

Labour Law of The People's Republic of China

Order of the President of the People's Republic of China
No.28

The Labour Law of the People's Republic of China which has been adopted at the Eighth Meeting of the Standing Committee of the Eighth National People's Congress on July 5, 1994 is promulgated now, and shall enter into force as of January 1, 1995.

President of the People's Republic of China: Jiang Zemin
July 5, 1994

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 laborers, readjust labor relationship, establish and safeguard a labor system suited to the socialist market economy, and promote economic development and social progress.

Article 2 This Law applies to all enterprises and individual economic organizations (hereinafter referred to as employing units) within the boundary of the People's Republic of China and laborers who form a labor relationship therewith.
State organs, institutional organizations and societies as well as laborers who form a labor contract relationship therewith shall follow this Law.

Article 3 Laborers shall have the right to be employed on an equal basis, choose occupations, obtain remuneration for their labor, 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 labor disputes, and other rights relating to labor as stipulated by law.
Laborers shall fulfill their labor tasks, improve their vocational skills, follow rules on occupational safety and health, and observe labor 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 laborers enjoy the right to work and fulfill labor obligations.

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

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

Article 7 Laborers 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 laborers, and independently conduct their activities in accordance with the law.

Article 8 Laborers 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 laborers.

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

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

Chapter II Promotion of Employment

Article 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 stipulations of laws, and administrative rules and regulations.

The State shall support laborers to get jobs 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 to develop various kinds of job-introduction agencies and provide employment services.

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

Article 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.

Article 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.

Article 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.

Chapter III Labor Contracts and Collective Contracts

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

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

Article 17 Conclusion and modification of a labor 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 labor contract once concluded in accordance with the law shall possess legal binding force. The parties involved must fulfill the obligations as stipulated in the labor contract.

Article 18 The following labor contracts shall be invalid:

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

An invalid labor contract shall have no legal binding force from the very beginning of its conclusion. Where a part of a labor 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 labor contract shall be confirmed by a labor dispute arbitration committee or a people's court.

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

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

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

Article 20 The term of a labor 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 laborer has kept working in a same employing unit for ten years or more and the parties involved agree to extend the term of the labor contract, a labor contract with a flexible term shall be concluded between them if the laborer so requested.

Article 21 A probation period may be agreed upon in a labor contract. The longest probation

period shall not exceed six months.

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

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

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

Article 25 The employing unit may revoke the labor contract with a laborer 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 labor 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.

Article 26 In any of the following circumstances, the employing unit may revoke a labor contract but a written notification shall be given to the laborer 30 days in advance:

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

Article 27 During the period of statutory consolidation when the employing unit comes to the brink of bankruptcy or runs deep 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 labor administrative department.

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

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

Article 29 The employing unit shall not revoke its labor contract with a laborer in accordance with

the stipulations in Article 26 and Article 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 from 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.

Article 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 labor contract by the unit. If the employing unit violates laws, rules and regulations or labor contracts, the trade union shall have the right to request for reconsideration. Where the laborer applies for arbitration or brings in a lawsuit, the trade union shall render him support and assistance in accordance with the law.

Article 31 A laborer who intends to revoke his labor contract shall give a written notice to the employing unit 30 days in advance.

Article 32 A laborer may notify at any time the employing unit of his decision to revoke the labor contract in any of the following circumstances:

- (1) within the probation period;
- (2) where the employing unit forces the laborer 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 labor remuneration or to provide working conditions as agreed upon in the labor 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 labor remuneration, working hours, rest and vacations, occupational safety and health, and insurance and welfare. The draft collective contract shall be submitted to the congress of the staff and workers or to all the staff and workers for discussion and adoption.

A collective contract shall be concluded by the trade union on behalf of the staff and workers with the enterprise; in an 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.

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

Article 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 labor payments agreed upon in labor contracts concluded between individual laborers and the enterprise shall not be lower than those as stipulated in collective contracts.

Chapter IV Working Hours, Rest and Vacations

Article 36 The State shall practise a working hour system under which laborers 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 laborers 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 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 its special production nature, it may adopt other rules on working hours and rest with the approval of the labor administrative department.

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

- (1) the New Year's Day;
- (2) the Spring Festival;
- (3) the International Labor Day;
- (4) the National Day; and
- (5) other holidays stipulated by laws, rules and regulations.

Article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, 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 laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.

Article 42 The extension of working hours shall not be subject to restriction of the provisions of Article 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 laborers;
- (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.

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

Article 44 The employing unit shall, according to the following standards, pay laborers 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.

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

Laborers 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.

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-regulations and control over the total payroll.

Article 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.

Article 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 laborers by the employing unit shall not be lower than the local standards on minimum wages.

Article 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 laborers themselves and the average family members they support;
- (2) the average wage level of the society as a whole;
- (3) labor productivity;
- (4) the situation of employment; and
- (5) the different levels of economic development between regions.

Article 50 Wages shall be paid monthly to laborers themselves in cash. The wages paid to laborers shall not be deducted or delayed without justification.

Article 51 The employing unit shall pay wages according to law to laborers who observe statutory holidays, take leaves during the periods of marriage or funeral, or 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 for occupational safety and health, strictly implement the rules and standards of the State on occupational safety and health, educate laborers on occupational safety and health, prevent accidents in the process of work, and reduce occupational hazards.

Article 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.

Article 54 The employing unit must provide laborers with occupational safety and health conditions conforming to the provisions of the State and necessary Articles of labor protection, and provide regular health examination for laborers engaged in work with occupational hazards.

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

Article 56 Laborers must strictly abide by rules of safe operation in the process of their work. Laborers 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 laborers to run risks in operation; laborers shall have the right to criticize, report or file charges against the acts endangering the safety of their life and health.

Article 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 labor 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.

Chapter VII Special Protection for Female and Juvenile Workers

Article 58 The State shall provide female workers and juvenile workers with special protection. "Juvenile workers" hereby refer to laborers at the age of 16 but not 18 yet.

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

Article 60 Female workers during their menstrual periods 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

labor intensity as stipulated by the State.

Article 61 Female workers during their pregnancy shall not be arranged to engage in work with Grade III physical labor 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.

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

Article 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 labor intensity as stipulated by the State or other labor that they should avoid during their breast-feeding period, or to extend their working hours or to work night shifts.

Article 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 labor intensity as stipulated by the State, or other work that they should avoid.

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 laborers, 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 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.

Article 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 laborers with vocational training in a planned way and in the light of the actual situation of the unit. Laborers to be engaged in technical work must receive pre-job training before taking up their posts.

Article 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 laborers.

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 laborers may receive assistance and compensations under such circumstances as old age, illness, work-related injury, unemployment and child-bearing.

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 categories of insurance, and an overall pooling of insurance funds from the society shall be introduced step by step. The employing unit and laborers must participate in social insurance and pay social insurance premiums in accordance with the law.

Article 73 Laborers 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 laborers shall be entitled to subsidies for survivors in accordance with the law.

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

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

Article 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 these 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.

Article 75 The State shall encourage the employing unit to set up supplementary insurance for laborers according to its practical situations.

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

Article 76 The State shall develop social welfare undertakings, construct public welfare facilities, and provide laborers 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 laborers.

Chapter X Labor Disputes

Article 77 Where a labor dispute between the employing unit and laborers 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.

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

Article 79 Where a labor dispute takes place, the parties involved may apply to the labor dispute mediation committee of their unit for mediation; if the mediation fails and one of the parties requests for arbitration, that party may apply to the labor dispute arbitration committee for arbitration. Either party may also directly apply to the labor 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.

Article 80 A labor 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 labor disputes through mediation shall be implemented by the parties involved.

Article 81 A labor dispute arbitration committee shall be composed of representatives of the labor 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 labor administrative department.

Article 82 The party that requests for arbitration shall file a written application to a labor dispute arbitration committee within 60 days starting from the date of the occurrence of a labor 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.

Article 83 Where a party involved in a labor 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.

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 labor 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 labor 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.

Chapter XI Supervision and Inspection

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

Article 86 The inspectors from the labor 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 labor, examine necessary data and inspect labor sites.

The inspectors from the labor 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.

Article 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 labor by the employing units.

Article 88 Trade unions at various levels shall, in accordance with the law, safeguard the legitimate rights and interests of laborers, and supervise the implementation of laws, rules and regulations on labor 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 labor.

Chapter XII Legal Responsibility

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

Article 90 Where the employing unit extends working hours of laborers in violation of the stipulations of this Law, the labor administrative department shall give it a warning, order it to

make corrections, and may impose a fine.

Article 91 Where an employing unit infringes in any of the following ways the legitimate rights and interests of laborers, the labor administrative department shall order it to pay laborers 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 laborers without reason;
- (2) to refuse to pay laborers remuneration for the extended working hours;
- (3) to pay laborers wages below the local standard on minimum wages; or
- (4) to fail to provide laborers with economic compensations in accordance with the provisions of this Law after revocation of labor 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 laborers with necessary labor protection Articles and labor protection facilities the labor 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 laborers' lives and properties, criminal responsibilities shall be investigated against the persons in charge mutatis mutandis the stipulations of Article 187 of the Criminal Law.

Article 93 Where an employing unit forces laborers 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.

Article 94 Where an employing unit illegally recruits juveniles under the age of 16, the labor 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.

Article 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 labor 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.

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

Article 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 laborers.

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

Article 99 The employing unit that recruits laborers whose labor 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 laborers.

Article 100 The employing unit that fails to pay social insurance premium without reason shall be ordered by the labor 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.

Article 101 Where an employing unit unjustifiably obstructs the labor administrative department and other relevant departments as well as their functionaries from exercising the powers of supervision and inspection or retaliates informers, the labor 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.

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

Article 103 The functionaries of the labor 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.

Article 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.

Article 105 Where other laws or administrative rules and regulations have already specified punishments for the encroachment of the legitimate rights and interests of laborers 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.

Chapter XIII Supplementary Provisions

Article 106 People's governments of provinces, autonomous regions and municipalities directly

under the Central Government shall work out the implementing measures for the labor contract system according to this Law and in light of their local conditions, and report the measures to the State Council for the record.

Article 107 This Law shall enter into force as of January 1,1995.