

LEGAL HOLIDAYS 2014 IN MAINLAND CHINA: IMPACT FOR COMPANIES

Accounting & Outsourcing newsletter - December 2013



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About Mazars

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In Greater China, Mazars has 600 highly-qualified professionals based in Beijing, Guangzhou, Hong Kong and Shanghai. They are fully committed to serving the growing and diversified needs of both Chinese companies and international firms.

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INTRODUCTION

In Mainland China, holidays are based on 7 main celebrations namely:

- New Year's Day
- Spring Festival
- Tomb Sweeping Festival
- Labor Day
- Dragon Boat Festival
- Mid-Autumn Festival
- National Day

On 11th December 2013, the State Council announced the public holiday arrangements for 2014 – which are “social” arrangements made in order to lengthen the number of consecutive days of holiday and allow the employees to return to their home city.

I.LEGAL HOLIDAYS CALENDAR 2014 IN MAINLAND CHINA

Companies are highly recommended to take into account the legal holidays (see below) when planning their activities. Please refer to the section “additional wage” below in case, the employer is not able to arrange the activities differently and requires the employees to work during public holiday.

January							February							March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4							1							1
5	6	7	8	9	10	11	2	3	4	5	6	7	8	2	3	4	5	6	7	8
12	13	14	15	16	17	18	9	10	11	12	13	14	15	9	10	11	12	13	14	15
19	20	21	22	23	24	25	16	17	18	19	20	21	22	16	17	18	19	20	21	22
26	27	28	29	30	31		23	24	25	26	27	28		23	24	25	26	27	28	29
														30	31					

April							May							June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
27	28	29	30				25	26	27	28	29	30	31	29	30					

July							August							September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5						1	2		1	2	3	4	5	6
6	7	8	9	10	11	12	3	4	5	6	7	8	9	7	8	9	10	11	12	13
13	14	15	16	17	18	19	10	11	12	13	14	15	16	14	15	16	17	18	19	20
20	21	22	23	24	25	26	17	18	19	20	21	22	23	21	22	23	24	25	26	27
27	28	29	30	31			24	25	26	27	28	29	30	28	29	30				
							31													

October							November							December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4							1		1	2	3	4	5	6
5	6	7	8	9	10	11	2	3	4	5	6	7	8	7	8	9	10	11	12	13
12	13	14	15	16	17	18	9	10	11	12	13	14	15	14	15	16	17	18	19	20
19	20	21	22	23	24	25	16	17	18	19	20	21	22	21	22	23	24	25	26	27
26	27	28	29	30	31		23	24	25	26	27	28	29	28	29	30	31			
							30													

 Public holidays

 Work days

II. DID YOU KNOW?

Paid leaves

Besides weekends and public holidays, employees are entitled to paid leaves. Annual paid leaves are based on the employee's total number of years of working experience:

Number of years of experience		Annual paid leave
From	To	Days
1	10	5
10	20	10
20+	-	15

Employers who cannot arrange for annual leave for employees due to job requirements will have to obtain the consent from each of the concerned employees. To compensate those employees, employers shall pay 300% of the daily wage income.

Term of contract

There are essentially 3 categories of contracts:

- **fixed-term** – termination date is defined and agreed by both parties;
- **open-end** – no termination date;
- **project-based** – termination is fixed by completion of project.

The employer is required to sign an open-end contract with the employee when one of the following criteria is met:

- the employee worked for the employer for 10 consecutive years;
- 2 fixed-term contracts are completed.

Additional wages

The employee will receive additional wages in the following cases:

- 150% of normal wage should the employee be required to work more than 8h a day (40h a week) during weekdays;
- 200% of normal wage should the employee be required to work during weekends and no rest is arranged;
- 300% of normal wage should the employee be required to work during public holidays.

Special working hour system may be put in place (e.g. flexible working hours) in order to cope with specific working situations but it needs to be approved by the relevant authorities.

For instance, under a flexible working hours system, employees are not subject to time limits (8h a day and 40h a week), and the employer is not obliged to remunerate overtime. Such flexible working hours system can only be put in place for certain categories of employees: i.e. management, salesmen, etc.

Probation period

Probation period is capped according to the term of contract, as follows:

Term of contract	Probation period
< 3 months	-
> 3 months and < 1 year	≤ 1 month
> 1 year and < 3 years	≤ 2 months
≥ 3 years	≤ 6 months

The probation period cannot be renewed. As a result, if an employer sign a 4-month contract and renew it, there will be only 1 month of probation.

During the probation period, either of the two parties can end the contract without prior notice. Under certain conditions, the employer can break the contract without compensation.

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