

Things expats should know before signing Labor Contracts in China

When planning to work in China, a very important step to consider and go through carefully is the Labor Contract you sign in the beginning. You want to be sure you're familiar with the related laws to termination, extensions, and the responsibility for possible damages. This will ensure you are prepared to handle the situations that may arise due to legal or illegal activity related to your Contract.

Under *the Administrative Provisions on Employment of Foreigners in China*, only the working hours, rest and off days, work safety and occupational health, and social security for foreigners employed in China shall comply with the relevant provisions of the State. That means in addition to this, the two parties can agree upon compensation, damages, rescission and termination of the labor contract, etc.

Here are some common Q&A:

Q1: Does the employer have to sign a non-fixed-term labor contract with me if I have concluded 2 consecutive fixed-term labor contracts with the same employer?

A1: No.

Q2: When the company illegally terminates the labor contract, can I ask for the damages?

A2: Unless it is agreed in the labor contract, otherwise no.

Q3: My labor contract concludes a resignation damages article, is it legal?

A3: For Chinese employees, other than 1) period of service damage or 2) non-competition restrictive damage, the employer shall not let the employees pay any other kinds of damages, including confidentiality obligation damages, even if the employee is at fault.

But such an article does NOT apply to ex-pats. As long as the two parties reach an agreement, such damages can be concluded.