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**[Regional] Breaking: End of Non-Subscription of Social Insurance by Foreign Employees in Shanghai.**

The *Circular of the Shanghai Municipal Human Resources and Social Security Bureau on Several Issues Concerning the Participation in Social Insurance for Urban Employees by Expatriates, Personnel Having Obtained Permanent (Long-term) Right of Abode and Residents of Taiwan, Hong Kong and Macao Working in Shanghai*, which provides an option for the foreign employees not to participate in the social insurance in Shanghai, has expired on August 15, 2021, and as Shanghai government has not promulgated any further regulations, there is no longer any excuse to escape to this legal obligation. From legal perspective, it is mandatory for the company located in Shanghai to subscribe the social insurance for the foreign employees according to the Social Security Law of China, unless otherwise stipulated by bilateral treaties between the native country of the given foreign employee and China.

According to our inquiry from Shanghai Social Insurance Management Center, where the company applies for the subscription of social insurance for a foreign employee, the starting date of calculation shall, in general, be subject to the effective date of current valid work permit.

Regarding the necessity to make a retroactive payment if the current valid work permit of a given employee does not cover his whole seniority in China since the effective date of the Social Security Law of China, it is not yet clear at this stage. Up to now, the social insurance management center rarely takes initiative to launch any investigation on the seniority of a foreign employee in China unless receiving the complaints from the foreign employee. It is hence worth waiting for clearer interpretation from Shanghai governmental authorities on this respect.