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Compensation for Work-Related Injuries and Occupational Diseases in the Russian Federation and the People's Republic of China

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Abstract. The Declaration of the BRICS Labour and Employment Ministers, signed on September 10, 2024 in Sochi, identifies prospective areas of cooperation in labour relations, social security, and work culture, as well as the reduction of work-related accidents. In light of these objectives, the article analyses the legislation of Russia and China that formalizes the procedures for compensating employees with work-related injuries and occupational diseases. The article examines the legal and regulatory framework, the occurrence of losses, the characteristics of the workers' compensation systems, and the procedures for providing compensation to employees with work-related injuries and occupational diseases in both countries. Special emphasis is placed on the analysis of existing fundamental arrangements for the social insurance of work-related events. The authors demonstrate similarities and differences in the approaches to protecting employees who have sustained work-related injuries and

make the conclusion that both countries may draw on each other's experience of legal regulation in order to improve the social security of injured employees.

Keywords: social insurance; insurance benefits; compensation; work-related injury; work-related accident; occupational disease; social security; legal regulation; China; Russia.

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Introduction

Globally, labour-related causes account for 2.9 million deaths: 2.58 million deaths result from occupational diseases, while 0.32 million results from work-related accidents. At the same time, the number of long-latency occupational diseases is increasing, whereas the number of work-related accidents is declining.¹

Russia and China are among the countries with the largest emerging economies. Russia's economy is oriented towards resource extraction, which is associated with a high risk of work-related accidents. China is a global leader in manufacturing, a sector characterized by large-scale employment and labour-intensive work. Nevertheless, both Russia and China face similar labour-market challenges: the growth of informal employment, the development of the digital economy, platform employment.² New forms of employment relationships necessitate amendments to the existing legal framework.

¹ Takala, J., et al. (2024). Global-, regional- and country-level estimates of the work-related burden of diseases and accidents in 2019. *Scandinavian Journal of Work, Environment & Health*, 50(2), 73–82.

² Guseva, T., & Klepalova, Ju. (2022). Harnessing the power of labour law and social security law to achieve the goal of formalizing labour markets in the BRICS countries. *BRICS Law Journal*, 9(2), 94–120.

At international level, the basic standards of social security in case of loss occurrence and occupational diseases are formalized by International Labour Organization (ILO) Conventions: “Workmen’s Compensation (Accidents) Convention” No. 17 (signed in Geneva on June 10, 1925), “Employment Injury Benefits Convention” No. 121 (signed in Geneva on July 8, 1964),³ and “Social Security (Minimum Standards) Convention” No. 102 (signed in Geneva on June 28, 1952).⁴ Russia and China have undertaken obligations concerning compulsory insurance against work-related accidents and occupational diseases. However, the extent to which international standards have been incorporated into their national legislation differs: Russia ratified ILO Convention No. 102 in 2018, whereas China has not ratified it. Compliance of national legislation with international standards facilitates dialogue within BRICS and other international institutions.

The study has scholarly value because much of the existing research is based on Western models, whereas a comparative examination of compulsory occupational-insurance systems in non-Western countries (Russia and China specifically) in the context of economic transformation fills a gap in the academic literature. The results of the comparative study of Russian and Chinese legislation identify areas for improving legal regulation and may enhance the effectiveness of employees’ social security.

The research not only offers new insights into the organization of social security in cases of work-related accidents in Russia and China but also promotes the development of more flexible and stable social-security systems in the age of globalization.

1. Legal and Institutional Framework of Work-Related Injury Insurance

The protection of employees against work-related accidents and occupational diseases constitutes a comprehensive area of social security, and its legal recognition has laid the foundation for the development of social insurance. In order to protect workers affected by work-related accidents and mitigate the associated risks, a legal framework for compulsory social insurance against work-related injuries and occupational diseases has been established in both Russia and China.

The occupational-injury insurance system performs two functions: (a) it eliminates employers’ economic risks arising from work-related injuries through the pooling of funds and provided assistance; and (b) it incentivizes employers to implement workplace safety policies through differentiated insurance rates and other mechanisms.

³ International Labour Office. (1991). *International labour conventions and recommendations, 1919–1991* (Vol. 2, pp. 1406–1423).

⁴ International Labour Office. (1991). *International labour conventions and recommendations, 1919–1956* (Vol. 1, pp. 1055–1086).

The issues of compulsory social insurance against work-related injuries and occupational diseases are regulated by:

Russian Federal Law of July 24, 1998 No. 125-FZ "On Mandatory Social Insurance against Industrial Accidents and Occupational Illnesses"⁵ and related acts of executive bodies;

Chinese Social Security Law of 2010,⁶ Regulations on Insurance for Work-Related Injuries,⁷ and related standards.

In Russia, the issues of social insurance against work-related injuries and occupational diseases are the subject of federal legislation, whereas in China the power to regulate this sphere (for example, to establish insurance rates) is vested in the provincial authorities despite China is a unitary state. In some cases, local governments are vested with the power to issue their own insurance directives relating to work-related accidents. Such documents play a significant role in legal regulation: subordinate rules adopted by specialized administrative authorities implement existing laws and administrative legal acts.⁸ For the purpose of unifying insurance payments across different regions and ensuring their reasonable adjustment in response to the growth of social revenue, the Ministry of Human Resources and Social Security of the People's Republic of China issued the Guidance on Insurance Compensation for Work-Related Accidents, which was approved under the Regulations on Occupational Injury Insurance in 2017. According to the Guidance, insurance payments should correspond to the country's level of economic development. Local authorities should take into account the growth in labour remuneration, changes in consumer prices, and the financial position of insurance funds for work-related accidents; adjust social welfare payments accordingly across different regions; consider the existing regional differences in welfare payments; and regularly increase the amount of such payments where required by the provinces.⁹

Provinces with higher rates (for example, Guangdong) continually improve the terms of social insurance in accordance with national legislation, taking into

⁵ Federal Law No. 125-FZ "On compulsory social insurance against occupational accidents and occupational diseases." (1998, July 24; amended 2024, May 29). *Collection of Legislation of the Russian Federation*, 31, Art. 3803. (In Russian).

⁶ *Social insurance law of the People's Republic of China* (Order of the President No. 35). (2010, October 28). Central People's Government of the People's Republic of China. https://www.gov.cn/flfg/2010-10/28/content_1732964.htm. (In Chinese).

⁷ State Council of the People's Republic of China. (2003, April 27). *Regulations on work-related injury insurance* (Decree No. 375). <http://gongbao.court.gov.cn/Details/1d6feae971025aee45ea3949189bb0.htm>. (In Chinese).

⁸ Alekseenko, A. P., & Malysheva, N. I. (2024). The system of Chinese legal sources from the perspective of the platform economy legal regulation. *Vestnik of Saint Petersburg University. Law*, 15(3), 798–814. (In Russian).

⁹ Fu, T., Liu, F., & Liu, P. (2020). *China's social security* (p. 212). China Labor & Social Security Publishing House.

account local specificities. This facilitates the implementation of projects relating to accident prevention, rehabilitation, and compensation payments.¹⁰ In this way, China's legislation adopts a problem-oriented approach.¹¹ Besides, the delegation of authority makes the legislation more extensive and difficult for businesses to comply with: companies with subsidiaries in different provinces must comply with dozens of regional regulations. At the same time, the legislation becomes more flexible, making it possible to take regional characteristics into account. This has produced positive results in emergency management: the number of deaths resulting from various work-related accidents in 2022 decreased by 23.5% compared with 2020.¹²

1.1. Specifics of Insurers in Russia and China

In the Russian Federation, the insurer for compulsory social insurance against work-related accidents and occupational diseases is the Social Fund of Russia. The Fund accumulates employers' compulsory insurance contributions, fines, penalties, and other revenue. Insurance rates are determined according to the class of occupational risk and range from 0.2% to 8.5% of payroll.¹³ Individual discounts and bonuses may be imposed on standard rates.¹⁴

In China, the Work-Related Injury Insurance Fund is financed through employers' contributions to occupational-injury insurance, interest income, and other sources (Art. 7 of the Regulations on Insurance for Work-Related Injuries). The Fund's financial resources are held in a dedicated fiscal account of the Social Security Fund and are used to pay insurance benefits in cases of work-related accidents.

Insurance benefits are currently provided at the municipal level, but the Regulations on Insurance for Work-Related Injuries also require social insurance to be organized at the provincial level. In 2017, the Ministry of Human Resources and Social Security and the Ministry of Finance of the People's Republic of China

¹⁰ Wang, L., Sun, N., & Tong, R. (2024). The redemption of The Accidental Republic: 70 years of Chinese workers' compensation insurance. *Economic and Labour Relations Review*, 35(2), 417–435.

¹¹ Gong, N. (2023). Protection of personal data in China: Legislation in the digital age. *Vestnik of Saint Petersburg University. Law*, 14(1), 159–172. (In Russian).

¹² Zheng, S. (2023, December 26). *Midterm assessment report on the implementation of the outline of the 14th Five-Year Plan for national economic and social development and the long-range objectives through 2035*. National Development and Reform Commission. https://www.ndrc.gov.cn/fzggw/wld/zsj/zyhd/202312/t20231227_1362958.html. (In Chinese).

¹³ An enterprise's occupational-risk classification is determined by the nature of its business activities. The higher the risk of work-related injuries, the higher the applicable work-related injury insurance contribution rate.

¹⁴ The premium adjustment rate, in the form of a discount or surcharge, is determined on the basis of the employer's claims record during the preceding three years. In determining the adjustment, account is taken of the employer's occupational-safety performance and expenditure on work-related injury insurance benefits. The discount or surcharge may not exceed 40% of the applicable work-related injury insurance contribution rate. No discount is granted where a fatal insured event has occurred.

developed a proposal for the unification of insurance coverage and enrolment, contribution-rate policy, and the standardization of benefit payments. The proposal also covered procedures for reporting occupational injuries, assessing fitness for work, awarding benefits, and establishing benefit-payment standards. The provinces were to implement these measures by the end of 2020.¹⁵

In China, as in Russia, the insurance rate varies according to the industrial sector and level of risk and generally ranges from 0.2% to 1.9% of payroll. In economically developed regions, the standard insurance rate may be adjusted upwards or downwards. In Russia, the maximum limit on insurance payments is four times higher than the corresponding limit in China.

An analysis of the legislation shows that, in Russia social insurance against work-related accidents and occupational diseases is centralized at the federal level, whereas China has a multilevel insurance system.

1.2. Insured Persons and Beneficiaries

In Russia, compulsory social insurance against work-related accidents and occupational diseases covers employees, civil servants, and individuals sentenced to imprisonment who are engaged in work by the policyholder.

Informalized employment relationships constitute a serious problem in Russia, particularly the practice of concluding civil-law contracts instead of employment contracts. The legislature seeks to curb this trend. Article 19.1 of the Labour Code of the Russian Federation establishes rules for recognizing relationships as “employment” when arising under civil-law contracts for the performance of work or rendering services.¹⁶ Legislation on compulsory social insurance does not distinguish between persons employed under employment contracts and persons who enter into civil-law contracts for rendering services. In respect of wage earners, contributions are paid by their employer at a rate of 30% of payroll. Wage earners are covered by compulsory social insurance, including pension and health insurance, insurance against work-related accidents and occupational diseases, and insurance in respect of temporary incapacity for work and maternity. Until recently, persons who rendered services or performed work under civil-law contracts were covered only by compulsory pension and health insurance. Since January 1, 2023, however, they have also been covered by compulsory social insurance in respect of temporary incapacity for work and maternity. In this context, the customer under the contract is the policyholder.¹⁷ It should be noted that persons engaged under civil-law contracts are covered

¹⁵ Fu et al., 2020, pp. 190–191.

¹⁶ Dmitrieva, I. K. (2016). Recognition of relations involving personal labour arising under civil-law contracts as employment relations. *Legislation and Economics*, 3, 35–38. (In Russian).

¹⁷ Guseva, T. (2023). Russian social security system amid structural changes in the employed population: Problems of legal regulation. *Social and Pension Law*, 1, 22–26. (In Russian).

by compulsory social insurance against work-related accidents and occupational diseases only where the relevant contract provides for the customer's obligation to pay insurance contributions in respect of this type of insurance.

Sole proprietors may voluntarily participate in compulsory social insurance against work-related accidents and occupational diseases.

In China, occupational-injury insurance covers persons employed under labour agreements by state institutions and enterprises, private non-profit organizations, companies, foundations, and certain individual industrial and commercial households.

Insurance contributions for employees are paid by their employers, who act as policyholders. Employees in China, as in Russia, do not pay contributions to occupational-injury insurance.

Unlike Russia, China seeks to extend occupational-injury insurance coverage to freelancers and self-employed persons. Ofman and Sagandykov argue that persons who perform work through online platforms should be recognized as employees rather than as service providers.¹⁸ According to information presented at the press conference held by the Ministry of Human Resources and Social Security of the People's Republic of China (MOHRSS), more than 8 million persons engaged in new forms of employment (NFE) were enrolled in a pilot insurance scheme covering work-related accidents in the first quarter of 2024.¹⁹

To date, China has developed three main approaches to protecting workers in the gig economy against work-related accidents: (a) purchasing commercial insurance provided by digital platforms; (b) developing a separate state-administered insurance scheme for work-related accidents; and (c) applying the existing occupational-injury insurance system.²⁰ The first approach relies on private funding, whereas the other two are publicly funded. Public mechanisms for protection against work-related accidents generally provide more reliable protection.

In Wujiang, Nantong, and Taicang, Jiangsu Province, local governments have introduced their own occupational-injury insurance schemes. For example, under the Jiangsu scheme, coverage is available to persons who work in the region for remuneration under flexible working arrangements and are not covered by the Regulations on Insurance for Work-Related Injuries. In this case, an employee makes a one-off contribution of 180 yuan and may receive a government subsidy of 120 yuan, provided that they are enrolled in the flexible-employment pension and medical-insurance schemes. As a result, platforms are exempt from the obligation to pay insurance contributions, thereby shifting part of the financial burden to the

¹⁸ Ofman, E., & Sagandykov, M. (2023). Digital technologies and labour relations: Legal regulation in Russia and China. *BRICS Law Journal*, 10(1), 126–146.

¹⁹ International Labour Organization. (2024, April). *Quarterly social security policy monitor* (Issue 16, p. 2). <https://www.ilo.org/publications/quarterly-social-security-policy-monitor-issue-16>

²⁰ Ran, X., & Zhao, Y. (2023). Behind the flexibility: Insufficient occupational injury protection of gig workers in China. *Frontiers in Public Health*, 11, Article 1117180.

government and workers. The scheme provides platform workers with only partial protection against work-related accidents. For persons working under flexible arrangements, occupational-injury benefits amount to 50% of the standard benefit rate and cover only half of their medical expenses.

Jiashan County, Zhejiang Province, seeks to extend occupational-injury insurance coverage to platform workers through the existing compulsory social-insurance system. Enterprises operating in e-commerce, online taxis, online food delivery, express logistics, and other platform-based sectors are required to establish employment relationships with their workers, thereby entitling those workers to occupational-injury insurance throughout their employment. Under this arrangement, where a worker has more than one employer, each employer is responsible for providing occupational-injury insurance coverage. Benefits are paid by the platforms, and the basis for calculating those benefits is the average monthly wage in the province during the preceding year. The contribution rate is fixed at 1.1%.

In Russia, as well as in China, insured events giving rise to entitlement to benefits include work-related accidents and occupational diseases.

In Russia, legislation defines an insured event as the established fact of personal injury or death of the insured due to work accident or occupational disease. It therefore distinguishes between two independent legal facts: a work-related accident and an occupational disease.

A work-related accident is an event resulting in injury or other harm to the health of an insured person arising out of their employment under a labour contract or in other legally specified circumstances. Such an event may occur within or outside the insured area, or while the insured person is travelling to or from work in employer-provided transport, and which necessitated the need to transfer the insured (employee) to another job. It results in temporary or permanent loss of professional working capacity, or death.

All accidents are subject to investigation in accordance with the established procedure. The commission on Investigation of Work Accidents qualifies an accident as work-related or non-work-related. On a case-by-case basis, non-work-related accidents are as follows: death resulting from a general disease or suicide; death or personal injury caused by the injured person's alcohol, narcotic, or other intoxication (poisoning), unless that intoxication resulted from a disruption of the technological process; an accident occurring while the injured person was committing a criminal offence. In such circumstances, the event is not regarded as an insured event and does not give rise to entitlement to insurance benefits.

An *occupational disease* is a chronic or acute illness suffered by an insured person as a result of exposure to harmful factors arising from work, which results in temporary or permanent loss of professional working capacity and/or death.

Chinese legislation recognizes seven categories of circumstances as work-related injuries:

- An employee is injured in an accident during working hours and at the workplace as a result of work.
- An employee is injured at the workplace before or after working hours while undertaking work-related preparatory or finishing tasks.
- An employee suffers accidental injury, including injury resulting from violence, during working hours and at the workplace while performing duties.
- An employee has got an occupational disease.
- An employee is injured as a result of work, or goes missing as a result of an accident, while on a business trip.
- An employee is injured while travelling to or from work in a traffic accident or an accident involving urban rail transit, a passenger ferry, or a train, provided that the employee is not primarily responsible for the accident.
- Other circumstances stipulated by laws or administrative regulations as constituting work-related injuries.

For example, the following circumstances are deemed to constitute work-related injuries: sudden death from illness during working hours and at the workplace; death within 48 hours after emergency rescue and treatment; and injury sustained while undertaking emergency rescue or disaster-relief activities to safeguard national or public interests.

In China, no occupational-injury insurance benefits are payable where a work-related injury results from the commission of an intentional crime, alcohol or drug intoxication, intentional self-harm, or suicide.

Chinese legislation treats occupational disease as a type of work-related event. In order to verify occupational disease, Ministry of Health in 1957 enacted the "Regulations on Professional Diseases and Therapy Measures for Patients with Occupational Diseases." In 2013, National Health Service²¹ and related departments issued amendments to the "Classification and Catalogue of Occupational Diseases."²² The documents distinguish ten categories and 115 types of occupational disease. A disease listed in the Catalogue is not recognized as an occupational disease, and consequently not as a work-related injury, unless it can be established that it is work-related. For example, a disease caused by environmental factors at a person's place of residence would not qualify.

The right to social security benefits does not arise automatically merely upon the establishment of a work-related injury or an occupational disease.²³ In Russia,

²¹ National Health Commission of the People's Republic of China. (2001, October 27). *Law of the People's Republic of China on prevention and control of occupational diseases* (Presidential Order No. 60). https://en.nhc.gov.cn/2019-03/05/c_74524.htm. (In Chinese).

²² Ning, H., et al. (2017). Challenges to improving occupational health in China. *Occupational and Environmental Medicine*, 74(12), 924–925.

²³ The exception is provided in case of accidental work-related death. In this case, verification of disability or degree of loss of occupational capacity is not required. Compensation is awarded to the family after investigation into the accident.

the degree of loss of professional working capacity is a mandatory legal fact for the award of relevant benefits. It is verified by medical and social assessment institutions. The degree of loss is expressed as a percentage, ranging from 10% to 100%. Where a person sustains work-related injuries on more than one occasion, the degree of loss attributable to each insured event is assessed separately, but the aggregate degree of loss may not exceed 100%.

In China, the degree of loss of working capacity is not an independent legal fact for the purpose of awarding occupational-injury insurance benefits. Rather, it is a medical criterion used to determine the worker's disability grade, which constitutes the legal basis for entitlement to benefits. A *disability grade*, ranging from Grade I (the most severe) to Grade X, is determined by the relevant assessment commission on the basis of a medical evaluation and gives rise to entitlement to the corresponding benefits. Thus, even where a worker has lost 80% of working capacity, classification in Grade V entitles him/her only to the benefits prescribed for Grade V.

2. Scope of Coverage under Work-Related Injury Insurance

In Russia, benefits for work-related injuries and occupational diseases are provided in monetary form and are paid by the insurer (the Social Fund of Russia) to the injured worker or, in the event of the worker's death, to eligible family members. The insurance coverage comprises basic benefits, namely temporary-incapacity benefits, lump-sum payments, and monthly insurance payments, as well as additional coverage for expenses incurred in the insured person's medical, social, and vocational rehabilitation. When calculating insurance payments, disability pensions, survivor benefits, and other payments awarded either before or after the insured event are not taken into account. Nor is income earned by the injured person after the insured event taken into account.

In China, occupational-injury insurance benefits are financed by the Work-Related Injury Insurance Fund and may be provided in cash or in kind. In-kind benefits include medical treatment, rehabilitation, prosthetic devices, including dental prostheses, orthopedic devices, wheelchairs, and other assistive equipment. Benefits in kind include wage compensation during the period of temporary incapacity for work requiring medical treatment, a nursing-care allowance, a lump-sum disability benefit, and reimbursement of additional expenses arising from injury to the worker's health. If a worker dies as a result of a work-related injury, eligible close relatives are entitled to a funeral grant and benefits for dependent relatives.

The main types of social coverage are considered below.

After an accident at the workplace, the employee receives medical treatment and is provided with *temporary disability benefit* during his/her treatment up to the recovery or up to the assignment of invalidity (in China) or disability status (in Russia).

Following a work-related accident, a worker receives medical treatment and is entitled to *temporary-incapacity benefits* during the period of treatment, until

recovery or the establishment of a disability grade (in China) or a permanent loss of professional working capacity (in Russia).

Under Russian law, *temporary-incapacity benefits* are intended to compensate promptly and fully for earnings lost as a result of a work-related injury. The benefit is paid at 100% of the worker's average earnings, irrespective of the length of the insurance period. However, for work-related accidents and occupational diseases, the benefit payable for a full calendar month is subject to a statutory maximum. From February 1, 2025, that maximum was 476,474.08 rubles.

In China, the closest functional equivalent to the Russian temporary-incapacity benefit is *ward-related injury allowance during paid downtime* for an employee who has sustained a work-related injury. Where an employee must suspend work to receive treatment, the wages and welfare benefits remain unchanged and are paid monthly by the employer. As a general rule, the period of suspension of work with pay may not exceed 12 months. In cases of serious injury or other exceptional circumstances, it may be extended for not more than twelve months by the decision of Municipal Commission for Fitness for Fork Assessment. During this period, the payouts make up 80% from the average salary. If during the lay-off period the employee needs medical care, then the employer provides such care.

In Russia, a *lump-sum insurance payment* is available and it is awarded only once when a work-related accident or an occupational disease result in a partial or total loss of professional working capacity. The degree of loss is determined by a medical and social assessment institution. A lump-sum payment is also payable to eligible persons if the insured person dies as a result of the insured event. The lump-sum payment is not increased if the degree of loss of professional working capacity subsequently changes or if the injured person subsequently dies.²⁴

The amount of the lump-sum payment to an injured employee is calculated according to the degree of loss of professional working capacity, expressed as a percentage. This refers to a permanent impairment of the ability to perform the occupational activities that the employee carried out before the insured event. The payment is calculated on the basis of the statutory maximum amount, which was 154,920.79 rubles in 2025. In the event of the employee's death, the lump-sum payment amounts to 2,000,000 rubles. The payment is distributed in equal shares among all eligible beneficiaries as at the date of the insured person's death. In the event of the insured person's death, eligible beneficiaries include all disabled persons who were dependent on the deceased or who, as at the date of death, were entitled

²⁴ Satisfying the applicant's claims for recalculation of insurance payments, the court pointed out that the defendant, when assigning the monthly insurance payment to the plaintiff, was obliged to explain to the plaintiff his rights, offer all possible options for calculating monthly insurance payments, thereby ensuring his right to choose the period and the appointment of monthly insurance payments in accordance with the requirements of the law, which the defendant did not do. See Second Court of Cassation of General Jurisdiction of the Russian Federation. (2025, December 9). *Ruling in case No. 88-30297/2025*.

to maintenance from the deceased. This includes the deceased's children under the age of 18, as well as children over the age of 23 who are enrolled in full-time education, and the deceased's parents and spouse. For the purpose of receiving insurance payments, the degree and nature of the beneficiary's relationship with the deceased are legally irrelevant.

In China, a *lump-sum disability benefit* is paid when an employee is assigned a disability grade as a result of a work-related injury, irrespective of whether the employment relationship is terminated or the employee continues to work. The amount of the lump-sum disability benefit depends on the employee's disability grade and is calculated as a multiple of the employee's average monthly earnings; the applicable benefit rates are presented in Table 1. In all cases, the lump-sum disability benefit is paid only once, and its amount is not subject to review if the employee's disability grade is subsequently reassessed.

Table 1

Disability grade	I	II	III	IV	V	VI	VII	VIII	XI	X
The amount of lump-sum disability benefit (in average monthly earnings)	27	25	23	21	18	16	13	11	9	7

Upon termination of the employment relationship, the employer must, at its own expense, pay an additional *lump-sum employment-related disability benefit* to employees assigned disability grades V to X. The purpose of this benefit is to assist injured employees in finding alternative work that they are able to perform and to compensate for the difficulties they may encounter in future re-employment. Although the lump-sum employment-related disability benefit and the lump-sum disability benefit have similar grounds, they are financed from different sources (the insurance fund and the employer's own funds), serve different functions, and cannot substitute for one another. Eligible employees are entitled to receive both benefits concurrently.

In the event of the insured person's work-related death, the close relatives are entitled to a *lump-sum death benefit* equal to 20 times the national per-capita disposable income of urban residents for the preceding year. According to the National Bureau of Statistics of China, this income amounted to CNY 54,188 in 2024; accordingly, the lump-sum death benefit was CNY 1,083,760.²⁵

In both Russia and China, the system of benefits for bodily injury or the death of an insured employee provides for *monthly insurance payments*. These payments are

²⁵ National Bureau of Statistics of China. (2025, January 17). *2024 residents' income and consumption expenditure*. https://www.stats.gov.cn/sj/zxfb/202501/t20250117_1958325.html. (In Chinese).

intended to compensate the injured employee for lost earnings, in whole or in part, resulting from a work-related accident or an occupational disease. In the event of the employee's death, the payments are made to eligible dependent family members.

In Russia, the amount of the monthly insurance payment is determined as a proportion of the injured employee's average monthly earnings over the preceding 12 months, according to the degree of loss of professional working capacity. The amount of the monthly payment is subject to a statutory maximum; from February 1, 2025, this maximum was 119,118 rubles.²⁶

When determining the monthly insurance payment, the employee's fault in causing the work-related accident must be taken into account. The employee's gross negligence may result in a reduction of the payment, but the reduction may not exceed 25%.

The amount of monthly benefits payable in the event of the insured person's death as a result of a work-related accident is based on the insured person's earnings and is not affected by the deceased person's fault. This approach is consistent with ILO Convention No. 102, which does not permit a reduction in periodic benefits on the basis of the employee's fault in causing the insured event. In Russia, monthly benefits payable in the event of death are distributed in equal shares among the injured employee's disabled dependents and are calculated on the basis of the insured person's average monthly earnings, less the share attributable to the deceased.

Russian Labour Law guarantees wage compensation where an injured employee is temporarily transferred to a lower-paid, lighter-duty position as a result of a work-related injury. The employee is entitled to receive the average earnings until the completion of vocational rehabilitation or the determination of a permanent loss of professional working capacity (Art. 182 of the Labour Code of the Russian Federation). This guarantee is financed by the employer and protects the employee against a reduction in earnings.

In China, workers who have sustained work-related injuries may receive a *monthly disability allowance*. Although the system distinguishes ten disability grades, a disability allowance is paid only to employees assigned Grades I to VI. As a general rule, employees assigned grades I to IV are unable to continue working and receive monthly disability benefits financed by the Work-Related Injury Insurance Fund. Employees assigned disability grades V and VI retain their capacity to work. In such cases, their employers must provide them with suitable work and pay a monthly disability allowance; the applicable benefit rates are presented in Table 2. During the employment relationship, the employer continues to pay social-insurance contributions for these employees. If the amount of the disability allowance is lower than the minimum wage applicable in China, the employer must pay the difference.

²⁶ Government of the Russian Federation. (2025, January 23). On approval of the indexation coefficient for payments, benefits and compensations in 2025 (Regulation No. 33). *Collection of Legislation of the Russian Federation*, 5, Art. 331. (In Russian).

Table 2

Disability grade	I	II	III	IV	V	VI
Amount of disability allowance (percentage of earnings)	90	85	80	75	70	60

Upon reaching retirement age, if an employee's retirement benefit is lower than the disability allowance, the Work-Related Injury Insurance Fund pays the difference between the two benefits. Consequently, some pensioners may lose their entitlement to an occupational-injury disability allowance.²⁷ In this case, each social risk correlates with a certain type of social security with adequate monetary cover. Thus, one should not substitute these two types of benefits. Although "openness to the outside world is a gradual historical process and the main national policy that China has pursued for a long time,"²⁸ this approach does not fully comply with the requirements of ILO "Social Security (Minimum Standards) Convention" No. 102. The Convention identifies old age, invalidity, survivors' benefits, and employment injury, including occupational disease, as distinct social-security contingencies. Each contingency corresponds to a specific type of social-security benefit and requires adequate monetary protection. Therefore, these two types of benefit should not be substituted for one another.

In the event of an employee's death, the close relatives are entitled to receive a *dependent relatives' pension*, provided that they are unable to work, were dependent on the deceased wage earner, and relied on the deceased's earnings as their principal means of subsistence. They are entitled to a monthly social-security benefit in the following amounts: 40% of the deceased's earnings for a spouse and 30% for each other eligible relative. The benefit rate is increased by an additional 10% for each elderly dependent person or orphan. The total amount of benefits payable to dependents may not exceed the deceased's earnings. The categories of persons dependent on the deceased who are entitled to this benefit are determined by the Social Security Department of State Council.

²⁷ The Rugao People's Court heard a claim for compensation for injury sustained at work by a worker for whom no written employment contract had been concluded. The court held that the parties had formed a service relationship rather than an employment relationship, since the claimant had already reached the statutory retirement age when he was hired. As the competent authority declined to accept his late application for a work-injury determination, the court allowed him to seek compensation under the general civil-law rules governing personal-injury damage, rather than under the work-injury insurance scheme. See Rugao People's Court. (2025, December 10). *A sixty-year-old man was injured in a factory; how to protect his rights after the deadline for work injury identification has expired?* Jiangsu Courts Website. <http://www.jsfy.gov.cn/article/106210.html>. (In Chinese).

²⁸ Liu, X., Zhang, Z., & Gong, N. (2022). Implication and development of the legal system of the pilot free trade zones with Chinese characteristics. *Vestnik of Saint Petersburg University. Law*, 13(3), 629–660. (In Russian).

In China, the principle of the employer's strict liability applies within the social-insurance system. If an injury is work-related, insurance benefits are payable irrespective of whether the employee is at fault. However, if an employee who has received insurance benefits seeks compensation from the employer for loss not covered by insurance, the employee's fault may be taken into account by the court.²⁹

Thus, monthly cash benefits are intended to compensate workers who have sustained work-related injuries for lost earnings. However, the legal frameworks of Russia and China adopt different approaches to determining the conditions for entitlement to such benefits, calculating their amounts, and taking account of the injured person's fault.

One more type of compensation for injury is the *reimbursement of additional expenses arising from the employee's work-related injury*. This form of support is provided under Russian legislation and covers the following expenses incurred by an injured employee: necessary medical treatment; sanatorium and resort treatment; specialized medical and home care; medicines; prosthetic and orthopedic appliances; rehabilitation equipment; and the costs of the employee's education, including further vocational education.

Reimbursement of additional expenses is subject to the following conditions: (a) the expenses must relate to services required as a result of the employee's work-related injury; (b) the competent authorities must establish that the injured employee requires the relevant services; (c) the injured employee must not be entitled to receive those services free of charge on any other basis; and (d) documentary evidence of payment for the services must be submitted.

Compensation is not limited to actual additional expenses. Expenses not covered by the social-insurance system may be recovered from the employer.³⁰ Unlike monthly insurance payments, the amount of such compensation may not be reduced on the basis of the injured person's degree of fault.

In Russia, the amount of monthly compensation for additional care expenses depends on the type of care required by the injured employee—specialized medical

²⁹ The Zhengzhou Court, when considering the case of an employee falling from a 6-meter height while replacing the roof, found that labor protection requirements were not met—the employee did not fasten the safety rope. The court apportioned liability as follows: 40% to the receiving party (the contractor), 30% to the client, and 30% to the employee. See <https://www.zzhkgq.gov.cn/2025/08-29/3540560.html>. (In Chinese).

The Pingyin County People's Court heard a personal-injury liability dispute arising from an informal employment arrangement. The worker was hired to process metal and sustained an eye injury in the course of that work. The court apportioned liability equally: 50% to the employer and 50% to the worker, who had breached workplace safety rules. See <https://www.sdcourt.gov.cn/jnanpyfy/395858/395859/7917824/index.html>. (In Chinese).

³⁰ The court upheld the injured worker's claims against the employer for reimbursement of the cost of medication prescribed by a doctor but not included in the rehabilitation program, as well as for compensation for non-pecuniary harm. See Moscow City Court. (2025, February 18). *Appeal ruling No. 33-2816/2025 in case No. 2-1612/2024*. (In Russian).

care or home care. The amount is subject to a statutory maximum and may not exceed 900 rubles per month for specialized medical care or 225 rubles per month for home care.

Thus, Russian legislation provides for the reimbursement of medical, social, and vocational rehabilitation expenses incurred by an injured employee, in accordance with the requirements of ILO Convention No. 102 and ILO Convention No. 121.

In China, additional expenses arising from a work-related injury include medical treatment and care, meal allowances, monthly allowances on Life Care Free, and reimbursement for the cost of assistive devices.³¹

Medical treatment and care for employees who have sustained work-related injuries are provided by medical institutions that have concluded service agreements with the relevant authorities or, in an emergency, by the nearest medical institution. Medical expenses are paid by the Work-Related Injury Insurance Fund in accordance with the relevant catalogues and service standards. These catalogues and standards are set out by the Social Security Department of State Council together with Health Care Department, Food and Medical Products Administration and other State Council's departments and include the catalogue of diagnostic and treatment items for work-related injuries, the catalogue of medicines used in the treatment of work-related injuries, and the hospitalization service standards applicable to employees with work-related injuries.

The relevant catalogues and standards are established by the social-security administrative department of the State Council in conjunction with the health-care department, the food and drug administration, and other relevant departments of the State Council.

During treatment at a medical institution, an injured employee is entitled to a *meal allowance*. When medical treatment is provided outside the employee's place of residence, the employee is entitled not only to a meal allowance but also to reimbursement of accommodation and travel expenses. The applicable benefit standards are established by provincial governments. As a general rule, the meal allowance for inpatient treatment may not exceed 40% of the province's per-capita daily consumption expenditure for the preceding year.

In China, *Life Care Free* allowance is paid monthly from the Work-Related Injury Insurance Fund to an employee who has been assessed as disabled and whose need for care has been confirmed by the Labour Capacity Appraisal Committee.

³¹ The Nantong Economic and Technological Development Zone People's Court held that a settlement agreement between the injured person and the driver responsible for a road-traffic accident, concerning compensation for bodily harm, could not justify denying work-injury benefits. The accident occurred while the claimant was travelling to work. The court awarded a total of RMB 31,635.55, including wages for the period of work stoppage, a lump-sum disability benefit, a hospital meal allowance, nursing-care expenses, and reimbursement of advances paid for work-injury treatment and the disability assessment. See Xu, G., & Qian, W. (2006, March 21). *Does the employer in this case have the right to refuse to pay work injury compensation?* Jiangsu Courts Website. <http://www.jsfy.gov.cn/article/93090.html>. (In Chinese).

The allowance is determined according to the employee's level of inability and is calculated by reference to the average monthly wage of employees in the relevant coordinating region during the preceding year. An employee who is completely unable to care for himself or herself is entitled to 50% of that average monthly wage. An employee who is mostly unable to care for himself or herself is entitled to 40%, while an employee who is partially unable to care for himself or herself is entitled to 30%. The Committee on Assessment of Working Capacity approves the list of employees with disabilities who need Life Care Free.³² If the local average monthly wage decreases, the amount of the living-care allowance is not reduced.

Auxiliary Equipment Fee is provided by the decision of the Committee on Assessment of Working Capacity. Compensation is paid at the expense of Occupational Injury Insurance Fund. To get relief for everyday life and employment, employees injured on the job are entitled to prosthetic and orthopaedical appliances (prosthesis, orthosis, prosthetic eyes, dental prosthesis, wheel chairs and other auxiliary equipment).

An employee who has sustained a work-related injury and requires an assistive device for daily living or employment is entitled to reimbursement of the necessary expenses from the Work-Related Injury Insurance Fund, provided that the need for the device has been confirmed by the Labour Capacity Appraisal Committee.

Eligible assistive devices include wheelchairs, prostheses, orthoses, artificial eyes, dentures, hearing aids, and other prescribed assistive devices. The related expenses are reimbursed in accordance with standards established by the State.

Vocational rehabilitation is one of the legislative objectives of China's Regulations on Work-Related Injury Insurance. The costs of rehabilitation treatment for employees with work-related injuries are provided by a medical institution that has concluded a service agreement with the relevant authority. In 2013, the "Regional Standard for Demonstration Areas for Work-Related Injury Rehabilitation" was approved. Following an expert assessment, institutions in Beijing, Shanghai, Guangdong, and Chongqing were designated as the first regional demonstration centers for work-related injury rehabilitation, with one center established in each area.³³ Medical institutions designated to provide work-related injury rehabilitation services must enter into service agreements with the competent local social-security authorities.

In China, *funeral expenses* for an employee who dies as a result of a work-related injury are covered by the work-related injury insurance scheme. A funeral allowance equal to six months' average monthly wage of employees in the relevant region during the preceding year is paid to the employee's close relatives. In Russia, funeral expenses are covered under a different branch of compulsory social insurance: compulsory social insurance in the event of temporary disability and in connection with maternity.³⁴

³² Fu et al., 2020, p. 214.

³³ Fu et al., 2020, p. 216.

³⁴ Federal Law No. 255-FZ "On mandatory social insurance in cases of temporary disability and maternity" (2006, December 29). *Collection of Legislation of the Russian Federation*, 1(Part I), Art. 18. (In Russian).

Such social benefits to the injured employees are provided irrespective of accumulated period of work and means-tested. At this, legislation of both countries sets out different approaches to the criteria for the provision and calculating the benefit rate.

In conclusion, compensation for employees who suffer from work-related accidents and occupational diseases in both Russia and China is intended to replace the injured person's lost earnings and to cover additional expenses resulting from injury or death. To achieve this objective, both countries provide a system of employment-injury insurance benefits consisting of cash payments and benefits in kind, including necessary medical, rehabilitation, and care services. Such benefits are generally provided irrespective of the employee's length of service and are not means-tested. However, the legislation of the two countries adopts different approaches to eligibility criteria and to the calculation of benefit amounts.

Conclusion

The comparative legal analysis of compensation for employees suffering from work-related accidents in Russia and China reveals both similarities and differences in their approaches to legal regulation of these relations.

Despite pursuing similar objectives, the systems of compensation for employees with work-related injuries in Russia and China each have distinctive features shaped by their respective historical, social, and economic contexts.

The common elements of the legal frameworks in both countries may be characterized as follows. The governments play a central role in providing compensation to employees with work-related injuries and occupational diseases, thereby ensuring a high level of social protection. Both Russia and China have established and continue to develop systems of compulsory social insurance for employees with work-related injuries and occupational diseases, although they use different organizational and legal mechanisms. The Russian system has its roots in the Soviet model, in which occupational safety and compensation for work-related injuries formed part of the ideology of the "workers' state." In China, by contrast, work-related injury insurance operates as an instrument of social governance within the broader framework of "socialism with Chinese characteristics." In Russia, compulsory social insurance against occupational accidents and occupational diseases is administered at the federal level by the Social Fund of Russia. In China, work-related injury insurance is organized through a multi-level system with obligatory and voluntary insurance where the legal regulation is de-centralized and performed on the central and provincial levels with an active involvement of employers. Unlike Russia, China has introduced pilot arrangements to extend occupational-injury protection to workers in the platform and gig economy. These arrangements have been implemented through selected provincial-level regions and are designed to address the employment characteristics

of workers who may not fit the conventional employment relationship required for coverage under the ordinary work-related injury insurance scheme. This decentralized experimentation should not be interpreted simply as a sign of weak central authority. Rather, it reflects a deliberate model of centrally guided local policy experimentation, sometimes described in the academic literature as “experimental governance.” Provincial and local authorities function as testing sites for new legal and institutional solutions, including occupational-injury protection for platform workers. This experience may be relevant to the Russian legislator. Although Russia’s compulsory social-insurance system for occupational accidents and occupational diseases is financially stable, its capacity to adapt to platform work, non-standard employment, and digitalization remains limited.

In both Russia and China, compensation for employees with work-related injuries and occupational diseases is comprehensive. Following an insured event, the legislation provides for a range of cash benefits, including pensions, allowances, and other periodic payments, as well as benefits in kind, such as medical treatment, rehabilitation, and care services. The two systems therefore combine monetary and non-monetary forms of support.

The two systems rely on different medical and legal criteria for determining entitlement to benefits. In Russia, the key criterion is the percentage of permanent loss of professional working capacity. This assessment is intended to provide a relatively individualized evaluation of the employee’s ability to perform their former professional duties, taking into account both the employee’s health condition and the resulting loss of earning capacity. In China, entitlement is generally determined through a ten-grade disability classification system. This system enables the authorities to place an employee within a prescribed disability grade and to allocate the corresponding statutory benefits. It promotes administrative efficiency and predictability; however, its standardized structure may provide less individual differentiation.

In line with the views of Chinese scholars, a legislative system founded on basic legislation and supplemented by local legislation should be established and continuously improved in accordance with the rule of law.³⁵ To improve the legal regulation of compensation for employees with work-related injuries and occupational diseases, China could consider Russia’s experience, where an employee may receive a monthly insurance payment under compulsory social insurance against occupational accidents and occupational diseases in addition to an old-age or disability pension. It will allow to enhance protection for the employee and the family members who will receive not only survivors pension but monthly payout as well and goes in line with ILO Convention No. 102.

This approach may strengthen the protection of injured employees and their family members. In particular, eligible survivors may receive both a survivors’

³⁵ Liu et al., 2022.

pension and monthly insurance payments under the employment-injury insurance scheme.

Overall, the comparative legal analysis indicates that the exchange of regulatory experience between Russia and China may contribute to the development of more effective, equitable, and socially oriented systems of compensation for employees with work-related injuries and occupational diseases. It may also support the prevention of work-related accidents and occupational diseases, provided that compensation mechanisms are integrated with occupational-safety measures, rehabilitation, data collection, and effective incentives for employers.

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