

## Labour Department (Headquarters)

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15 January 2004

Clerk to the LegCo Panel on Manpower Legislative Council Building 8 Jackson Road Central Hong Kong (Attn : Mrs Sharon Tong )

Dear Mrs Tong,

## LegCo Panel on Manpower Tackling Wage Offences under the Employment Ordinance

I provide information requested by Members under the item of Tackling Wage Offences in the Panel's meeting held on 18 December 2003.

In the first 10 months of 2003, the magistrates' courts had ordered 36 employers, who had been convicted of offences under the Employment Ordinance (EO), to pay back through the court the sum due to their employees under their contracts of employment. Such orders were made pursuant to section 65 of the EO. The amount involved in these 36 orders totalled \$935,512.75.

Of the 36 orders made by the magistrates, 30 were related to payment of wages. According to the Judiciary Administrator, 17 out of the 30 employers had complied with the orders imposed. The courts had issued arrest/distress warrants against 11 employers and action would soon be taken against two other employers, all of whom had partially or wholly defaulted payment of court orders. 2

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In the same period, labour inspectors of the Labour Department handled 318 cases in which the employers defaulted payment of awards involving wage items and made by the Labour Tribunal or the Minor Employment Claims Adjudication Board. In-depth investigation was conducted with a view to prosecuting the employers. Some employees got back their wages and other statutory benefits during our investigation and subsequently declined to serve as prosecution witness.

As regards the convictions for wage offences in the same period, the average fine per case was \$6,665. The highest fine was \$50,000. The lowest fine was \$1,000 and this was a case in which the employer failed to pay wages of \$5,214 and annual leave pay to the employee until he was advised to do so by the conciliation officer of the Labour Department. In this specific case, the magistrate considered that the employer pleaded guilty to the offence, had a clear offence record and had made an attempt to clear wages and other payments to the employee soon after dismissing him but the employee refused to collect payment and sign on the receipt because the receipt contained a statement that the employee was summarily dismissed for negligent driving. The magistrate accepted that the employer had no intention to delay payment and therefore imposed a fine of \$1,000.

In respect of the full-year prosecution figures for 2003, the Labour Department secured successful convictions of 445 summonses for wage offences, which represented a significant increase of 220% over 139 convictions in the previous year. Our effort has conveyed a clear message to employers and employees that the Labour Department takes a very serious view on prosecuting wage offences.

Yours sincerely,

(Mrs Jenny CHAN) for Permanent Secretary for Economic Development and Labour (Labour) and Commissioner for Labour