



COMMISSIONER FOR LABOUR

勞工處處長箋札

Your reference 來函編號：

Our reference 本處檔案編號： DD/CF 3/602/2010

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31 March 2010

The Hon. LI Fung-ying, BBS, JP
Chairman
Panel on Manpower
Legislative Council
(c/o Secretary, Panel on Manpower
Legislative Council)
8 Jackson Road
Hong Kong

Dear Madam Chair,

Decision taken by the Labour Advisory Board

I attach for information a summary of decision taken by the Labour Advisory Board at its meeting on 22 March 2010.

Yours sincerely,


(Mrs Cherry TSE)
Commissioner for Labour /
Chairman, Labour Advisory Board

**Decision taken by the Labour Advisory Board
at its meeting on 22 March 2010**

Proposal to expand the scope of the Protection of Wages on Insolvency Fund to cover pay for untaken annual leave and statutory holidays under the Employment Ordinance

At its meeting on 25 May 2009, the Labour Advisory Board (LAB) endorsed the proposal of the Protection of Wages on Insolvency Fund Board (the Fund Board) to extend the scope of the Protection of Wages on Insolvency Fund (the Fund) to cover annual leave pay under the Employment Ordinance (EO) for annual leave accumulated and not yet taken by an employee, subject to the limit of the employee's last leave year with a maximum of seven to 14 days' annual leave pay as per the employee's length of service and the payment ceiling of \$10,500. Upon scrutiny of the Fund Board's proposal, the Legislative Council Panel on Manpower requested further expansion of the scope of the Fund to cover pay for all untaken annual leave and statutory holidays while maintaining the payment ceiling of \$10,500.

Following the guiding principles of progressively improving the coverage of the Fund whilst taking into account the impact of the financial tsunami on the Fund as well as the relevant legal requirements, the Fund Board reached the following consensus on an improvement proposal:

- (a) The scope of the Fund should be expanded to cover the following two types of leave/ holiday pay subject to the payment ceiling of \$10,500:
- annual leave pay under the EO for annual leave accumulated and not yet taken by an employee, subject to the limit of his last leave year with a maximum of seven to 14 days' pay as per the employee's length of employment; and
 - holiday pay under the EO for statutory holidays not yet taken by an employee within four months prior to his last day of service.
- (b) The Fund Board would review again the coverage of the Fund in the light of operational experience and the Fund's financial position after the relevant Bill has taken effect for 12 months.

The LAB unanimously endorsed the proposal at the meeting.