

Catering Industry
Annex to Statutory Minimum Wage : Industry-specific Reference
Guidelines

Examples of computing minimum wage

- The revised Statutory Minimum Wage (SMW) rate of **\$34.5 per hour** is in effect from **1 May 2017**.
- With effect from **1 May 2017**, the monetary cap on the requirement of employers keeping records of the total number of hours worked by employees is **\$14,100** per month.
- For illustration purpose, figures are rounded to one decimal place in examples involving non-integer calculations.

Examples

Q 1 : A pantry helper's wage period is a calendar month. He works 9 hours per day (including irregular meal break which is regarded as hours worked by the employee in accordance with his agreement with the employer) and 6 days per week with **no-pay** rest day. In a 30-day wage period, he works 26 days without overtime work. How much is his minimum wage for this month?

A 1 : Minimum wage according to the total number of hours worked for this month:

$$(26 \times 9) \text{ hours (total number of hours worked)} \times \$34.5 \text{ (SMW rate)} = \$8,073$$

Q 2 : A fast food shop cleaner's wage period is a calendar month and his monthly wage is \$9,000. He works 8 hours per day (including irregular meal break which is regarded as hours worked by the employee in accordance with his agreement with the employer) and 6 days per week with **paid** rest day. In a 31-day wage period, he works 27 days without overtime work, and takes 4 rest days. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 2 : (a) Minimum wage according to the total number of hours worked for this month:

$$(27 \times 8) \text{ hours (total number of hours worked)} \times \$34.5 \text{ (SMW rate)} = \$7,452$$

(b) Wages payable to the employee in respect of this month:
 $\$7,838.7 [\$9,000 - \$1,161.3 \text{ (pay for 4 rest days)}^1]^2$

If (b) is not less than (a), the minimum wage requirement is met.

If (b) is less than (a), the employer has to pay additional remuneration to meet the minimum wage requirement.

In this example, since (b) is not less than (a), his monthly wage of \$9,000 has met the minimum wage requirement.

Q 3 : A kitchen worker's wage period is a calendar month and his monthly wage is \$9,800. He works 9 hours per day and 6 days per week with **paid** rest day. In a 31-day wage period, he works 26 days without overtime work, and takes 4 rest days and 1 paid statutory holiday. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 3 : (a) Minimum wage according to the total number of hours worked for this month:
 $(26 \times 9) \text{ hours (total number of hours worked)} \times \$34.5 \text{ (SMW rate)} = \$8,073$

(b) Wages payable to the employee in respect of this month:
 $\$8,213.3 [\$9,800 - \$1,264.5 \text{ (pay for 4 rest days)}^3 - \322.2

¹ Whether rest days are with pay or otherwise and the calculation method of rest day pay (including whether rest days are remunerated at the SMW rate) are employment terms in accordance with the employment contract or agreement between employers and employees. In this example, it is assumed that rest day pay is the payment made to the employee for time that is not hours worked and rest day pay for 4 days is \$1,161.3 ($\$9,000 \div 31 \text{ days} \times 4 \text{ rest days}$). The amount of rest day pay may vary if the number of calendar days or the number of rest days in the relevant month or its calculation method as agreed between employers and employees is different from this example.

² Since the calculation of minimum wage excludes the time that is not hours worked, payment made to the employee for any time that is not hours worked (e.g. rest day pay, holiday pay, annual leave pay, maternity leave pay, paternity leave pay, sickness allowance, etc.) must not be counted as part of the wages payable to the employee in respect of a wage period for computing minimum wage. For rest day pay, holiday pay, annual leave pay, maternity leave pay, paternity leave pay, sickness allowance, etc., hypothetical figures are used in this set of *Industry-specific Reference Guidelines* for illustration only, and the actual amount should be calculated according to the Employment Ordinance and the contract of employment.

³ Assumptions: Rest day pay is the payment made to the employee for time that is not hours worked. Rest day pay for 4 days is: $\$9,800 \div 31 \text{ days} \times 4 \text{ days} = \$1,264.5$.

(pay for 1 statutory holiday⁴)]²

In this example, since (b) is not less than (a), his monthly wage of \$9,800 has met the minimum wage requirement.

Q 4 : A cashier's wage period is a calendar month and his monthly wage is \$9,300. He works 9 hours per day and 6 days per week with **paid** rest day. In a 30-day wage period, he works 22 days without overtime work, and takes 4 rest days and 4 days of full-paid sick leave. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 4 : (a) Minimum wage according to the total number of hours worked for this month:
(22 × 9) hours (total number of hours worked) × \$34.5 (SMW rate) = \$6,831

(b) Wages payable to the employee in respect of this month:
\$6,837 [\$9,300 – \$1,240 (pay for 4 rest days)⁵ – \$1,223 (sickness allowance for 4 days of full-paid sick leave)⁶]²

In this example, since (b) is not less than (a), his monthly wage of \$9,300 has met the minimum wage requirement.

Q 5 : A kitchen worker's wage period is a calendar month and his monthly wage is \$8,400. He works 9 hours per day and 6 days per week with **paid** rest day. In a 30-day wage period, he works 23 days without overtime work, and takes 4 rest

⁴ Calculating statutory holiday pay on the basis of the 12-month average wages assuming that the monthly salary was \$9,800 in the past 12 months without any periods or wages to be disregarded:

$$\frac{9,800 \times 12 - 0 (\$)}{365 - 0 (\text{days})} = \$322.2$$

For details about calculating statutory entitlements on the basis of the 12-month average wages, please refer to *A Concise Guide to the Employment Ordinance*.

⁵ Assumptions: Rest day pay is the payment made to the employee for time that is not hours worked. Rest day pay for 4 days is: \$9,300 ÷ 30 days × 4 days = \$1,240.

⁶ Calculating full-paid sickness allowance on the basis of the 12-month average wages assuming that the monthly salary was \$9,300 in the past 12 months without any periods or wages to be disregarded:

$$\frac{9,300 \times 12 - 0 (\$)}{365 - 0 (\text{days})} \times 4 (\text{days}) = \$1,223$$

For details about calculating statutory entitlements on the basis of the 12-month average wages, please refer to *A Concise Guide to the Employment Ordinance*.

days and 3 days of paid annual leave. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 5 : (a) Minimum wage according to the total number of hours worked for this month:
 (23×9) hours (total number of hours worked) \times \$34.5 (SMW rate) = \$7,141.5

(b) Wages payable to the employee in respect of this month:
 $\$6,451.5$ [$\$8,400 - \$1,120$ (pay for 4 rest days)⁷ $- \$828.5$ (pay for 3 days of annual leave)⁸]²

In this example, since (b) is less than (a), apart from paying monthly wage of \$8,400, the employer has to pay additional remuneration of \$690 ($\$7,141.5 - \$6,451.5$), i.e. \$9,090 ($\$8,400 + \690) in total.

Q 6 : A pastry cook's wage period is a calendar month and his monthly wage is \$9,600. He works 10 hours per day and 6 days per week with **paid** rest day. In a 30-day wage period, he works 26 days without overtime work, and takes 4 rest days. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 6 : (a) Minimum wage according to the total number of hours worked for this month:
 (26×10) hours (total number of hours worked) \times \$34.5 (SMW rate) = \$8,970

(b) Wages payable to the employee in respect of this month:
 $\$8,320$ [$\$9,600 - \$1,280$ (pay for 4 rest days)⁹]²

⁷ Assumptions: Rest day pay is the payment made to the employee for time that is not hours worked. Rest day pay for 4 days is: $\$8,400 \div 30$ days \times 4 days = \$1,120.

⁸ Calculating annual leave pay on the basis of the 12-month average wages assuming that the monthly salary was \$8,400 in the past 12 months without any periods or wages to be disregarded:

$$\frac{8,400 \times 12 - 0 (\$)}{365 - 0 (\text{days})} \times 3 (\text{days}) = \$828.5$$

For details about calculating statutory entitlements on the basis of the 12-month average wages, please refer to *A Concise Guide to the Employment Ordinance*.

⁹ Assumptions: Rest day pay is the payment made to the employee for time that is not hours worked. Rest day pay for 4 days is: $\$9,600 \div 30$ days \times 4 days = \$1,280.

In this example, since (b) is less than (a), apart from paying monthly wage of \$9,600, the employer has to pay additional remuneration of \$650 (\$8,970 – \$8,320), i.e. \$10,250(\$9,600 + \$650) in total.

Q 7 : The wage period of a junior cook (Japanese food) is a calendar month and his monthly wage is \$8,000. He works 10 hours per day and 6 days per week with no-pay rest day. In a 30-day wage period, he works 26 days without overtime work, and takes 4 rest days. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 7 : (a) Minimum wage according to the total number of hours worked for this month:
(26 × 10) hours (total number of hours worked) × \$34.5 (SMW rate) = \$8,970

(b) Wages payable to the employee in respect of this month:
\$8,000 – \$0 (no payment to the employee for time that is not hours worked)²

In this example, since (b) is less than (a), apart from paying monthly wage of \$8,000, the employer has to pay additional remuneration of \$970(\$8,970 – \$8,000), i.e. \$8,970 (\$8,000 + \$970) in total.

Q 8 : A part-time waiter's wage period is a calendar month and his monthly wage is \$4,500. He works 4 hours per day and 6 days per week with paid rest day. In a 31-day wage period, he works 26 days without overtime work, and takes 5 rest days. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 8 : (a) Minimum wage according to the total number of hours worked for this month:
(26 × 4) hours (total number of hours worked) × \$34.5 (SMW rate) = \$3,588

(b) Wages payable to the employee in respect of this month:
\$3,774.2 [\$4,500 – \$725.8 (pay for 5 rest days)¹⁰]²

¹⁰ Assumptions: Rest day pay is the payment made to the employee for time that is not hours worked. Rest day pay for 5 days is: \$4,500 ÷ 31 days × 5 days = \$725.8.

In this example, since (b) is not less than (a), his monthly wage of \$4,500 has met the minimum wage requirement.

Q 9 : A canteen labourer's wage period is a calendar month and his monthly wage is \$8,300. He works 10 hours per day. He works 5 days and has 2 no-pay days off (including 1 rest day) per week. In a 31-day wage period, he works 23 days without overtime work, and takes 8 no-pay days off. How much is his minimum wage for this month? Does his monthly wage meet the minimum wage requirement?

A 9 : (a) Minimum wage according to the total number of hours worked for this month:
 (23×10) hours (total number of hours worked) \times \$34.5 (SMW rate) = \$7,935

(b) Wages payable to the employee in respect of this month:
\$8,300 – \$0 (no payment to the employee for time that is not hours worked)²

In this example, since (b) is not less than (a), his monthly wage of \$8,300 has met the minimum wage requirement.