

China Releases Draft Interim Social Insurance Measures Covering Foreign Employees

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Earlier this week, the Chinese Ministry of Human Resources and Social Security released for public comment its draft Interim Measures for the Participation in Social Insurance of Foreigners Employed in China. The public comment process will close on June 17, 2011. This short deadline suggests that there will be few public comments, and hence, the draft may be final, or very close to final.

According to the draft Interim Measures, expatriates who are legally employed by enterprises, public institutions, social groups, privately owned non-enterprise units, foundations, law firms, and accounting firms in China are required to participate in basic pension and medical insurance, work-related injury insurance, unemployment insurance, and maternity insurance. Employers and expatriates should pay social insurance contributions in accordance with relevant regulations.

For expatriates who enter into employment contracts with employers outside of China and are then dispatched to work in branch or representative offices registered or recorded in China, both the expatriate and the branch or representative offices are required to pay the social insurance contributions in accordance with relevant regulations.

However, for expatriates who are nationals of countries that have entered into bilateral or multilateral treaties relating to social insurance with China, participation will be handled in accordance with such treaties. Currently only South Korea and Germany have such treaties with China.

Feel free to contact us if you have any questions.

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