

Regulations on the Composition of Gross Wages

The People's Republic of China

1.08.2002

Also available at: <http://www.stats.gov.cn/english/lawsandregulations>

(Ratified by the State Council on September 30th, 1989 and promulgated as the No. 1 Instruction of the National Bureau of Statistics on January 1st, 1990)

Chapter 1 General Rules

Article 1 The regulations are formulated in order to unify the coverage of gross wages, to guarantee unified statistical and fiscal accounting of wages by the state, to be in favor of compilation and examination of plans and wage administration and to reflect wage income of employees correctly.

Article 2 As to enterprises and institutions owned by the whole people or by collectives, different kinds of jointly-operated units and all levels of state organs, party organs and social organizations, these regulations must be observed for computation related to the scope of gross wages in planning, statistics and accounting.

Article 3 Gross wages refer to the total labor rewards paid directly to the total work force by each unit during a given period.

The computation of gross wages should be based on the total labor rewards paid directly to employees.

Chapter 2 The Composition of Gross Wages

Article 4 Gross wages are composed of the following six parts:

- (1) Hourly wages;
- (2) Piece wages;
- (3) Bonuses;
- (4) Allowances and subsidies;
- (5) Overtime wages;
- (6) Wages paid in particular cases.

Article 5 Hourly wages refers to labor rewards paid to individuals according to the time rate (regional subsistence allowance included) and working hours, which include:

- (1) Wages paid for finished works according to the time rate;
- (2) Basic wages and job (post) classification wages paid to employees by units that exercise the composite wage system;
- (3) The probation wages of employees who join work newly (living expenses of apprentices);
- (4) Physical allowances of athletes.

Article 6 Piece wages refer to labor rewards paid to finished works by the unit price of piecework, which include:

- (1) Wages paid to individuals by exercising excess progression piece-rate system, direct infinite piece-rate system, norm piece-rate system or over standard piece-rate system according to the ration and unit price of piecework approved by labor departments or competent authorities;
- (2) Wages paid to individuals in the way of assignments' contracts;
- (3) Wages paid to individuals in the way of turnover drawing or profit drawing.

Article 7 Bonuses refer to labor rewards paid to employees for their excess works or their increased profits and saved spending, which include:

- (1) Production awards;
- (2) Saving awards;
- (3) Labor emulation incentives;
- (4) Incentive wages of government units and institutions;
- (5) Other bonuses.

Article 8 Allowances and subsidies refer to allowances paid to employees to compensate their particular or extra labor expenditure or due to other specific reasons and price subsidies paid to employees to guarantee that their wage level is not affected by the general price.

- (1) Allowances that include allowances for compensating particular or extra labor expenditure, allowances for health protection, technical allowances, allowances as annual awards or other allowances.
- (2) Price subsidies that include different kinds of subsidies paid to guarantee that the wage level of employees is not affected by the inflation of prices or fluctuations.

Article 9 Overtime job wages refers to wages paid for extra works as required.

Article 10 Wages paid in particular cases, which include:

- (1) Wages paid in the light of the time rate or piece rate for reasons of sick leave, work injury leave, maternity leave, family planning leave, wedding leave, leave for arranging funeral, private affair leave, home leave, regular leave, out-of-service study, implementation of state or social duties according to regulations of the state laws, rules and policies;

(2) Supplementary wages and retained wages.

Chapter 3 Items not included in Gross Wages

Article 11 The following is not included in gross wages:

- (1) Invention-innovation awards, natural science awards, technological progress awards, rationalized proposal and technical advance awards and bonuses paid to athletes and coaches;
- (2) General expenses related to labor insurance and employees' benefits;
- (3) Expenditures related to the treatment of retired personnel;
- (4) Expenditures related to labor protection;
- (5) Copy money, lecture money and other specific business considerations;
- (6) Food allowances and food delay allowances on business trips, traveling expenses for work transfers and family steadied allowances;
- (7) Compensation cost paid for instrument or livestock brought by employees to enterprises;
- (8) Risk offsetting receipts of leaseholders of units that exercise business operations under lease;
- (9) Dividends (profit sharing of share capital) and interests paid to employees who purchase stocks or bonds of principal enterprises;
- (10) Medical allowances and living allowances paid by enterprises to employees under the system of labor contract when labor contracts are released;
- (11) Commission charges or overhead cost besides wages paid to units that offer work force as seasonal workers;
- (12) Processing charges paid to household workers and contract award expenses paid to contracting agencies according to the processing ordering method;
- (13) Allowances paid to students who take part in works in enterprises;
- (14) Single child allowances required by family planning.

Article 12 Items listed in the last article are accounted separately according to state regulations.

Chapter 4 Additional Rules

Article 13 Calculations related to the scope of gross wages of privately operated units, units operated by overseas Chinese or industrialists and businessmen from Hong Kong, Macao and Taiwan and units operated by foreign businessmen shall follow these regulations.

Article 14 These regulations shall be interpreted by the State Statistical Bureau.

Article 15 Regulations on specific scope of gross wages' compositions shall be established by each region and each department based on these regulations.

Article 16 These regulations go into effect since the date of issuance and the "Provisional Rules on Gross Wages Composition" issued by the State Council on May 21st, 1955 shall be abolished at the same time.