

## 1994 China Labor Law

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### CHAPTER I. GENERAL PROVISIONS

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

Section 2. This Law applies to all enterprises and individual economic organizations (hereafter referred to as employing units) within the boundary of the People's Republic of China, and labourers who form a labour relationship therewith.

State organs, institutional organizations and societies as well as labourers who form a labour contract relationship therewith shall follow this Law.

Section 3. Labourers shall have the right to be employed on an equal basis, choose occupations, obtain remuneration for their labour, take rest, have holidays and leaves, obtain protection of occupational safety and health, receive training in vocational skills, enjoy social insurance and welfare, and submit applications for settlement of labour disputes, and other rights relating to labour as stipulated by law.

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

Section 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 fulfil labour obligations.

Section 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.

Section 6. The State shall advocate the participation of labourers in social voluntary labour and the development of their labour competitions and activities of forwarding rational proposals, encourage and protect the scientific research and technical renovation engaged by labourers, as well as their inventions and creations; and commend and award labour models and advanced workers.

Section 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 conduct their activities in accordance with the law.

Section 8. Labourers shall, through the assembly of staff and workers or their congress, or other forms in accordance with the provisions of laws, rules and regulations, take part in democratic management or consult with the employing units on an equal footing about protection of the legitimate rights and interests of labourers.

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

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

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## CHAPTER II. PROMOTION OF EMPLOYMENT

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

The State shall encourage enterprises, institutional organizations, and societies to initiate industries or expand businesses for the increase of employment within the scope of the stipulation of laws, and administrative rules and regulations.

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

Section 11. Local people's governments in various levels shall take measures to develop various kinds of job-introduction agencies and provide employment services.

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

Section 13. Females shall enjoy equal rights as males in employment. It shall not be allowed, in the recruitment of staff and workers, to use sex as a pretext for excluding females from employment or to raise recruitment standards for the females, except for the types of work or posts that are not suitable for females as stipulated by the State.

Section 14. Where there are special stipulations in laws, rules and regulations on the employment of the disabled, the personnel of national minorities, and demobilized army men, such special stipulations shall apply.

Section 15. No employing units shall be allowed to recruit juveniles under the age of 16.

Units of literature and art, physical culture and sport, and special arts and crafts that need to recruit juveniles under the age of 16 must go through the formalities of examination and approval according to the relevant provisions of the State and guarantee their right to compulsory education.

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### CHAPTER III. EMPLOYMENT CONTRACTS AND COLLECTIVE AGREEMENTS

Section 16. A labour contract is the agreement reached between a labourer and an employing unit for the establishment of the labour relationship and the definition of the rights, interests and obligations of each party.

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

Section 17. Conclusion and modification of a labour contract shall follow the principles of equality, voluntariness and unanimity 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 possess legal binding force. The parties involved must fulfil the obligations stipulated in the labour contract.

Section 18. The following labour contracts shall be invalid:

- (1) labour contracts concluded in violation of laws, administrative rules and regulations; and
- (2) labour contracts concluded by resorting to such measures as cheating and intimidation.

An invalid labour contract shall have no legal binding force from the very beginning 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.

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

- (1) term of labour contract;
- (2) contracts of work;
- (3) labour protection and working conditions;
- (4) labour remuneration;
- (5) labour disciplines;
- (6) conditions for the termination of a labour contract; and
- (7) responsibility for the violation of a labour contract.

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

Section 20. The term of a labour contract shall be divided into fixed term, flexible term or taking the completion of a specific amount of work as a term.

In case a labourer has kept working in a same employing unit for ten years or more and the parties involved agree to extend the term of the labour contract, a labour contract with a flexible term shall be concluded between them if the labourer so requested.

Section 21. A probation period may be agreed upon in a labour contract. The longest probation period shall not exceed six months.

Section 22. The parties involved in a labour contract may reach an agreement in their labour contract on matters concerning keeping the commercial secrets of the employing unit.

Section 23. A labour contract shall terminate upon the expiration of its term or the emergence of the conditions for the termination of the labour contract as agreed upon by the parties involved.

Section 24. A labour contract may be revoked upon agreement reached between the parties involved through consultation.

Section 25. The employing unit may revoke the labour contract with a labourer 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 labour disciplines or the 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; and
- (4) to be investigated for criminal responsibilities in accordance with the law.

Section 26. In any of the following circumstances, the employing unit may revoke a labour contract but a written notification shall be given to the labourer 30 days in advance;

- (1) where a labourer 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 at work;

- (2) when a labourer is unqualified for his work and remains unqualified even after receiving a training or an adjustment to any other work post; and

- (3) no agreement on modification of the labour contract can be reached through consultation by the parties involved when the objective conditions taken as the basis for the conclusion of the contract have greatly changed so that the original labour contract can no longer be carried out.

Section 27. During the period of statutory consolidation when the employing unit comes to the brink of bankruptcy or runs into difficulties in production and management, and if reduction of its personnel becomes really necessary, the 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 reported to the labour administrative department.

Where the employing unit is to recruit personnel six months after the personnel reduction effected according to the stipulations of this section, the reduced personnel shall have the priority to be re-employed.

Section 28. The employing unit shall make economic compensations in accordance with the relevant provisions of the State if it revokes its labour contracts according to the stipulations in section 24, section 26 and section 27 of this Law.

Section 29. The employing unit shall not revoke its labour contract with a labourer in accordance with the stipulations in section 26 and section 27 of this Law in any of the following circumstances:

- (1) to be confirmed to have totally or partially lost the ability to work due to occupational diseases or injuries suffered at work;

- (2) to be receiving medical treatment for diseases or injuries within the prescribed period of time;

- (3) to be a female staff member or worker during pregnant, puerperal, or breast-feeding period; or

- (4) other circumstances stipulated by laws, administrative rules and regulations.

Section 30. The trade union of an employing unit shall have the right to air its opinions if it regards as inappropriate the revocation of a labour contract by the unit. If the employing unit violates laws, rules and regulations or labour contracts, the trade union shall have the right to request for reconsideration. Where the labourer applies for arbitration or brings in a lawsuit, the trade union shall render him support and assistance in accordance with the law.

Section 31. A labourer who intends to revoke his labour contract shall give a written notice to the employing unit 30 days in advance.

Section 32. A labourer may notify at any time the employing unit of his decision to revoke the labour contract in any of the following circumstances:

- (1) within the probation period;

- (2) where the employing unit forces the labourer to work by resorting to 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.

Section 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, 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 enterprise; in enterprise 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 enterprise.

Section 34. A collective contract shall be submitted to the labour administrative department after its conclusion. The collective contract shall go into effect automatically if no objections are raised by the labour administrative department within 15 days from the date of the receipt of a copy of the contract.

Section 35. Collective contracts concluded in accordance with the law shall have binding force to both the enterprise and all of its staff and workers. The standards on working conditions and labour payments agreed upon in labour contracts concluded between individual labourers and the enterprise shall not be lower than those as stipulated in collective contracts.

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#### CHAPTER IV. WORKING HOURS, REST AND VACATIONS

Section 36. The State shall practice a working hour system under which labourers shall work for no more than eight hours a day and or more than 44 hours a week on average.

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

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

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

Section 40. The employing unit shall arrange holidays for labourers in accordance with the law during the following festivals:

- (1) the New Year's Day;
- (2) the Spring Festival;
- (3) the International Labour Day;

- (4) the National Day; and
- (5) other holidays stipulated by laws and regulations.

Section 41. The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of labourers is guaranteed. However, the total extension in a month shall not exceed 36 hours.

Section 42. The extension of working hours shall not be subject to restriction of the provisions of section 41 of this Law under any of the following circumstances:

- (1) where emergent dealing is needed in the event of natural disaster, accident or other reason that threatens the life, health and the safety of property of labourers;
- (2) where prompt rush repair is needed in the event of breakdown of production equipment, transportation, lines or public facilities that affects production and public interests; and
- (3) other circumstances as stipulated by laws, administrative rules and regulations.

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

Section 44. The employing unit shall, according to the following standards, pay labourers remunerations higher than those for normal working hours under any of the following circumstances;

- (1) to pay no less than 150 per cent of the normal wages if the extension of working hours is arranged;
- (2) to pay no less than 200 per cent of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; and
- (3) to pay no less than 300 per cent of the normal wages if the extended hours are arranged on statutory holidays.

Section 45. The State shall practice a system of annual vacation with pay.

Labourers who have kept working for one year and more shall be entitled to annual vacation with pay. The concrete measures shall be formulated by the State Council.

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## CHAPTER V. WAGES

Section 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-regulations and control over the total wages.

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

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

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

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

- (1) the lowest living expenses of labourers themselves and the average family members they support;
- (2) the average wage level of the society as a whole;
- (3) labour productivity;
- (4) the situation of employment; and
- (5) the different levels of economic development between regions.

Section 50. Wages shall be paid monthly to labourers themselves in form of currency. The wages paid to labourers shall not be deducted or delayed without justification.

Section 51. The employing unit shall pay wages to labourers who observe statutory holidays, take leaves during the periods of marriage or funeral, or participate in social activities in accordance with the law.

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## CHAPTER VI. OCCUPATIONAL SAFETY AND HEALTH

Section 52. The employing unit must establish and perfect the system for occupational safety and health, strictly implement the rules and standards of the State on occupational safety and health, educate labourers on occupational safety and health, prevent accidents in the process of work, and reduce occupational hazards.

Section 53. Facilities of occupational safety and health must meet the standards stipulated by the State.

Facilities of occupational safety and health installed in new projects and projects to be rebuilt or expanded must be designed, constructed and put into operation and use at the same time as the main projects.

Section 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.

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

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

Labourers shall have the right to refuse to operate if the management personnel of the employing unit command the operation in violation of rules and regulations or force labourers to run risks in operation; labourers shall have the right to criticize, report or file charges against the acts endangering the safety of their life and health.

Section 57. The State shall establish a system for the statistics, reports and dispositions of accidents of injuries and deaths, and cases of occupational diseases. The labour administrative departments and other relevant departments of the people's governments at or above the county level and the employing unit shall, according to law, compile statistics, report and dispose of accidents of injuries and deaths that occurred in the process of their work and cases of occupational diseases.

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## CHAPTER VII. SPECIAL PROTECTION FOR FEMALE AND JUVENILE WORKERS

Section 58. The State shall provide female workers and juvenile workers with special protection.

"Juvenile workers" hereby refer to labourers at the age of 16 but not 18 yet.

Section 59. It is prohibited to arrange female workers to engage in work down the pit of mines, or work with Grade IV physical labour intensity as stipulated by the State, or other work that female workers should avoid.

Section 60. Female workers during their menstrual period shall not be arranged to engage in work high above the ground, under low temperature, or in cold water or work with Grade III physical labour intensity as stipulated by the State.

Section 61. Female workers during their pregnancy shall not be arranged to engage in work with Grade III physical labour intensity as stipulated by the State or other work that they should avoid in pregnancy. Female workers pregnant for seven months or more shall not be arranged to extend their working hours or to work night shifts.

Section 62. After childbirth, female workers shall be entitled to no less than 90 days of maternity leaves with pay.

Section 63. Female workers during the period of breast-feeding their babies less than one year old shall not be arranged to engage in work with Grade III physical labour intensity as stipulated by the State or other labour that they should avoid during their breast-feeding period, or to extend their working hours or to work night shifts.

Section 64. No juvenile workers shall be arranged to engage in work down the pit of mines, work that is poisonous or harmful, work with Grade IV physical labour intensity as stipulated by the State, or other work that they should avoid.

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

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## CHAPTER VIII. VOCATIONAL TRAINING

Section 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.

Section 67. People's governments at various levels shall incorporate the development of vocational training in the plans of social and economic development, encourage and support all enterprises, institutional organizations, societies and individuals, where conditions permit, to sponsor all kinds of vocational training.

Section 68. The employing unit shall establish a system for vocational training, raise and use funds for vocational training 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 situation of the unit.

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

Section 69. The State shall determine occupational classification, set up professional skill standards for the occupations classified, and practise a system of vocational qualification certificates. Examination and verification organizations authorized by the Government are in charge of the examination and verification of the professional skills of labourers.

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## CHAPTER IX. SOCIAL INSURANCE AND WELFARE

Section 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 bearing.

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

Section 72. The sources of social insurance funds shall be determined according to the categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and labourers must participate in social insurance and pay social insurance premiums in accordance with the law.

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

- (1) retirement;
- (2) illness or injury;
- (3) disability caused by work-related injury or occupational disease;

- (4) unemployment; and
- (5) child bearing.

The survivors of the insured labourers shall be entitled to subsidies for survivors in accordance with the law.

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

The social insurance amount that labourers are entitled to must be timely paid in full.

Section 74. The agencies in charge of social insurance funds shall collect, expend, manage and operate the funds in accordance with the stipulations of laws, and assume the responsibility to maintain and raise the value of those 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 function of the agencies in charge of social insurance funds and the supervisory organizations of social insurance funds shall be stipulated by laws.

No organization or individual shall be allowed to misappropriate social insurance funds.

Section 75. The State shall encourage the employing unit to up supplementary insurance for labourers according to its practical situations.

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

Section 76. The State shall develop social welfare undertakings, construct public welfare facilities, and provide labourers with conditions for taking rest, recuperation and rehabilitation.

The employing unit shall create conditions so as to improve collective welfare and raise welfare treatment of labourers.

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## CHAPTER X. LABOUR DISPUTES

Section 77. Where a labour dispute between the employing unit and labourers takes place, the parties concerned 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 apply to the procedures of arbitration and lawsuit.

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

Section 79. Where a labour dispute takes place, the parties involved may apply to the labour dispute mediation committee of their unit for mediation; if the mediation falls and one of the parties requests for arbitration, that party may apply to the labour dispute arbitration committee for

arbitration. If one of the parties is not satisfied with the adjudication of arbitration, the party may bring the case to a people's court.

Section 80. A labour dispute mediation committee may be established inside the employing unit. The committee shall be composed of representatives of the staff and workers, representatives of the employing unit, and representatives of the trade union. The chairman of the committee shall be held by a representative of the trade union.

Agreements reached on labour disputes through mediation shall be implemented by the parties involved.

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

Section 82. The party that requests for arbitration shall file a written application to a labour dispute arbitration committee within 60 days starting from the date of the occurrence of a labour dispute. The arbitration committee may generally make an adjudication within 60 days from the date of receiving the application. The parties involved must implement the adjudication if no objections are raised.

Section 83. Where a party involved in a labour dispute is not satisfied with the adjudication, the party may bring a lawsuit to a people's court within 15 days from the date of receiving the ruling of arbitration. Where one of the parties involved neither brings a lawsuit nor implements the adjudication of arbitration within the statutory time limit, the other party may apply to a people's court for compulsory implementation.

Section 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 labour administrative department of the local people's government may organize the relevant departments to handle the case in coordination.

Where a dispute arises from the implementation of a collective contract and no settlement can be reached through consultation by the parties concerned, the dispute may be submitted to the labour dispute arbitration committee for arbitration. Any party that is not satisfied with the adjudication of arbitration may bring a lawsuit to a people's court within 15 days from the date of receiving the adjudication.

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## CHAPTER XI. SUPERVISION AND INSPECTION

Section 85. The labour administrative departments of 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.

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

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

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

Section 88. Trade union 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 in violation of laws, rules and regulations on labour.

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## CHAPTER XII. LEGAL RESPONSIBILITY

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

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

Section 91. Where an employing unit infringes in any of the following ways the legitimate rights and interests of labourers, the labour administrative department shall order it to pay labourers remuneration or to make up for economic losses, and may also order it to pay compensations:

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

Section 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 labour administrative department or other relevant departments shall order it to make corrections, and may impose a fine. If circumstances are serious, the above said departments shall apply to a people's government at or above the county level for a decision to order the unit to stop production for consolidation. If the unit fails to take measures against potential accident which later leads to the occurrence of a serious accident and the losses of labourers' lives and properties, criminal responsibilities shall be investigated against the persons in charge mutatis mutandis the stipulations of section 187 of the Criminal Law.

Section 93. Where an employing unit forces labourers to operate with risks in violation of the rules and regulations, causing thus major accident of injuries and deaths, and serious consequences, criminal responsibilities of the person in charge shall be investigated according to law.

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

Section 95. Where an employing unit encroaches upon the legitimate rights and interests of female and juvenile workers in violation of the stipulations of this Law on their protection, the labour administrative department shall order it to make corrections, and impose a fine. If harms to female and juvenile workers have been caused, the unit shall assume the responsibility for compensations.

Section 96. Where an employing unit commits one of the following acts, the person in charge shall be taken by a public security organ into custody for 15 days or less, or fined, or given a warning; and criminal responsibilities shall be investigated against the person in charge according to law if the act constitutes a crime:

- (1) to force labourers to work by resorting to violence, intimidation or illegal restriction of personal freedom; or
- (2) humiliating, giving corporal punishment, beating, illegally searching or detaining labourers.

Section 97. The employing unit shall bear the responsibility for compensation if the conclusion of any invalid contracts is attributed to the unit and have caused damages to labourers.

Section 98. The employing unit that revokes labour contracts or purposely delays the conclusion of labour contracts in violation of the conditions specified in this Law shall be ordered by the labour administrative department to make corrections and shall bear the responsibility for compensation if damages have been caused to labourers.

Section 99. The employing unit that recruits labourers whose labour contracts have not yet been revoked shall, according to law, assume joint responsibility for compensation if economic losses have been caused to the original employing unit of the labourers.

Section 100. The employing unit that fails to pay social insurance premium without reason shall be ordered by the labour administrative department to pay within fixed period of time. If the unit still fails to make the payment beyond the time limit, an additional arrear payment may be demanded.

Section 101. Where an employing unit unjustifiably obstructs the labour administrative department and other relevant departments as well as their functionaries from exercising the powers of supervision and inspection or retaliates informers, the labour administrative department or other relevant departments shall impose fines upon the unit. If a crime is constituted, the person in charge shall be investigated for criminal responsibilities according to law.

Section 102. Labourers who revoke labour contracts in violation of the conditions specified in this Law or violate terms on secret-keeping matters agreed upon in the labour contracts and thus have caused economic losses to the employing unit shall be liable for compensation in accordance with the law.

Section 103. The functionaries of the labour administrative department or other relevant

departments who abuse their functions and powers, neglect their duties, and engage in malpractices for selfish ends, shall be investigated for criminal responsibilities according to law if a crime is constituted, or shall be given an administrative sanction if the offenses do not yet constitute a crime.

Section 104. The functionaries of the State or the agencies in charge of social insurance funds who misappropriate the social insurance funds, shall be investigated for criminal responsibilities according to law if a crime is constituted.

Section 105. Where other laws or administrative rules and regulations have already specified punishments for the encroachment of the legitimate rights and interests of labourers that also violate the stipulations of this Law, punishments shall be given in accordance with the stipulations of those laws or administrative rules and regulations.

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### CHAPTER XIII. SUPPLEMENTARY PROVISIONS

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

Section 107. This Law shall become effective as of 1 January 1995.