



# Accounting & Outsourcing Newsletter - **Legal holidays 2021 in Mainland China: Impact for Companies**

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## 01. Introduction

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

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

On 25th November 2020, the State Council announced the public holiday arrangements for 2021 – 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.

## 02. Legal holidays calendar 2021 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 holidays.

| January 2021 <sup>1</sup> |    |    |    |    |    |    |
|---------------------------|----|----|----|----|----|----|
| S                         | M  | T  | W  | Th | F  | Sa |
|                           |    |    |    |    | 1  | 2  |
| 3                         | 4  | 5  | 6  | 7  | 8  | 9  |
| 10                        | 11 | 12 | 13 | 14 | 15 | 16 |
| 17                        | 18 | 19 | 20 | 21 | 22 | 23 |
| 24                        | 25 | 26 | 27 | 28 | 29 | 30 |
| 31                        |    |    |    |    |    |    |

| February 2021 <sup>2</sup> |    |    |    |    |    |    |
|----------------------------|----|----|----|----|----|----|
| S                          | M  | T  | W  | Th | F  | Sa |
|                            | 1  | 2  | 3  | 4  | 5  | 6  |
| 7                          | 8  | 9  | 10 | 11 | 12 | 13 |
| 14                         | 15 | 16 | 17 | 18 | 19 | 20 |
| 21                         | 22 | 23 | 24 | 25 | 26 | 27 |
| 28                         |    |    |    |    |    |    |

| March 2021 <sup>3</sup> |    |    |    |    |    |    |
|-------------------------|----|----|----|----|----|----|
| S                       | M  | T  | W  | Th | F  | Sa |
|                         | 1  | 2  | 3  | 4  | 5  | 6  |
| 7                       | 8  | 9  | 10 | 11 | 12 | 13 |
| 14                      | 15 | 16 | 17 | 18 | 19 | 20 |
| 21                      | 22 | 23 | 24 | 25 | 26 | 27 |
| 28                      | 29 | 30 | 31 |    |    |    |

| April 2021 <sup>4</sup> |    |    |    |    |    |    |
|-------------------------|----|----|----|----|----|----|
| S                       | M  | T  | W  | Th | F  | Sa |
|                         |    |    |    | 1  | 2  | 3  |
| 4                       | 5  | 6  | 7  | 8  | 9  | 10 |
| 11                      | 12 | 13 | 14 | 15 | 16 | 17 |
| 18                      | 19 | 20 | 21 | 22 | 23 | 24 |
| 25                      | 26 | 27 | 28 | 29 | 30 |    |

| May 2021 <sup>5</sup> |    |    |    |    |    |    |
|-----------------------|----|----|----|----|----|----|
| S                     | M  | T  | W  | Th | F  | Sa |
|                       |    |    |    |    | 1  |    |
| 2                     | 3  | 4  | 5  | 6  | 7  | 8  |
| 9                     | 10 | 11 | 12 | 13 | 14 | 15 |
| 16                    | 17 | 18 | 19 | 20 | 21 | 22 |
| 23                    | 24 | 25 | 26 | 27 | 28 | 29 |
| 30                    | 31 |    |    |    |    |    |

| June 2021 <sup>6</sup> |    |    |    |    |    |    |
|------------------------|----|----|----|----|----|----|
| S                      | M  | T  | W  | Th | F  | Sa |
|                        |    | 1  | 2  | 3  | 4  | 5  |
| 6                      | 7  | 8  | 9  | 10 | 11 | 12 |
| 13                     | 14 | 15 | 16 | 17 | 18 | 19 |
| 20                     | 21 | 22 | 23 | 24 | 25 | 26 |
| 27                     | 28 | 29 | 30 |    |    |    |

| July 2021 <sup>7</sup> |    |    |    |    |    |    |
|------------------------|----|----|----|----|----|----|
| S                      | M  | T  | W  | Th | F  | Sa |
|                        |    |    |    | 1  | 2  | 3  |
| 4                      | 5  | 6  | 7  | 8  | 9  | 10 |
| 11                     | 12 | 13 | 14 | 15 | 16 | 17 |
| 18                     | 19 | 20 | 21 | 22 | 23 | 24 |
| 25                     | 26 | 27 | 28 | 29 | 30 | 31 |

| August 2021 <sup>8</sup> |    |    |    |    |    |    |
|--------------------------|----|----|----|----|----|----|
| S                        | M  | T  | W  | Th | F  | Sa |
| 1                        | 2  | 3  | 4  | 5  | 6  | 7  |
| 8                        | 9  | 10 | 11 | 12 | 13 | 14 |
| 15                       | 16 | 17 | 18 | 19 | 20 | 21 |
| 22                       | 23 | 24 | 25 | 26 | 27 | 28 |
| 29                       | 30 | 31 |    |    |    |    |

| September 2021 <sup>9</sup> |    |    |    |    |    |    |
|-----------------------------|----|----|----|----|----|----|
| S                           | M  | T  | W  | Th | F  | Sa |
|                             |    |    | 1  | 2  | 3  | 4  |
| 5                           | 6  | 7  | 8  | 9  | 10 | 11 |
| 12                          | 13 | 14 | 15 | 16 | 17 | 18 |
| 19                          | 20 | 21 | 22 | 23 | 24 | 25 |
| 26                          | 27 | 28 | 29 | 30 |    |    |

| October 2021 <sup>10</sup> |    |    |    |    |    |    |
|----------------------------|----|----|----|----|----|----|
| S                          | M  | T  | W  | Th | F  | Sa |
|                            |    |    |    | 1  | 2  |    |
| 3                          | 4  | 5  | 6  | 7  | 8  | 9  |
| 10                         | 11 | 12 | 13 | 14 | 15 | 16 |
| 17                         | 18 | 19 | 20 | 21 | 22 | 23 |
| 24                         | 25 | 26 | 27 | 28 | 29 | 30 |
| 31                         |    |    |    |    |    |    |

| November 2021 <sup>11</sup> |    |    |    |    |    |    |
|-----------------------------|----|----|----|----|----|----|
| S                           | M  | T  | W  | Th | F  | Sa |
|                             | 1  | 2  | 3  | 4  | 5  | 6  |
| 7                           | 8  | 9  | 10 | 11 | 12 | 13 |
| 14                          | 15 | 16 | 17 | 18 | 19 | 20 |
| 21                          | 22 | 23 | 24 | 25 | 26 | 27 |
| 28                          | 29 | 30 |    |    |    |    |

| December 2021 <sup>12</sup> |    |    |    |    |    |    |
|-----------------------------|----|----|----|----|----|----|
| S                           | M  | T  | W  | Th | F  | Sa |
|                             |    |    | 1  | 2  | 3  | 4  |
| 5                           | 6  | 7  | 8  | 9  | 10 | 11 |
| 12                          | 13 | 14 | 15 | 16 | 17 | 18 |
| 19                          | 20 | 21 | 22 | 23 | 24 | 25 |
| 26                          | 27 | 28 | 29 | 30 | 31 |    |

 Work days

 Weekends and Day offs

 Public Holidays

## 03. 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.

### CONTRACT TYPES

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  |
|-------------------------|------------|
| < 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 signs a 4-month contract and renews 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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