system wherein labourers shall work for no more than eight hours a day and no more than 44 hours a week on the average.

Article 37 In case of labourers working on the basis of piecework, the employing unit shall rationally fix quotas of work and standards of piecework remuneration in accordance with the working hour system stipulated in Article 36 of this Law.

Article 38 The employing unit shall guarantee that its staff and workers have at least one day off in a week.

Article 39 Where an enterprise can not follow the stipulations in Article 36 and Article 38 of this Law due to the special nature of its production, it may, with the approval of the administrative department of labour, adopt other rules on working hours and rest.

Article 40 The employing unit shall, during the following festivals, arrange holidays for its labourers in accordance with the law:

- (1) The New Year's Day;
- (2) The Spring Festival;
- (3) The International Labour Day;
- (4) The National Day; and

(5) Other holidays provided by laws, rules and regulations.

Article 41 The employing unit may extend working hours as necessitated by its production or business operation after consultation with the trade union and labourers, but the extended working hour per day shall generally not exceed one hour; if such extension is needed for special reasons, under the condition that the health of labourers is guaranteed, the extended hours shall not exceed three hours per day. However, the total extension in a month shall not exceed thirty six hours.

Article 42 Under any of the following circumstances, the extension of working hours shall not be subject to restriction of the provisions of Article 41 of this Law :

(1) Where in the event of natural disasters, accidents or for other reasons, the life and health of labourers or the safety of property is in peril, and urgent dealing is needed;

(2) Where in the event of breakdown of production equipment, transportation lines or public facilities, production and public interests are affected; and rush repair must be done without any delay; or (3) Other circumstances stipulated by laws, administrative rules and regulations.

Article 43 The employing unit shall not extend working hours of labourers in violation of the provisions of this Law.

Article 44 Under any of the following circumstances, the employing unit shall, according to the following standards, pay labourers remunerations that are higher than those for normal working hours:

(1) To pay no less than 150 per cent of the normal wages if an extension of working hours is arranged;

(2) To pay no less than 200 per cent of the normal wages if work is arranged on off days and no make-up off days can be arranged; or

(3) To pay no less than 300 per cent of the normal wages if work is arranged on statutory holidays.

Article 45 The State shall practise a system of annual vacation with pay.

Labourers who have worked for one successive year or more shall be entitled to an annual vacation with pay. The specific measures therefore shall be formulated by the State Council.

Chapter V

Wages

Article 46 The distribution of wages shall follow the principle of distribution according to work and equal pay for equal work.

The level of wages shall be gradually raised on the basis of economic development. The State shall exercise macro-control over the total payroll.

Article 47 The employing unit shall, based on the characteristics of its production and business operation as well as economic results, independently determine the form of wage distribution and wage level for its own unit according to law.

Article 48 The State shall implement a system of guaranteed minimum wages. The specific standards of minimum wages shall be determined by the people's governments of provinces, autonomous regions or municipalities directly under the Central Government and submitted to the State Council for the record.

Wages to be paid to labourers by the employing unit shall not be lower than the local standards of minimum wages.

Article 49 The determination and readjustment of the standards of minimum wages shall be made with reference to the following factors in a comprehensive manner:

- (1) The lowest living expenses of labourers themselves plus that of the average number of family members they support;
- (2) The average wage level of the society as a whole;
- (3) The labour productivity;
- (4) The situation of employment; and
- (5) The regional differences in economic development.

Article 50 Wages shall be paid monthly to labourers themselves in the form of cash. The wages to be paid to labourers shall not be embezzled nor the payment thereof delayed without justification.

Article 51 The employing unit shall pay wages according to law to labourers for their statutory holidays, marriage or funeral leaves or periods when they participate in social activities in accordance with the law.

Chapter VI

Occupational Safety and Health

Article 52 The employing unit must establish and perfect the system of occupational safety and health, strictly implement the rules and standards of the State with regard to occupational safety and health, carry out education among labourers in occupational safety and health, prevent accidents in the process of work, and lessen occupational hazards.

Article 53 Facilities of occupational safety and health must meet the standards set by the State.

Facilities of occupational safety and health for a newly-built, renovated or expanded project must be designed, constructed and put into operation or use simultaneously with the main part of the project.

Article 54 The employing unit must provide labourers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labour

protection, and provide regular health examination for labourers engaged in work with occupational hazards.

Article 55 Labourers to be engaged in specialized operations must receive specialized training and acquire qualifications for such special operations.

Article 56 Labourers must strictly abide by rules on safe operation in the process of their work.

If the managerial personnel of the employing unit give command contrary to the established rules and compel labourers to operate under unsafe conditions, the labourers shall have the right to refuse such operation; labourers shall have the right to criticize, report or file charges against any acts endangering the safety of their life or health.

Article 57 The State shall establish a system of statistical report and disposition of accidents of injuries or deaths and cases of occupational diseases. The administrative departments of labour and other relevant departments under the people's governments at or above the county level and the employing units shall, according to law, carry out statistical report and disposition with respect to accidents of injuries or deaths occurred to labourers in the process of their work and situations of occupational diseases.

Chapter VII Special Protection for Female Staff and Workers and Juvenile Workers

Article 58 The State shall provide special protection to female staff and workers and juvenile workers.

" Juvenile Workers " refer to labourers who have reached the age of 16 but under the age of 18 .

Article 59 It is prohibited to arrange for female staff and workers to engage in work down the pit of mines, or work with Grade IV physical labour intensity as prescribed by the State, or other work forbidden to women.

Article 60 It is prohibited to arrange for female staff and workers during their menstrual periods to engage in work high above the ground, under low temperature, or in cold water or work with Grade III physical labour intensity as prescribed by the State.

Article 61 It is prohibited to arrange for women workers or staff members during their pregnancy to engage in work with Grade III physical labour intensity as stipulated by the State or other work forbidden to pregnant women. It is prohibited to arrange for women workers or staff members who have been pregnant for seven months or more to work in extended working hours or to work night shifts.

Article 62 Female staff and workers shall be entitled to no less than ninety days of maternity leaves for childbirth.

Article 63 It is prohibited to arrange for female staff and workers during the period of breast-feeding their babies of less than one year old to engage in work with Grade III physical labour intensity as prescribed by the State or other labour forbidden to women during their breast-feeding period, or to work in extended working hours or to work night shifts.

Article 64 It is prohibited to arrange for juvenile workers to engage in work that is down the pit of mines, or poisonous or harmful, or with Grade IV physical labour intensity as prescribed by the State, or other work forbidden to them.

Article 65 The employing unit shall provide regular physical examinations to juvenile workers.

Chapter VIII

Vocational Training

Article 66 The State shall take various measures, through various channels, to expand vocational training undertakings so as to develop professional skills of labourers, improve their qualities, and raise their employment capability and work ability.

Article 67 People's governments at various levels shall incorporate the development of vocational training into their plans of social and economic development, encourage and support enterprises, institutions, public organizations and individuals, if conditions permit, to sponsor vocational training in various forms.

Article 68 The employing unit shall establish a system of vocational training, retain and use vocational training funds in accordance with the provisions of the State, and provide labourers with vocational training in a planned way and in the light of the actual conditions of the unit.

Labourers to be engaged in technical work must receive training before taking up their posts.

Article 69 The State shall determine occupational classification, set professional skill standards for the occupations classified, and practise a system of vocational qualification certification. The examination and verification organizations approved by the government shall be charged with the responsibility of conducting examination and verification of the professional skills of labourers.

Chapter IX

Social Insurance and Welfare

Article 70 The State shall develop social insurance undertakings, establish a social insurance system, and set up social insurance funds so that labourers may receive assistance and compensations under such circumstances as old age, illness, work-related injury, unemployment and child-birth.

Article 71 The level of social insurance shall be in proportion to the level of social and economic development and the social affordability.

Article 72 The sources of social insurance funds shall be determined according to the branches of insurance, and an overall raising of social insurance funds shall be practised step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.

Article 73 Labourers shall, under the following circumstances, enjoy social insurance benefits in accordance with the law:

- (1) Being retired;
- (2) Being ill or injured;
- (3) Being injured or disabled while on duty or contracted with occupational diseases;
- (4) Being unemployed; or
- (5) Childbirth.

After the death of a labourer, the surviving family members of the deceased shall be entitled to subsidies for such survivors according to law.

The conditions and standards for labourers to enjoy social insurance benefits shall be stipulated by laws, rules and regulations.

The social insurance money that labourers are entitled to must be paid on schedule and in full.

Article 74 The agencies in charge of social insurance funds shall collect, expend, manage and operate the funds in accordance with legal provisions, and assume the responsibility to preserve and increase the value of such funds.

The supervisory organizations of social insurance funds shall exercise supervision over the revenue and expenditure, management and operation of social insurance funds in accordance with the stipulations of laws.

The establishment and functions of the agencies in charge of social insurance funds and the supervisory organizations of social insurance funds shall be prescribed by law.

No organization or individual is allowed to misappropriate social insurance funds.

Article 75 The State shall encourage the employing unit to set up supplementary insurance for labourers according to its actual conditions.

The State shall advocate that individual labourers practise insurance in the form of saving deposits.

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

The employing unit shall create conditions to improve collective welfare and increase labourers' social benefits.

Chapter X

Labour Dispute

Article 77 If a labour dispute between the employing unit and a labourer arises, the parties may apply for mediation or arbitration or take legal proceedings according to law, or may seek for a settlement through consultation.

The principle of mediation shall be applicable to the procedures of arbitration and litigation.

Article 78 The settlement of a labour dispute shall follow the principle of legality, justness and promptness so as to safeguard the legitimate rights and interests of the parties in accordance with the law.

Article 79 After a labour dispute arises, the parties may apply to the labour dispute mediation committee of their unit for mediation; if the mediation fails and one of the parties requests arbitration, that party may apply to the labour dispute arbitration committee for arbitration. Either party may also directly apply to the labour dispute arbitration committee for arbitration. If any party is not satisfied with the decision of arbitration, the party may bring a lawsuit to the people's court.

Article 80 A labour dispute mediation committee may be established within the employing unit. The committee shall be composed of representatives of the staff and workers, the employing unit, and the trade union. The chairmanship of the committee shall be assumed by a representative of the trade union.

If an agreement is reached through mediation in the case of a labour dispute, it shall be implemented by the parties.

Article 81 A labour dispute arbitration committee shall be composed of representatives of the administrative department of labour, representatives from the trade union at the corresponding level, and representatives of the employing unit. The chairmanship of the committee shall be assumed by a representative of the administrative department of labour.

Article 82 The party that requests arbitration shall file a written application with a labour dispute arbitration committee within 60 days from the date of the occurrence of the labour dispute. The arbitration committee shall generally make an arbitration decision within 60 days from the date of receiving the application. If no objections have been raised, the parties must execute the arbitration decision.

Article 83 Where a party to a labour dispute is not satisfied with the arbitration decision, the party may bring a lawsuit to the people's court within 15 days from the date of receiving the award of arbitration. Where a party has neither brought a lawsuit nor executed the arbitration decision within the period prescribed by law, the other party may apply to the people's court for enforcement.

Article 84 Where a dispute arises from the conclusion of a collective contract and no settlement can be reached through consultation by the parties concerned, the administrative department of labour under the local people's government may coordinate with the parties and organizations concerned in settling the dispute.

Where a dispute arises from the fulfillment of a collective contract and no settlement can be reached through consultation by the parties concerned, the parties may apply to the labour dispute arbitration committee for arbitration. If any party is not satisfied with the arbitration decision, it may bring a lawsuit to the people's court within 15 days from the date of receiving the award of arbitration.

Chapter XI

Supervision and Inspection

Article 85 The administrative departments of labour under the people's governments at or above the county level shall, in accordance with the law, supervise and inspect the implementation of laws, rules and regulations on labour by the employing unit, and have the power to stop any acts that run counter to laws, rules and regulations on labour and order the rectification thereof.

Article 86 The inspectors from the administrative departments of labour under the people's governments at or above the county level shall, while performing their public duties, have the right to enter into the employing units to make investigations about the implementation of laws, rules and regulations on labour, consult the necessary data and inspect the labour sites.

The inspectors from the administrative departments of labour under the people's governments at or above the county level must produce their papers while performing public duties, enforce laws impartially, and abide by the relevant regulations.

Article 87 Relevant departments under the people's governments at or above the county level shall, within the scope of their respective functions and responsibilities, supervise the implementation of laws, rules and regulations on labour by the employing units.

Article 88 Trade unions at various levels shall, in accordance with the law, safeguard the legitimate rights and interests of labourers, and supervise the implementation of laws, rules and regulations on labour by the employing units.

Any organizations or individuals shall have the right to expose and accuse any acts that violate the law, rules and regulations on labour.

Chapter XII

Legal Responsibility

Article 89 Where the rules and regulations on labour formulated by the employing unit run counter to the provisions of laws, rules and regulations, the administrative department of labour shall give a warning to the unit, and order it to make corrections; where any harms have been caused to labourers, the unit shall be liable for compensation.

Article 90 Where the employing unit, in violation of the stipulations of this Law, extends the working hours of labourers, the administrative department of labour shall give it a warning, order it to make corrections, and may impose a fine thereon.

Article 91 Where the employing unit commits any of the following acts infringing upon the legitimate rights and interests of labourers, the administrative department of labour shall order it to pay labourers remuneration of wages or to make up for economic losses, and may also order it to pay compensation:

- (1) To embezzle wages or delay in paying wages to labourers without reason;
- (2) To refuse to pay labourers remuneration of wages for the extended working hours;
- (3) To pay labourers wages below the local standard of minimum wages; or
- (4) To fail to provide labourers with economic compensations in accordance with the provisions of this Law after cancellation of labour contracts.

Article 92 Where the occupational safety facilities and health conditions of an employing unit do not comply with the provisions of the State or the unit fails to provide labourers with necessary labour protection articles and labour protection facilities, the administrative department of labour or other relevant departments shall order it to make corrections, and may impose a fine thereon. If the circumstances are serious, the above-said departments shall refer the matter to the people's government at or above the county level for a decision ordering the unit to stop production for consolidation. If the unit fails to take measures against the hidden danger of an accident, which leads to the occurrence of a serious accident, thus causing losses of lives and properties to labourers, persons who are held responsible shall be investigated for criminal responsibility by applying mutatis mutandis the provisions of Article 187 of the Criminal Law.

Article 93 Where the employing unit compels labourers to operate against the established rules and under unsafe conditions, thus causing major accident of injuries and deaths, and serious consequences, persons who are held responsible shall be investigated for criminal responsibility according to law.

Article 94 Where the employing unit illegally recruits minors under the age of 16, the administrative department of labour shall order it to make corrections, and impose a fine thereon. If the circumstances are serious, the administrative department for industry and commerce shall revoke its business license.

Article 95 Where the employing unit, in violation of the provisions of this Law on the protection of female staff and workers and juvenile workers, infringes upon their legitimate rights and interests, the administrative department of labour shall order it to make corrections, and impose a fine thereon. Where any harm has been done to female staff and workers and juvenile workers, the unit shall be liable for compensation.

Article 96 Where the employing unit commits one of the following acts, persons who are held responsible shall be punished by the public security organ with a detention of 15 days or less, or a fine, or a warning; where the case constitutes a crime, persons who are held responsible shall be investigated for criminal responsibility according to law:

(1) Compelling labourers to work by means of violence, intimidation or illegal restriction of personal freedom; or

(2) Humiliating, imposing corporal punishment upon, beating, illegally searching, or detaining labourers.

Article 97 Where an invalid contract concluded for reasons of the employing unit has caused damage to labourers, the employing unit shall be liable for compensation.

Article 98 Where the employing unit, in violation of the conditions specified in this Law, cancels labour contracts or intentionally delays the conclusion of labour contracts, the administrative department of labour shall order it to make corrections; where any damage has been caused to labourers, the employing unit shall be liable for compensation according to law.

Article 99 Where an employing unit recruits labourers whose labour contracts have not yet been cancelled, thus causing economic losses to the former employing unit of such labourers, the employing unit shall assume joint liabilities for compensation according to law.

Article 100 Where the employing unit fails to pay social insurance premiums without reason, the administrative department of labour shall order it to pay within a fixed period. Where the unit still fails to make the payment at the expiration of the time limit, an overdue fine may be demanded.

Article 101 Where the employing unit unjustifiably obstructs the administrative department of labour and other relevant departments as well as their functionaries from exercising the powers of supervision and inspection or retaliates against informers, the administrative department of labour or other relevant departments shall impose a fine upon the unit. Where the case constitutes a crime, persons who are held responsible shall be investigated for criminal responsibility according to law.

Article 102 Where labourers cancel labour contracts in violation of the conditions specified in this Law or violate terms on secret-keeping matters agreed upon in the labour contracts, thus causing economic losses to the employing unit, such labourers shall be liable for compensation in accordance with the law.

Article 103 Where functionaries of the administrative department of labour or other relevant departments abuse their functions and powers, neglect their duties, and engage in malpractices for selfish ends, where the case constitutes a crime, they shall be investigated for criminal responsibility according to law; if the case does not constitute a crime, they shall be given administrative sanctions.

Article 104 Where functionaries of the State or personnel of the agencies in charge of social insurance funds misappropriate the social insurance funds, where the case constitutes a crime, they shall be investigated for criminal responsibility according to law.

Article 105 With respect to infringement of the legitimate rights and interests of labourers committed in violation of the provisions of this Law, where punishments are provided by other laws or administrative rules and regulations, the provisions thereon in such laws or administrative rules and regulations shall apply.

Chapter XIII

Supplementary Provisions

Article 106 People's governments of provinces, autonomous regions or municipalities directly under the Central Government shall, according to this Law and in light of their local conditions, work out the implementing measures for the system of labour contract and report them to the State Council for the record.

Article 107 This Law shall go into effect as of January 1, 1995.