

PRC Labour Law - Bitesize



2 July 2010

Must a company continue to pay salary to an employee who can neither work nor be dismissed for his/her work-related injury? If so, how much must be paid?

During the period an employee receives medical treatment for his/her work-related injury and is unable to work, the company must pay him/her full salary. Such full-pay period is generally capped at 12 months, and may be extended for a maximum period of another 12 months if approved by the Local Labour Bureau.

During the full-pay period, the company and/or employee must have the employee's disability degree certified, so as to confirm whether and how much salary should be paid to such employee (see details in the table below).

Degree of Disability		Salary/Disability Allowance	Borne by
Degree 1	The employee does not need to work and maintain his/her employment with the company	90%× CB	Foundation. If the company has not paid work-related injury insurance contributions for the employee, such amount will be borne by the company
Degree 2		85%× CB	
Degree 3		80%× CB	
Degree 4		75%× CB	
Degree 5	The company will provide work position suitable to the employee and pay salary to him/her accordingly. If no work can be arranged, the company will pay disability allowance to such employee on a monthly basis as mentioned in the right column	70%× CB	Company
Degree 6		60%× CB	
Degree 7	The employee goes back to work subject to the advice of the doctor, and is paid with his/her salary accordingly	Salary corresponding to his/her work	Company
Degree 8			
Degree 9			
Degree 10			

Note: CB above refers to the employee's average monthly salary of the last year, which is used as the contribution basis for calculating each employee's social insurance contributions each month. It is capped at 300% of the local employees' average monthly salary ("Local Average Monthly Salary") of last year. Currently in Shanghai, the Local Average Monthly Salary is RMB3,566, and the 300% cap is therefore RMB10,698. The reference to Foundation above is to the local work-related injury insurance foundation.

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