

COVID-19 and Labour Regulations

China – Llinks Law offices

Overview

The COVID-19 outbreak in China happened in late January during the national Spring Festival holiday. To avoid further spread of the virus, the public holiday was extended and some other restrictions were implemented on a national level; local governments also have tailored measures implemented at a local level depending on different cities' public healthcare status.

1. Working hours

- **Holiday:** the Spring Festival holiday was extended on a national level for three days. Employees who cannot take their holiday during the three days are entitled to statutory OT salary on public holidays, which is three times (inclusive) their base salary.
- **Remote working:** Employers were not free from their obligation to pay statutory salary when their employees cannot go back to the office to work. Employers and employees were at liberty to decide whether they will adopt remote working mode. For employees working remotely, they should be paid as normal; for those who are not working due to lockdown measures, the rule for Beijing is that employers should pay full salary for the first month, and reach an agreement with the affected employee for the amount payable, but no less than statutory minimum pay.
- **Probation period:** for those who are halfway through their probation period and are interrupted by COVID-19, they can ask for a suspension of the probation period and continue after the pause.

2. Health and safety

Non-medical and non-healthcare industry employers were encouraged to provide PPE and healthcare guidance to employees at work.

3. Termination

Employees affected by COVID-19: that an employee being in quarantine or being in hospital for COVID-19 treatment/testing is not a reason for

termination of his/her employment contract. The employer should still pay his/her salary during this period and if the employment contract end date falls into this period, it should be postponed until the end of the period.

4. Injury/disease at work

If an employee catches COVID-19 when performing his/her job duty, general rules of work injury apply.

5. Medical insurance

Employers were allowed a 5-month period to only pay half the amount of medical insurance for their employees.

6. Dispute resolution

Suspension of proceedings: if a party is affected by the COVID-19 and cannot proceed within statutory time bar in court/arbitration proceedings, they can apply for a suspension (subject to the courts' discretion after considering the evidence).

7. Expats in China

In September, Shanghai updated its regulations for foreign expats returning to China, shortening the processing time for their work permit, relaxing salary benchmark requirements and allowing e-signature for employment contract termination. The effective period of this update extends beyond COVID-19 period and is now in place to regulate all expats in Shanghai.

8. Employee Sharing

A typical situation of employers helping each other by “employee sharing”: during lockdown in China, the online grocery store Hema Fresh owned by Alibaba saw a surge in grocery delivery orders. To help ease the burden, they “borrowed” some staff on a temporary basis from restaurants and cinemas which were forced to shut down. On this occasion, the employment relationship remains under the original employers, and both companies can discuss about their employer obligations distribution.

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