

立法會
Legislative Council

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Tel : 2869 9205

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 30 June 2010

**Proposed resolution under
the Employees' Compensation Ordinance**

I forward for Members' consideration a proposed resolution which the Secretary for Labour and Welfare will move at the Council meeting of 30 June 2010 under the Employees' Compensation Ordinance. The President has directed that "it be printed in the terms in which it was handed in" on the Agenda of the Council.

2. The speech, in both English and Chinese versions, which the Secretary will deliver when moving the proposed resolution is also attached.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

EMPLOYEES' COMPENSATION ORDINANCE

RESOLUTION

(Under section 48A of the Employees' Compensation Ordinance (Cap. 282))

RESOLVED that, with effect from 1 August 2010, the Employees' Compensation Ordinance (Cap. 282) be amended in the Sixth Schedule –

- (a) in the entry relating to section 6(1)(a), by repealing “21,000” and substituting “21,500”;
- (b) in the entry relating to section 6(1)(b), by repealing “21,000” and substituting “21,500”;
- (c) in the entry relating to section 6(1)(c), by repealing “21,000” and substituting “21,500”;
- (d) in the entry relating to section 6(2), by repealing “303,000” and substituting “310,000”;
- (e) in the entry relating to section 6C(8)(a), by repealing “490” and substituting “500”;
- (f) in the entry relating to section 6C(8)(b), by repealing “970” and substituting “1,000”;
- (g) in the entry relating to section 6D(3)(a), by repealing “490” and substituting “500”;
- (h) in the entry relating to section 6D(3)(b), by repealing “970” and substituting “1,000”;

- (i) in the entry relating to section 6E(9)(a), by repealing “490” and substituting “500”;
- (j) in the entry relating to section 6E(9)(b), by repealing “970” and substituting “1,000”;
- (k) in the entry relating to section 7(1)(a), by repealing “21,000” and substituting “21,500”;
- (l) in the entry relating to section 7(1)(b), by repealing “21,000” and substituting “21,500”;
- (m) in the entry relating to section 7(1)(c), by repealing “21,000” and substituting “21,500”;
- (n) in the entry relating to section 7(2), by repealing “344,000” and substituting “352,000”;
- (o) in the entry relating to section 8(1)(a), by repealing “412,000” and substituting “422,000”;
- (p) in the entry relating to section 8(1)(b), by repealing “412,000” and substituting “422,000”;
- (q) in the entry relating to section 16A(10)(a), by repealing “490” and substituting “500”;
- (r) in the entry relating to section 16A(10)(b), by repealing “970” and substituting “1,000”.

DRAFT

Speech by the Secretary for Labour and Welfare in moving the Resolution under Section 48A of the Employees' Compensation Ordinance in the Legislative Council on 30 June 2010

President,

I move that the motion, as printed on the Agenda, be passed.

2. The purpose of this resolution is to increase the amounts of five compensation items payable under the Employees' Compensation Ordinance (ECO). The Ordinance provides for the payment of compensation to employees and family members of the deceased employees for occupational diseases, injuries or deaths caused by accidents arising out of and in the course of employment. The Government reviews the levels of compensation every two years and adjusts the amounts by reference to the changes in wage and price levels in the intervening period.

3. The levels of compensation under ECO have been adjusted upwards in line with the positive changes of relevant indicators pursuant to the reviews conducted up to 1998. After 1998, as a result of deflation and downward adjustment of wages experienced in Hong Kong, the four review exercises covering 1999 to 2006 witnessed a negative growth in most of the indicators, including the Nominal Wage Index and Consumer Price Index (A). Notwithstanding that, we have all along kept the amounts of various compensation items unchanged at their existing levels in order not to affect the interests of the employees. Nevertheless, the negative growth of the relevant indicators since the last adjustment of compensation levels in 1998 were to be taken into account in future reviews. In other words, the levels of compensation under the Ordinance would not be revised upwards until the cumulative rates of decrease in price or wage movements have been offset by future increases.

4. Following the established mechanism, we have completed a new round of review. Review findings indicated a cumulative increase in the Nominal Wage Index but a cumulative decrease in the Consumer Price Index (A) over the years since 1998 up to 2008.

5. In line with the review findings, we propose to increase the amounts of five compensation items by 2.34%. The proposed revisions would include increasing the ceiling of monthly earnings from \$21,000 to \$21,500. This figure is the basis for calculating the maximum amounts of compensation for permanent total incapacity and for death under the Ordinance. We also propose to increase the minimum levels of compensation for death from \$303,000 to \$310,000, and for permanent total incapacity from \$344,000 to \$352,000. In addition, we propose that the maximum amount of compensation for employees requiring attention by another person be revised upwards from \$412,000 to \$422,000. As for the surcharge on late payment of compensation, we propose to increase the minimum amount of surcharge imposed upon expiry of the payment period from \$490 to \$500 and the minimum of a further surcharge imposed three months after the expiry of the payment period from \$970 to \$1,000. To allow time for the employers and the insurance industry to prepare for the implementation arrangements, we propose that the revised levels of compensation should take effect from 1 August 2010.

6. For other compensation items that should be revised downwards in accordance with the review findings, we again recommend to maintain the existing levels of compensation, in order not to adversely impact on the livelihood of the affected employees.

7. The Labour Advisory Board has unanimously endorsed the above proposals. I hope that Members will support and pass the motion so that the employees can benefit as soon as possible.

8 Thank you, President.