

# PRC Labour Law - Bitesize



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## **What is a wage collective consultation?**

A “wage collective consultation” is the process relating to the collective negotiation of issues relating to wages. This may include internal wage allocation methods, wage increases, and also the means of payment of wages between employer and employees.

## **How is a wage collective consultation process usually initiated?**

Either the employer or the employees can initiate the process by giving written notice to the other. The written notice should include details such as the time, venue and main topics for the intended consultation.

## **What must the recipient of the written notice do?**

The recipient must respond to the notice within a specified time frame after twenty days of receipt. The period of time for responding may vary depending on local legislation. For example, in Guangdong province, the party receiving the notice must respond within 15 days, whereas in Tianjin, the period is five days. The request to negotiate cannot be rejected without proper reason.

## **Who should participate in the wage collective consultation?**

Each party to the consultation must be represented by its wage consultation representatives. The consultation representative for the “employee party” is determined by the trade union (or, if there is no trade union, the democratic recommendations as agreed by one-half of the staff in that business unit). The employer is free to select its own consultation representative. The number of representatives on each side must be equal and a chief representative must be identified.

## **Is it possible to select persons from outside the business unit to act as the consultation representative?**

Yes. Either side may select “professional personnel” to act as the consultation representatives. However, the number of such professional personnel may not exceed one-third of each side’s representatives, and no person from outside the business unit can act as the chief representative.

## **Are the employee representatives subject to any special legal protection?**

Yes. An employee who acts as an employee representative for wage collective consultation is entitled to have his or her contract extended to the completion of the negotiations should it expire during the negotiation. The representative is also entitled to full wages and benefits during the period of negotiation. However, there may be regional variations in the actual protection granted.

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