

Employment Contract



Wages



Employment Ordinance at a Glance



勞工處

Labour Department



**Maternity Protection /
Paternity Leave**



Employment Protection



End of Year Payment



Holidays / Leave



Sickness Allowance



Termination of Contract



Employment Ordinance at a Glance

This leaflet sets out in simple terms the main provisions of the Employment Ordinance (Cap.57). It should be noted that the Ordinance itself remains the sole authority for the provisions of law explained. For details, please refer to the full text of the Ordinance or “A Concise Guide to the Employment Ordinance” published by the Labour Department.



www.labour.gov.hk/eng/public/ConciseGuide.htm

Application

- Apart from certain exceptions, the Employment Ordinance is applicable to all employees.
- All employees covered by the Employment Ordinance, whether full time or part time and irrespective of their hours of work, are entitled to basic protection under the Ordinance such as payment of wages, restrictions on wage deductions and the granting of statutory holidays, etc.
- Employees are entitled to further benefits if they are employed under a continuous contract.

Continuous Contract

- An employee who has been employed continuously by the same employer for 4 weeks or more, with at least 18 hours worked in each week is regarded as being employed under a continuous contract.

Employment Contract

- A contract of employment is a written or verbal agreement on the employment conditions made between an employer and an employee. **Any term of an employment contract which purports to extinguish or reduce the rights conferred upon the employee by the Employment Ordinance shall be void.**



Wages

- Wages means all remuneration, earnings, allowances (including traveling allowances and attendance allowances, commission and overtime pay), tips and service charges payable to an employee in respect of work done or to be done, and capable of being expressed in terms of money. Overtime pay should be included in calculating an employee's entitlements if it is of a constant character or its monthly average over the past 12 months is not less than 20% of the average monthly wages of the employee during the same period.
- An employer is prohibited from deducting wages from his employee otherwise than in accordance with the Employment Ordinance.
- An employer should pay wages to his employee not later than 7 days after the end of the wage period or termination of employment. Otherwise he is required to pay interest on the outstanding wages.
- An employee may deem his employment to be terminated by his employer and is entitled to payment in lieu of notice and other termination payment if wages are not paid within 1 month after they become due.
- An employer who contravenes the above provisions is liable to prosecution and, upon conviction, to a maximum penalty of (1) a fine of \$100,000 and imprisonment for 1 year for illegal deduction from wages; (2) a fine of \$350,000 and imprisonment for 3 years for failing to pay wages wilfully and without reasonable excuse when it becomes due; (3) a fine of \$10,000 for failing to pay interest on the outstanding amount of wages wilfully and without reasonable excuse.



Liability to Pay Wages of Sub-contractor's Employees

- The principal contractors, superior sub-contractors and superior nominated sub-contractors engaged in building and construction works are liable for the first 2 months' unpaid wages of an employee who is employed by the sub-contractor or nominated sub-contractor.
- If an employee employed by a sub-contractor or nominated sub-contractor is owed wages, he must serve a written notice to the principal contractor or the main nominated sub-contractor within 60 days (or an additional period of 90 days permitted by the Commissioner for Labour) after the wages become due. The employee should state the following in the notice:
 1. the name and address of the employee;
 2. the name and address of his employer;
 3. the address of the place of employment of the employee;
 4. the particulars of the work in respect of which the wages are due; and
 5. the amount of wages due and the period to which they relate.
- The principal contractors, the superior sub-contractors and the superior nominated sub-contractors should pay wages to the employee within 30 days after receiving the notice. They may request every superior sub-contractor or superior nominated sub-contractor to the employee's employer to share out the liability.



Rest Day

- An employee employed under a continuous contract is entitled to not less than 1 rest day in every period of 7 days.
- With the consent of the employee, an employer may substitute another rest day for the original rest day. In such case, it must be within the same month before the original rest day or within 30 days after it.
- An employer must not compel an employee to work on a rest day except in the event of a breakdown of machinery or plant or other unforeseen emergency.
- An employee, except young persons under the age of 18 employed in industry, may work voluntarily on a rest day.
- Whether a rest day is paid or not is to be agreed by employers and employees.
- An employer who without reasonable excuse fails to grant rest days to his employees is liable to prosecution and, upon conviction, to a fine of \$50,000.
- An employer who compels his employees to work on their rest days is liable to prosecution and, upon conviction, to a fine of \$50,000.

Statutory Holidays

- An employee, irrespective of his length of service, is entitled to the following statutory holidays:

| |
|--|
| The first day of January |
| Lunar New Year's Day |
| The second day of Lunar New Year |
| The third day of Lunar New Year |
| Ching Ming Festival |
| Labour Day (1 st May) |
| The Birthday of the Buddha (<i>newly added from 2022</i>) |
| Tuen Ng Festival |
| Hong Kong SAR Establishment Day (1 st July) |
| The day following the Chinese Mid-Autumn Festival |
| National Day (1 st October) |
| Chung Yeung Festival |
| Chinese Winter Solstice Festival or Christmas Day (at the option of the employer) |
| The first weekday after Christmas Day (<i>newly added from 2024</i>)* |

* Effective from 1 January 2024

- The additional statutory holidays from 2026 and thereafter are tabulated as follows:

| Year | Newly added statutory holiday | Total number of statutory holidays |
|--------------------|-------------------------------|------------------------------------|
| Starting from 2026 | Easter Monday | 15 |
| Starting from 2028 | Good Friday | 16 |
| Starting from 2030 | The day following Good Friday | 17 |

- If the employer requires the employee to work on a statutory holiday, he should arrange an alternative holiday within 60 days before or after the statutory holiday. However, not less than 48 hours' prior notice should be given to the employee. If the employer and employee agree, any day within 30 days before or after the statutory or alternative holiday may be arranged as a substituted holiday.
- An employee having been employed under a continuous contract for not less than 3 months before a statutory holiday is entitled to holiday pay. The daily rate of holiday pay is a sum equivalent to the employee's average daily wages. (see Appendix)
- Holiday pay should be paid to the employee not later than the day on which he is next paid his wages after that statutory holiday.
- Regardless of whether an employee is entitled to holiday pay, an employer should grant his employee a statutory holiday, or arrange an "alternative holiday" or "substituted holiday". An employer must not make any form of payment to the employee in lieu of granting a holiday. In other words, "buy-out" of a holiday is not allowed.
- ➔ An employer who without reasonable excuse fails to grant statutory holidays, alternative holidays or substituted holidays, or fails to pay holiday pay to an employee is liable to prosecution and, upon conviction, to a fine of \$50,000.



Paid Annual Leave

- An employee having been employed under a continuous contract for 12 months is entitled to take his paid annual leave within the following period of 12 months.
- The number of paid annual leave increases progressively from 7 days to a maximum of 14 days according to the employee's length of service.
- Any rest day or statutory holiday falling within a period of annual leave will be counted as annual leave and the employer should appoint another rest day or holiday to the employee.
- The daily rate of annual leave pay is a sum equivalent to the employee's average daily wages. (see Appendix)
- Annual leave pay should be paid to the employee not later than the normal pay day after the period of annual leave taken.
- An employee may choose to accept payment in lieu of the part of his leave entitlement which exceeds 10 days.
- An employee with 3 but less than 12 months' employment in a leave year and his employment is terminated (other than summary dismissal due to his serious misconduct), he would be entitled to pro rata annual leave pay.
- An employer who without reasonable excuse fails to grant annual leave to an employee is liable to prosecution and, upon conviction, to a fine of \$50,000.
- An employer who fails to pay annual leave pay to an employee is liable to prosecution and, upon conviction, to a fine of \$50,000.



Sickness Allowance

- An employee employed under a continuous contract can accumulate 2 paid sickness days for each completed month during his first 12 months of employment, and 4 paid sickness days for each completed month for employment thereafter. A maximum of 120 days can be accumulated.
- An employee shall be entitled to sickness allowance if he has accumulated sufficient number of paid sickness days and the sick leave taken is not less than 4 consecutive days which is supported by: (i) an appropriate medical certificate^{Note¹}; or (ii) regarding the absence from work of an employee by reason of his/her compliance with a specific anti-epidemic requirement with a movement restriction imposed under the Prevention and Control of Disease Ordinance (Cap.599), the employee is required to produce a proof of such requirement^{Note²}. The daily rate of sickness allowance is a sum equivalent to four-fifths of the employee's average daily wages. (see Appendix)
- Sickness allowance should be paid to the employee not later than the normal pay day.
- An employer who without reasonable excuse fails to pay sickness allowance to an employee is liable to prosecution and, upon conviction, to a fine of \$50,000.

Employment Protection for Employee

- An employer is prohibited from terminating the employment contract of an employee on his paid sickness day, except in cases of summary dismissal due to the employee's serious misconduct.
- An employer who contravenes the above provision is liable to prosecution and, upon conviction, to a fine of \$100,000.
- Besides, the employer is required to pay termination payments to the employee for wrongful dismissal on a sickness day within 7 days after the day of termination. The employee may also claim remedies for "Employment Protection" against his employer if he is dismissed other than for a valid reason as specified in the Ordinance. (see the part below on "Employment Protection")

^{Note1} When a pregnant employee is absent from work by reason of pregnancy check-ups, post confinement medical treatment or miscarriage and the absence is supported by a medical certificate, any day on which she is absent shall be counted as a sickness day (regarding an employee's medical examination in relation to her pregnancy conducted on or after 11 December 2020, the employee may also produce a certificate of attendance, apart from a medical certificate). Under these circumstances, if the employee has accumulated sufficient number of paid sickness days, each sickness day shall be paid sickness allowance.

^{Note2} Applicable to sickness days taken by employees who are absent from work by reason of their compliance with a movement restriction on or after 17 June 2022. The specific anti-epidemic requirements with a movement restriction are those prescribed in Part 1, Schedule 12 of the Employment Ordinance. The proofs of the relevant requirements include hard copy or electronic form of document, or an electronic data issued by the Government. The relevant proof should show the name of the employee, or information that could identify the identity of employee, the type of movement restriction imposed and the commencement and expiry dates of such restriction.

Maternity Protection

- A female employee employed under a continuous contract immediately before the commencement of her maternity leave and having notified the employer of her pregnancy is entitled to:
 - ▶ a continuous period of 14^{Note³} weeks' maternity leave;
 - ▶ if confinement occurs later than the expected date of confinement, a further period of leave equal to the number of days of the delay;
 - ▶ an additional leave period for not more than 4 weeks on the grounds of illness or disability due to pregnancy or confinement.
- With the agreement of her employer, the employee may decide to commence her maternity leave from 2 to 4 weeks before the expected date of confinement. If the employee does not decide on the date, or fails to secure her employer's agreement, the employee shall commence her maternity leave four weeks before the expected date of confinement.
- An employee is eligible for 14^{Note⁴} weeks' maternity leave pay if she has been employed under a continuous contract for not less than 40 weeks immediately before the commencement of scheduled maternity leave and has given notice of pregnancy and her intention to take maternity leave to the employer. The daily rate of maternity leave pay is a sum equivalent to four-fifths of the employee's average daily wages (see Appendix). The 4-week maternity leave pay for the 11th to 14th week of the maternity leave is subject to a cap of \$80,000.
- Maternity leave pay should be paid on the normal pay day of the employee.
- Employers, after payment of all maternity leave pay on the normal pay day, may apply to the Government for reimbursement^{Note⁵} of the 11th to 14th weeks' maternity leave pay payable and paid under the Employment Ordinance. For details, please visit the "Reimbursement Easy Portal" at www.rmlps.gov.hk.
- If so required by the employer, the employee shall produce a medical certificate specifying her expected date of confinement.
- ➔ An employer who fails to grant maternity leave to a pregnant employee or fails to pay maternity leave pay to an eligible pregnant employee is liable to prosecution and, upon conviction, to a fine of \$50,000.



^{Note³} Eligible employees whose confinement occurs before 11 December 2020 are entitled to a continuous period of 10 weeks' maternity leave.

^{Note⁴} Eligible employees whose confinement occurs before 11 December 2020 are entitled to 10 weeks' maternity leave pay.

^{Note⁵} The Reimbursement of Maternity Leave Pay Scheme is an administrative scheme of the Government.

Employment Protection for Employee

- An employer is prohibited from terminating the continuous contract of employment of a pregnant employee who has served a notice of pregnancy to the employer, except in cases of summary dismissal due to her serious misconduct.
- Except for the circumstances provided above, it is an offence for an employer to dismiss a pregnant employee. The employer is liable to prosecution and, upon conviction, to a fine of \$100,000.
- Besides, the employer is required to pay termination payments to the pregnant employee for wrongful dismissal within 7 days after the day of termination. The employee may also claim remedies for “Employment Protection” against her employer if she is dismissed other than for a valid reason as specified in the Ordinance. (see the part below on “Employment Protection”)
- An employer may not assign heavy, hazardous or harmful work to a pregnant employee.
- An employer who without reasonable excuse fails to comply with the above requirements is liable to prosecution and, upon conviction, to a fine of \$50,000.



Paternity Leave

A male employee is entitled to 5^{Note⁶} days' paternity leave for each confinement of his spouse/partner if he –

1. is the father^{Note⁷} of a new-born child or a father-to-be;
2. has been employed under a continuous contract; and
3. has given the required notification to the employer.

^{Note⁶} The number of paternity leave days is 3 days for each confinement of the spouse/partner of an eligible male employee if his child is born on or after 27 February 2015 but before 18 January 2019.

^{Note⁷} The employee is not required to be married to the mother of the new-born child for entitlement to paternity leave under the Employment Ordinance.

Taking of Paternity Leave

- The employee must notify his employer of –
 1. his intention to take paternity leave at least 3 months before the expected date of delivery of the child (exact date of leave not required at this stage); and
 2. the date of his paternity leave before taking the leave^{Note⁸}.
- If the employee fails to give the abovementioned 3 months' advance notice to the employer, he must notify the employer of his date of paternity leave at least 5 days before that date.
- If the employer so requests, the employee must provide his employer with a written statement signed by him stating –
 1. the name of the child's mother;
 2. the expected/actual date of delivery of the child; and
 3. that he is the child's father.
- The employee may take paternity leave at any time during the period from 4 weeks before the expected date of delivery of the child to 14^{Note⁹} weeks beginning on the actual date of delivery of the child. The employee may take all 5 days of paternity leave in one go or on separate days.

Payment for Paternity Leave

- A male employee is entitled to paternity leave pay if he –
 1. has been employed under a continuous contract for not less than 40 weeks immediately before the day of paternity leave; and
 2. has provided the required document to the employer within the following period (whichever period expires first) –
 - (i) 12 months after the first day of paternity leave taken; or
 - (ii) if he ceases to be employed, within 6 months after cessation of employment.
- The daily rate of paternity leave pay is a sum equivalent to four-fifths of the employee's average daily wages. (see Appendix)

The document to be provided by the employee

For birth in Hong Kong: the birth certificate of the child on which the employee's name is entered as the child's father.

^{Note⁸} The law does not stipulate how advance such notification should be given.

^{Note⁹} If the child is born before 11 December 2020, it is up to 10 weeks beginning on the actual date of delivery of the child.

For birth outside Hong Kong: the birth certificate of the child issued by the authorities of the place and on which the employee's name is entered as the child's father (or, if the authorities of the place do not issue birth certificates, any other document issued by the authorities that could reasonably be taken as proof that the employee is the child's father).

NOTE: Samples of birth certificates issued by the authorities of some places outside Hong Kong are available on the web pages of the Labour Department.

Time limit for payment of paternity leave

- If an employee has provided the required document to the employer before the day on which paternity leave is taken, the employer must pay him paternity leave pay –
 1. not later than the day on which he is next paid his wages after the day of paternity leave; or
 2. if the employee has ceased to be employed, within 7 days after cessation of employment.
 - If an employee provides the required document to the employer after taking paternity leave, the employer must pay him paternity leave pay –
 1. not later than the day on which he is next paid his wages after the document is provided; or
 2. if the employee has ceased to be employed, within 7 days after the document is provided.
- ➔ An employer who fails to grant paternity leave or paternity leave pay to an eligible employee is liable to prosecution and, upon conviction, to a fine of \$50,000.

Other Points to Note

Employers and employees are advised to observe their obligations under the Personal Data (Privacy) Ordinance (Cap.486) in the disclosure and use of personal data of the mother of the employee's child for the purpose of granting or claiming paternity leave and paternity leave pay. Employers may wish to remind their employees to obtain the consent of the child's mother before disclosing her personal data. In case of queries, employers and employees may wish to consult the Office of the Privacy Commissioner for Personal Data.

Every employer must at all times keep a record setting out the wage and employment history of each employee covering the period of his employment during the preceding 12 months. Among others, the record must include particulars of the period(s) of paternity leave that the employee has taken together with details of payments made in respect of such period(s), if applicable.

End of Year Payment

- If an employment contract provides for entitlement to an end of year payment, an employee is eligible for it if he has been employed under a continuous contract for the whole payment period.
- The amount of an end of year payment is a sum as specified in the employment contract. If it is not specified, a sum equivalent to the employee's average monthly wages. (see Appendix)
- An employee is eligible for an end of year payment on a pro rata basis if he has been employed under a continuous contract for not less than 3 months in a payment period (excluding probation period of the first 3 months) and:
 - ▶ continues to be employed after the expiry of the payment period; or
 - ▶ is dismissed by the employer (except in cases of summary dismissal due to the employee's serious misconduct).
- Time of Payment

| Employment Condition | Time of payment |
|--|--|
| Time of payment is specified in the employment contract | The specified date |
| Time of payment is not specified in the employment contract | Last day of the payment period or within 7 days after that day |
| If the employment contract is terminated before the payment period expires and the employee is eligible for pro rata end of year payment | The day when the contract is terminated or within 7 days after that day |
| If the end of year payment is to be calculated by reference to any profits of the employer | The day when the profits are ascertained or within 7 days after that day |

- An employer who wilfully and without reasonable excuse fails to pay an end of year payment to an eligible employee is liable to prosecution and, upon conviction, to a fine of \$50,000.



Termination of Employment Contract

- Employers or employees should give each other due notice or payment in lieu of notice in terminating employment contracts. The length of notice or the amount of payment in lieu of notice required are:

| Employment condition | | | Length of notice | Payment in lieu of notice |
|---|--|--|--|--|
| During Probation Period | within the first month of probation | | not required | not required |
| | after the first month of probation | where contract makes provision for the required length of notice | as per agreement, but not less than 7 days | Notice period expressed in <u>days</u> or <u>weeks</u> : = "Average daily wages" x "Number of days in the notice period for which wages would normally be payable to the employee" (see Appendix) |
| | | where contract does not make provision for the required length of notice | not less than 7 days | |
| For a continuous contract* with no / after probation period | where contract makes provision for the required length of notice | | as per agreement, but not less than 7 days | Notice period expressed in <u>months</u> : = "Average monthly wages" x "Number of months specified in the notice period" (see Appendix) |
| | where contract does not make provision for the required length of notice | | not less than 1 month | |

* For a non-continuous contract with no/after probation period, the length of notice shall be the agreed period.

- On termination of employment, an employer shall pay termination payments to the employee which usually include outstanding wages, payment in lieu of notice (if applicable), annual leave pay, end of year payment, long service payment or severance payment (if applicable) and other payments under the employment contract. Except for severance payment, all termination payments shall be paid within 7 days after the date of termination. For severance payment, an employer shall make payment within 2 months from the receipt of a notice claiming for severance payment from the employee.
- An employer is required to pay interest on the outstanding wages due to the employee if he fails to pay wages to the employee within 7 days after the date of termination or expiry of contract.
- ➔ An employer who wilfully and without reasonable excuse fails to pay termination payments when they become due is liable to prosecution and, upon conviction, to a fine of \$350,000 and to imprisonment for 3 years.



Long Service Payment

- An employee employed under a continuous contract for not less than 5 years is eligible for long service payment if:
 - ▶ he is dismissed (except by reasons of redundancy or summary dismissal due to the employee's serious misconduct);
 - ▶ his fixed term employment contract expires without being renewed;
 - ▶ he dies during employment;
 - ▶ he has been issued a certificate in a specified form by a registered medical practitioner or a registered Chinese medicine practitioner, certifying that he is permanently unfit for his present job; or
 - ▶ he is aged 65 or above and resigns.
- Long service payment should be paid to an employee within 7 days after the date of termination of employment contract, except as otherwise specified in the case of payment to the beneficiaries of a deceased employee.
- An employer who wilfully and without reasonable excuse fails to pay long service payment to an employee is liable to prosecution and, upon conviction, to a fine of \$350,000 and to imprisonment for 3 years.
- An employer who without reasonable excuse fails to pay long service payment to the beneficiaries of a deceased employee is liable to prosecution and, upon conviction, to a fine of \$50,000.



Severance Payment

- An employee employed under a continuous contract for not less than 24 months is eligible for severance payment if:
 - ▶ he is dismissed by reason of redundancy;
 - ▶ his fixed term employment contract expires without being renewed due to redundancy; or
 - ▶ is laid off.
- The employer shall make the severance payment to the employee not later than 2 months from the receipt of the written notice for claiming such payment from the employee.
- An employer who without reasonable excuse fails to pay severance payment to an employee is liable to prosecution and, upon conviction, to a fine of \$50,000.

Calculation of Long Service Payment and Severance Payment

- Where an employee's employment did not straddle over 1 May 2025^{Note 10} (i.e. the effective date of the abolition of Mandatory Provident Fund ("MPF") offsetting arrangement) ("the transition date") or where the employee is not covered by the MPF System or other statutory retirement schemes^{Note 11}, the formula below will be used for calculation of severance payment / long service payment for the whole period of employment.

| | |
|------------------------------------|--|
| Monthly-paid employee | $(\text{Last full month's wages}^* \times 2/3)^{\#}$ \times reckonable years of service |
| Daily-rated / piece-rated employee | $(\text{Any 18 days' wages}^* \text{ chosen by the employee out of his last 30 normal working days})^{\#}$ \times reckonable years of service |

- Where an employee's employment straddled over 1 May 2025^{Note 12}, his severance payment / long service payment is divided into two portions by the transition date – the pre-transition portion (for employment period before the transition date) and post-transition portion (for employment period starting from the transition date). The calculations are as follows:

| | Pre-transition portion | Post-transition portion |
|------------------------------------|---|---|
| Monthly-paid employee | $(\text{Last full month's wages immediately preceding the transition date}^{\wedge} \times 2/3)^{\#} \times$ reckonable years of service before the transition date | $(\text{Last full month's wages immediately preceding the termination of employment contract}^* \times 2/3)^{\#} \times$ years of service starting from the transition date |
| Daily-rated / piece-rated employee | $(\text{Any 18 days' wages}^{\wedge} \text{ chosen by the employee out of his last 30 normal working days immediately preceding the transition date})^{\#} \times$ reckonable years of service before the transition date | $(\text{Any 18 days' wages}^* \text{ chosen by the employee out of his last 30 normal working days immediately preceding the termination of employment contract})^{\#} \times$ years of service starting from the transition date |

* An employee may also elect to use his average wages in the 12 months immediately preceding the termination of employment contract for the calculation. (Where the employee's employment contract is terminated by payment in lieu of notice, the employee may elect to use his average wages in the 12 months immediately preceding the date up to which the payment in lieu of notice is calculated.)

[^] An employee may also elect to use his average wages in the 12 months immediately preceding the transition date for the calculation.

[#] The sum should not exceed 2/3 of \$22,500 (i.e. \$15,000).

^{Note 10} An employee's employment did not straddle over 1 May 2025 if his employment was terminated before 1 May 2025 or commenced on or after 1 May 2025.

^{Note 11} For example, domestic helpers, and employees aged below 18 or employees who commenced employment at the age of 65 or above.

^{Note 12} An employee's employment straddled over 1 May 2025 if his employment commenced before 1 May 2025 and terminated on or after 1 May 2025.

Offsetting of Severance Payment / Long Service Payment against MPF Scheme benefit, Occupational Retirement Scheme benefit or Gratuity based on length of service

- For employees whose employment was terminated before 1 May 2025 – the employer can use the accrued benefits derived from employer's MPF contributions, vested benefits of occupational retirement scheme ("ORS") attributable to employer's contributions and/or gratuities based on length of service to offset the employee's severance payment / long service payment.
- For employees whose employment commenced on or after 1 May 2025 – the employer cannot use the accrued benefits derived from employer's MPF mandatory contributions to offset the employee's severance payment / long service payment, but can continue to use the accrued benefits derived from employer's MPF voluntary contributions and gratuities based on length of service to offset the employee's severance payment / long service payment.
- For employees whose employment straddled over 1 May 2025 – the employer can continue to use the accrued benefits derived from employer's MPF mandatory contributions to offset the employee's pre-transition portion of severance payment / long service payment, but not the post-transition portion of severance payment / long service payment. The accrued benefits derived from the employer's MPF voluntary contributions and gratuities based on length of service can continue to be used to offset pre- and/or post-transition portion of severance payment / long service payment.
- The abolition of offsetting arrangement is also applicable to employees who joined ORS.
- For details, please refer to Chapter 11 and Appendix 2 of "A Concise Guide to the Employment Ordinance".
- Starting from 1 May 2025, eligible employers, after payment of severance payment / long service payment to employees according to the Employment Ordinance, may apply to the Government for subsidy^{Note¹³} in respect of expenses on post-transition portion of severance payment and long service payment. For details, please visit the thematic website at www.op.labour.gov.hk.



^{Note¹³} The Subsidy Scheme for Abolition of MPF Offsetting Arrangement is a 25-year administrative scheme of the Government.

Employment Protection



- An employee may claim for remedies of Employment Protection against his employer under the following situations:
 - ▶ unreasonable dismissal (the employee should be employed under a continuous contract for not less than 24 months);
 - ▶ unreasonable variation of terms of the employment contract (the employee should be employed under a continuous contract);
 - ▶ unreasonable and unlawful dismissal.
 - If an employer dismisses his employee or varies the terms of the employment contract of his employee other than the following valid reasons, the dismissal or variation is considered unreasonable:
 - ▶ the conduct of the employee;
 - ▶ the capability or qualifications of the employee for performing his work;
 - ▶ redundancy or other genuine operational requirements of the business;
 - ▶ statutory requirements;
 - ▶ other substantial reasons.
 - The absence from work of an employee by reason of his/her compliance with a specific anti-epidemic requirement with a movement restriction does not constitute a valid reason for a dismissal or a variation of the terms of an employee's employment contract by his/her employer. (see the part on specific anti-epidemic requirements with movement restriction in "Sickness Allowance")
 - Remedies for Employment Protection include reinstatement, re-engagement, terminal payments and compensation (compensation is only applicable in the case of unreasonable and unlawful dismissal).
- * For details, please refer to Chapter 10 of "A Concise Guide to the Employment Ordinance".

Employers' Criminal Liability in Failing to Pay an Award of the Labour Tribunal or Minor Employment Claims Adjudication Board

- An employer who wilfully and without reasonable excuse fails to pay an award* within 14 days after the date on which the sum is payable, is liable to prosecution and, upon conviction, to a fine of \$350,000 and to imprisonment for 3 years.
 - The provisions apply to awards made on or after 29 October 2010.
- * For details, please refer to Chapter 13 of "A Concise Guide to the Employment Ordinance".

Appendix

- The average daily or monthly wages **in calculating holiday pay, annual leave pay, sickness allowance, maternity leave pay, paternity leave pay, payment in lieu of notice and end of year payment** refer to the average daily or monthly wages earned by an employee in the 12-month^{Note 14} period preceding the following specified dates. If an employee is employed for less than 12 months, the calculation shall be based on the shorter period.

| Statutory Entitlements | Day(s) of Leave | Specified Dates |
|--|--|--|
| Holiday Pay | 1 day | Day of the statutory holiday |
| | More than 1 consecutive day | First day of the statutory holidays |
| Annual Leave Pay | 1 day | Day of the annual leave |
| | More than 1 consecutive day | First day of the annual leave |
| | Day(s) of untaken leave upon termination of contract | Date of termination of contract |
| Sickness Allowance | 1 day | The sickness day |
| | More than 1 consecutive day | The first sickness day |
| Maternity Leave Pay | More than 1 consecutive day | First day of the maternity leave |
| Paternity Leave Pay | 1 day | Day of the paternity leave |
| | More than 1 consecutive day | First day of the paternity leave |
| Payment in lieu of notice | - | The day when a notice of termination of contract is given ^{Note 15} |
| End of Year Payment ^{Note 16} | - | Due day of the payment |

- In calculating the average wages, one should exclude:
 - (i) the periods for which an employee is not paid his wages or full wages, including rest day, statutory holiday, annual leave, sickness day, maternity leave, paternity leave, sick leave due to work injuries or leave taken with the agreement of the employer, and any normal working day on which the employee is not provided by the employer with work; together with
 - (ii) the sum paid to the employee for such periods.

^{Note 14} "Month" refers to "calendar month".

^{Note 15} In case a notice has not been given, "the day when the contract is terminated" shall be adopted.

^{Note 16} Applicable to situation in which the amount of end of year payment has not been specified in the contract.

Enquiry Hotline: **2717 1771**

(The hotline is handled by “1823”)

Labour Department website: **www.labour.gov.hk**

