



China: Employers urged to share employees

By Jingting Zou, Fiona Webster and Stephanie Rosseau
27 Oct 2020

On 30 Sep 2020, China's Ministry of Human Resources and Social Security issued guidance that encourages employers with surplus employees to share them with employers requiring more staff. Employee sharing has recently been used by companies in response to the effects of COVID-19.

Highlights

- Employers should sign a cooperation agreement that includes the number of employees to be shared, working time, work location, work content, break time, labor protection conditions, remuneration, payment dates and method, meal and accommodation arrangements, the arrangements for returning workers, employer liability and compensation for work injuries, and transportation expenses.
- Employers with surplus employees should respect employees' opinions prior to arranging transfers under the scheme. The employer that needs more employees must provide accurate information about the job, pay, rules, and working conditions. Employees must not be assigned to work in other units under the employee-sharing arrangement.
- The duration of shared employment cannot exceed the period of service set out in the applicable employment contract signed by the employee and the employer.
- The labor relationship between the employer and the employee remains unchanged, with the original employer remaining responsible for wages; social insurance and other rights; and employee protection issues.
- The original employer is liable for work injuries arising under the scheme, but the employers can agree to a compensation method.

China: Employers urged to share employees

- Before the end of the shared employment period, the employee can opt to return to work with the original employer, or the sharing employer can return the employee. When the period of shared employment ends, the employee can return to the original employer, or can negotiate to continue working for the sharing employer, subject to the employer's agreement.

Related resource

- [Promote the 'sharing employee' employment form \(Chinese\)](#) (Ministry of Human Resources and Social Security of the People's Republic of China, 30 Sep 2020)

Note: Mercer is not engaged in the practice of law, accounting or medicine. Any commentary in this article does not constitute and is not a substitute for legal, tax or medical advice. Readers of this article should consult a legal, tax or medical expert for advice on those matters.