

Legislative Council Panel on Transport
MTR staff salary and benefits matters after the Merger

At the meeting of the Legislative Council Panel on Transport on 22 May 2009, Members requested the MTR Corporation Limited (the Corporation) to provide further information on matters relating to staff salary and benefits after the rail merger. This paper provides the relevant information.

Protection for Staff

2. The Corporation has provided job security to the over 8,000 frontline staff and provided salary protection for all staff as committed in the context of the rail merger. Non-managerial staff enjoyed additional protection on salary scale. The Corporation also announced in December 2006 the Salary Protection Principles, assuring that for all staff, the pre-merger basic salary plus any grading-related benefits (for example, retirement benefits, medical benefits, free MTR travel and monthly housing allowance) would not be reduced. The needs of the staff have been addressed.

Work-related Arrangements and Allowances

3. With regard to work-related arrangements such as roster, rest time, rest day and meal break as well as other work-related allowances, the Corporation has to align them based on the operational needs after the rail merger with a view to achieving the goal of “One Company, One Team”.

4. At the meeting of the Panel on 22 May 2009, the Corporation was requested to provide details of the above arrangements, including comparison of the arrangements before and after the rail merger. The information is set out in the Annex.

5. In aligning the various work-related arrangements and allowances, the Corporation has considered many factors including the operational needs of the combined network, the arrangements of the two railway corporations before the rail merger, market practices so as to maintain the competitiveness of the aligned arrangements, and while ensuring that human resources are best utilized, staff could have sufficient rest time and that services could better meet the needs of the passengers.

6. As regards work arrangements, for staff of pre-merger Kowloon-Canton Railway Corporation (KCRC), their working hours have reduced from 45 hours per week to 42 hours. With basic salary remain unchanged, the hourly rate for work has increased by about 7%. For a small number of staff who originally worked 39 hours a week¹, and whose job category in the merged company has standard working hours at 42 hours per week, they were given the right to choose between maintaining the working hours at 39 hours per week or converting to 42 hours per week. If they chose to retain their original working hours at 39 hours per week, their basic salary and benefits would remain the same as they have enjoyed before the rail merger. If they chose to convert their working hours to 42 hours per week, they could receive work-related allowances applicable to their jobs and other discretionary benefits provided by the Corporation. With regard to meal break arrangements, the employment contract issued by the pre-merger KCRC has stated that meal break is not regarded as contract working hours. After rail merger, the paid walking time for meal breaks has increased for pre-merger KCRC train captains; and most of the bus captains have 10 minutes buffer time for meal breaks.

7. While working hours have not increased, working hours of each shift have been reduced from the previous 6 to 12 hours to the current 6 to 10 hours. The rest time between each shift has increased from the previous 8 to 10 hours to at least 12 hours. In addition, the “split shift” arrangement (i.e. work in two split shifts on the same day) has been removed, paid break for shifts with duration of 9 hours or more have been provided to station staff and bus captains and the number of rest days a year has been aligned. On the whole, roster alignment has reduced working hours and increased rest time between work, the various work arrangements after the merger are comparable to the arrangements before the merger.

8. With regard to salary, the salary of all staff have been protected after the rail merger and their basic salary have not been reduced. In addition to salary, for the work-related allowances, the qualifying period of the more frequently drawn allowances such as Dead Early/Dead Late Allowance has been extended and majority of staff could receive more allowance than before. At the same time, pre-merger KCRC staff who work during typhoon time have been provided with a \$30 meal allowance. For those allowances which are drawn only on specific days, such as

¹ A total of 328 staff, 27% of which (i.e. 88 staff) have chosen to retain the weekly hours of 39 hours.

Lunar New Year Holiday Allowance and Black Rainstorm Allowance, the amount of the allowances have been reduced under the aligned arrangement. On the whole, the work-related allowances are comparable to the arrangements before the merger.

9. Staff may have to work overtime as required but the policy of the Corporation is to offer overtime allowance when time-off could not be arranged. Overtime allowance is not part of the basic salary. For good management of human resources, staff should not be required to work over time frequently. The Corporation therefore actively recruited more staff after the merger. Up till now, 40 train captains for East Rail Line and Ma On Shan Rail Line and 59 captains for Light Rail have been recruited. As a result, staff establishment for train captains have almost achieved the level to meet the operational needs. The Corporation will arrange, in the next few months, to clear the time-off accumulated earlier on before the additional train/bus captains were recruited. With sufficient staff, there could be less overtime work and more rest time for staff and help them achieve a better balance between work and rest.

Communications with Staff

10. The Corporation has in place adequate communication channels for staff. In implementing the aligned roster arrangements after the merger, the Corporation held over 140 briefings and meetings for staff and staff unions. As for work-related allowances, the Corporation held over 300 briefings and meetings with staff and staff unions, and have revised the aligned allowance arrangements by taking into account staff views. The Corporation is committed to taking care of staff's interests. On matters that are of staff concern, the Corporation will continue to maintain close communication with staff.

MTR Corporation
June 2009

Changes	Arrangement of pre-merger MTR Corporation	Arrangement of pre-merger Kowloon Canton Railway Corporation (KCRC)	Arrangement of post-merger MTRCL	Background and reasons for the changes	Impact on staff
(1) Aligned roster arrangements					
Number of weekly working hours reduced	42 hours per week	45 hours per week 39 hours per week for a small number of staff	42 hours per week For a small number of staff who originally worked 39 hours a week, they could choose to maintain the working hours at 39 hours per week (basic salary and benefits remain the same as the arrangements before the rail merger) or to convert to 42 hours per week (entitled to receive work-related allowances and other discretionary benefits provided by the Corporation).	<ul style="list-style-type: none"> - To increase the rest time for staff. - The commitment made in the context of the rail merger. 	<ul style="list-style-type: none"> - With the number of weekly working hours reduced, pre-merger KCRC staff now enjoy more rest time. - With the increase in hourly rate by about 7%, all allowances calculated based on basic hourly rate (e.g. overtime allowance) will increase accordingly.

Changes	Arrangement of pre-merger MTR Corporation	Arrangement of pre-merger Kowloon Canton Railway Corporation (KCRC)	Arrangement of post-merger MTRCL	Background and reasons for the changes	Impact on staff
Number of working hours per shift reduced	6 to 10 hours	6 to 12 hours	6 to 10 hours	-To reduce the number of working hours per shift	As a result of these changes in the roster arrangement, for pre-merger KCRC station staff, the number of working days after the merger is higher than that before the merger. The number of rest days has been aligned from 78/104 days per year to 65 days per year.
Rest time between shifts extended for station staff and train captains	Minimum 12 hours	8 to 10 hours	Minimum 12 hours	-To extend rest time between shifts	
“Split shift” arrangement for train captains removed	Without “split shift” arrangement	With “split shift” arrangement	“Split shift” arrangement removed	-To facilitate better scheduling of work and rest time for staff. -Staff no longer need to work in two split shifts on the same day, thus allow better time arrangement for their personal life.	-Improved rest time, “split shift” arrangement for train captains of East Rail Line, West Rail Line and Light Rail removed.
Paid break for shifts with duration of 9 hours or more provided	15-minute paid break for shifts with duration of 9 hours or more	East Rail Line/Ma On Shan Line station staff, bus captains and freight service staff do not enjoy paid break for long shifts. Station staff of West Rail Line working for shifts longer than 10 hours enjoy a paid break of 15 minutes.	15-minute paid break for shifts with duration of 9 hours or more	-To increase rest time for staff	-Offer paid break for long shifts to East Rail Line/Ma On Shan Line station staff, bus captains and freight service staff. -Better arrangements for rest time for working long shifts for West Rail Line station staff and train captains of West Rail Line and Light Rail.

Changes	Arrangement of pre-merger MTR Corporation	Arrangement of pre-merger Kowloon Canton Railway Corporation (KCRC)	Arrangement of post-merger MTRCL	Background and reasons for the changes	Impact on staff
		Train staff of West Rail Line and Light Rail working for shifts longer than 9.5 hours enjoy a paid break of 15 minutes.			
Meal break and walking time for meal break	<p>Station staff : 40-minute meal break.</p> <p>Train captains : 30-minute meal break and 30-minute paid walking time.</p>	<p>Station staff : 30-minute meal break.</p> <p>Train captains: <u>East Rail and Ma On Shan Rail Lines</u> 40-minute meal break.</p> <p><u>West Rail Line / Light Rail</u> 30-minute meal break and 20-minute paid walking time.</p> <p>Bus captains : 30-minute meal break.</p>	<p>Station staff: Meal break aligned to 40 minutes.</p> <p>Train captains: 30-minute meal break and 30-minute paid walking time.</p> <p>Bus captains: 30-minute meal break and 10-minute buffer time for meal break.</p> <p>Staff for intercity passenger services and freight Service: 30-minute meal break and 30-minute paid</p>	<p>Meal break</p> <p>- The contract working hours for all staff of the Corporation, regardless of their work nature or post, do not cover their meal hours.</p> <p>Paid walking time</p> <p>- Due to the work nature, the parking location of trains is usually farther away, therefore train captains could enjoy paid walking time for meal break.</p>	<p>Station staff: - 30-minute meal break per shift increased to 40 minutes.</p> <p>Train captains: <u>East Rail and Ma On Shan Rail Lines</u> 40-minute meal break per shift changed to 30 minutes. Added 30-minute paid walking time.</p> <p><u>West Rail Line and Light Rail</u> 30-minute meal break per shift remains unchanged; paid walking time has increased from 20 minutes to 30 minutes.</p> <p>Bus captains: Majority of bus captains are entitled to the newly added 10-minute buffer time based on the routes they work for.</p>

Changes	Arrangement of pre-merger MTR Corporation	Arrangement of pre-merger Kowloon Canton Railway Corporation (KCRC)	Arrangement of post-merger MTRCL	Background and reasons for the changes	Impact on staff
		Intercity passenger services: 30-minute meal break and 15-minute paid walking time. Freight service staff: 30-minute meal break and 30-minute paid walking time.	walking time.		Intercity passenger services: 15-minute paid walking time increased to 30 minutes. Freight service staff: No change in arrangement.

Following the rail merger, MTRCL has recruited more staff to improve and align the roster arrangements. After the implementation of the aligned roster arrangements, the working hours for staff have not increased and the rest time between shifts has increased. On the whole, the work-related arrangements after merger are comparable to the arrangements before merger. Details are as follows:

- Contract working hours per week have been reduced from 45 hours to 42 hours;
- Working hours per shift shortened and rest time between shifts increased and as a result, staff have more rest time. Rest days per year have been aligned to 65 days;
- “Split shift” for train captains has been removed; and
- Under the aligned arrangements, all staff are eligible for a 15-minute paid break for long shifts of 9 hours or more.

Changes	Arrangement of pre-merger MTR Corporation	Arrangement of pre-merger Kowloon Canton Railway Corporation (KCRC)	Arrangement of post-merger MTRCL	Background and reasons for the changes	Impact on staff
(2) Aligning the arrangements for work-related allowances					
Dead Early / Dead Late Allowance	Eligible staff performing duty at or before 0615 hours or at or after 0045 hours were entitled to claim the allowance. Allowance rate was \$45 per shift	Eligible staff performing duty at or before 0531 hours or at or after 0029 hours were entitled to claim the allowance. Allowance rate was 5% of their hourly salary.	Eligible staff performing duty at or before 0615 hours or at or after 0045 hours are entitled to claim the allowance. Allowance rate is \$45 per shift.	-To extend the qualifying period for Dead Early / Dead Late Allowance.	-The majority of staff could receive more allowance than before.
Typhoon related allowance increased	Staff performing rostered or overtime duty during typhoon period would enjoy an extra allowance of 1 time of basic hourly rate plus a \$30 typhoon meal allowance	Staff performing rostered or overtime duty during typhoon period would enjoy an extra allowance of 1.5 times of basic hourly rate without the \$30 typhoon meal allowance	Staff performing rostered duty during typhoon period will enjoy an additional 1.5 times of basic hourly rate plus a \$30 typhoon meal allowance. And for overtime duty, the allowance is calculated at 2 times of basic hourly rate (effective from December 2008)	-\$30 typhoon meal allowance has been newly added. - Allowance for overtime duty during typhoon has been increased from 1.5 times to 2 times of basic hourly rate.	- Offer better arrangement for staff required to perform duty during typhoon period. Staff will receive higher overtime allowance with an additional meal allowance.

Changes	Arrangement of pre-merger MTR Corporation	Arrangement of pre-merger Kowloon Canton Railway Corporation (KCRC)	Arrangement of post-merger MTRCL	Background and reasons for the changes	Impact on staff
Lunar New Year Holiday Allowance	<p>Eligible for claim period as 72 hours (the 3 statutory holidays within the period from Lunar New Year Eve to the third day of Lunar New Year).</p> <p>Allowance calculated based on 1.5 times of basic hourly rate, if overtime duty is involved the overtime allowance would be calculated based on 1.5 times of hourly rate.</p>	<p>Eligible for claim period as 81 hours (from 1500 on the Lunar New Year Eve to 0000 on the third day of Lunar New Year).</p> <p>Allowance calculated based on 1.5 times of basic hourly rate, if overtime duty is involved the overtime allowance would be calculated based on 2 times of hourly rate.</p>	<p>The length of time period eligible for claiming the allowance is 72 hours (from 1700 of Lunar New Year Eve to 1700 on the third day of Lunar New Year).</p> <p>Allowance calculated based on 1.5 times of basic hourly rate, if overtime duty is involved the overtime allowance will be calculated based on 2 times of hourly rate.</p>	<p>-The eligible period is determined having regard to the market practice of 3 days of statutory holiday during the Lunar New Year period.</p>	<p>-For pre-merger KCR staff, they are no longer entitled to this allowance if they perform duty between 1500 and 1700 on the Lunar New Year Eve, and between 1700 and 0000 on the third day of Lunar New Year. The amount of allowance may be reduced.</p>

Changes	Arrangement of pre-merger MTR Corporation	Arrangement of pre-merger Kowloon Canton Railway Corporation (KCRC)	Arrangement of post-merger MTRCL	Background and reasons for the changes	Impact on staff
<p>Conditions of eligibility for Black Rainstorm allowance</p>	<p>"Essential staff" required to report duty when the Black Rainstorm Signal is hoisted, or for "Essential staff" if their rostered work started within one hour after the cancellation of Black Rainstorm Signal, they were eligible for the allowance.</p> <p>The allowance was a lump sum amount of \$150</p>	<p>Staff required to perform duty or required to work outdoor when the Black Rainstorm Signal is hoisted are eligible for the allowance.</p> <p>The allowance was a lump sum amount of \$175</p>	<p>"Essential staff" required to report for duty when the Black Rainstorm Signal is hoisted, or for "Essential staff" if their rostered work start within one hour after the cancellation of Black Rainstorm Signal, they are eligible for the allowance.</p> <p>The allowance is a lump sum amount of \$150.</p>	<p>-If the staff are already on duty when the Black Rainstorm Signal is hoisted, there is no extra allowance.</p>	<p>-For pre-merger KCR staff, before rail merger they were eligible for allowance if they performed duty or were required to work outdoor when the Black Rainstorm Signal was hoisted. Under the aligned arrangement, they are no longer eligible for this allowance.</p> <p>-On the other hand, before rail merger they were not entitled to the allowance if their rostered time started within one hour after the cancellation of Black Rainstorm Signal. Under the aligned arrangement, they are entitled to the allowance.</p> <p>-Whether or not the allowance they could claim will increase or decrease after merger depends on when Black Rainstorm Signal is hoisted.</p> <p>-Staff will receive a smaller amount of allowance.</p>

For the more frequently claimed allowances such as the Dead Early / Dead Late Allowance, the qualifying period has been extended and the majority of staff will receive more allowance. In addition, a meal allowance is newly provided to staff who are required to perform duty during typhoon period. For those fewer allowances which are drawn only on specific days, such as Lunar New Year Holiday Allowance and Black Rainstorm Allowance, the amount of allowance will be reduced. On the whole, the arrangements for these work-related allowances are comparable to the arrangements before the merger.