

10 GOLDEN HR RULES TO SAVE YOU LEGAL TROUBLE IN CHINA

Chinese labor laws can be confusing for foreign employers. On top of language barriers and cultural gaps, the frequently changed regulations make it more difficult for foreign employers to deal with the matter effectively.

Here are 10 golden rules that are worth remembering, especially now, when the enforcement and supervision are tightened:



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- 1 Do not employ illegally by any means!**
Make sure that all employees, including part-time employees, have a written, up-to-date valid labor contract.
- 2 Sign agreements with an end date.**
It will allow you to terminate the employment more easily, simply by not renewing the contract. However, severance payment is still required.
- 3 Update workers' employment status on time.**
Remember to either terminate or renew a labor contract before it expires in order to avoid imposition of sanctions and prevent a situation in which employees exploit the opportunity.
- 4 Localize each and every labor contract.**
Bear in mind that labor laws vary between provinces, therefore contracts must adhere to local regulations.
- 5 Protect your IP.**
Add a non-compete clause to the contract or sign a confidentiality agreement, in the case of hiring employees who are exposed to sensitive information.
- 6 Have your employees sign an Employee Handbook.**
Craft an article of association in order to define specific regulations and complement the array of duties and rights of the employees and the employer.
- 7 Keep proper records.**
Record each employee's leave days, sick leave and time of arrival and departure to and from work. Keep written records of every HR related issue that could support your case in the future.
- 8 Conduct periodic internal operational audits.**
To be sure that all your employment procedures and documents are properly formulated and comply with both national and local regulations.
- 9 Keep up-to-date with labor laws amendments.**
It could save you money! For example, in the second half of 2019, some labor laws were updated for the benefit of employers, including a 4% reduction in pension provisions.
- 10 Do not make decisions alone!**
Especially those regarding termination of employment. Consult a professional team, who will assist, and back you up.