

Important Information for Employers and Employees on Compensation for Work Injuries and Occupational Diseases

Employees' Compensation Ordinance

The Employees' Compensation Ordinance (ECO), Chapter 282 of the Laws of Hong Kong, applies to all full-time and part-time employees in Hong Kong in respect of injuries or deaths whilst at work or by specified occupational diseases.

Injury at work

- If an employee sustains an injury or dies as a result of an accident arising out of and in the course of his/her employment, his/her employer is in general liable to pay compensation under the ECO.
- An injured employee should notify the employer of the accident as soon as possible.
- An employer must notify the Labour Department of any work accident within 14 days (7 days for fatal cases) after the accident.
- An employee who suffers incapacity arising from an occupational disease specified in the ECO is entitled to similar compensation and protection.

Compensation payments

1. **Sick Leave Pay** : During the period of work injury sick leave, the employee is entitled to sick leave pay at the rate of four-fifths of the difference between the employee's monthly earnings at the time of the accident and his/her monthly earnings during the period of temporary incapacity.
2. **Lump Sum Compensation** : If the injured employee suffers from permanent incapacity as a result of the accident, he/she is also entitled to a lump sum compensation calculated with reference to the employee's age, monthly earnings and permanent loss of earning capacity (as assessed by the statutory Employees' Compensation Assessment Board). The employer must pay the employee the compensation amount certified by the Labour Department within 21 days.
3. **Medical Expenses** : Unless adequate and free medical treatment has been provided to the injured employee, the employer is liable to pay medical expenses for the treatment in relation to the employee's work injury, subject to a daily maximum rate stated under the ECO. The rate is also available on the Labour Department's website (www.labour.gov.hk/eng/legislat/content1.htm).

Compulsory Insurance

Employers are compulsorily required to take out employees' compensation insurance to cover their liabilities under the laws (including the common law) in respect of work injuries of their employees.

In case an employer fails to report accident, fails to take out insurance or fails to pay compensation

The employee should report to the Labour Department immediately.

Claims to be determined by the Court

- The Labour Department does not have the authority to make adjudication on any dispute of the case. If the employer and the employee could not reach any settlement with the assistance of the Labour Department, the case shall be determined by the Court.
- An application to the Court for employees' compensation claims has to be made within 24 months from the date of accident. Thus the employee concerned should contact the Labour Department for assistance as soon as possible if a case cannot be settled by the end of the 18th month from the date of accident.

Employment Protection

An employer shall not terminate the contract of employment of his/her injured employee unless the relevant certificate has been issued by the Labour Department, or the compensation claim has been settled with the employee.

Criminal Prosecution

If an employer contravenes any provisions of the ECO, the Labour Department will consider taking out prosecution against the offending employer when sufficient evidence is available.

Enquiries

- General enquiries: 2717 1771 (handled by “1823”)
- Homepage: www.labour.gov.hk
- Enquiry in person to the offices of the Employees' Compensation Division, for the addresses of the relevant offices, please visit the Labour Department's website (www.labour.gov.hk/eng/tele/ec.htm).

(This guide sets out in simple terms the main provisions of the Employees' Compensation Ordinance (Cap.282). It should be noted that the Ordinance itself remains the sole authority for the provisions of the law explained.)