



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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27 January 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 12 January 2010.

Yours sincerely,

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

Decision taken by the Labour Advisory Board at its meeting on 12 January 2010

Review of the Levels of Compensation under the Employees' Compensation Ordinance and the Pneumoconiosis and Mesothelioma (Compensation) Ordinance

It is an established practice for the Administration to review the levels of compensation provided for under the Employees' Compensation Ordinance (ECO) and the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (PMCO) every two years mainly in the light of the wage movement or price movement in the intervening years. The Administration has reviewed the changes in the wage and price indices and other relevant factors in 2007 and 2008 to assess whether any changes in the compensation levels should be recommended.

Taking into account the review findings and the implications on employers and employees, the Labour Advisory Board unanimously agreed on the following package of proposals :

- (a) as a matter of principle, the established mechanism of following the relevant wage/price movements should be followed;
- (b) nevertheless, in order to avoid causing hardship to employees, the amounts for various compensation items under the ECO and PMCO should be kept unchanged at their existing levels notwithstanding the cumulative downward price movement;
- (c) the levels of compensation for the five relevant items under the ECO could be adjusted upwards by 2.34% in accordance with the cumulative increase in wage movement; and
- (d) the arrangements in (b) and (c) above should not be regarded as a precedent; and the cumulative negative price movement since the last adjustment in 1998 should be taken into account in future reviews. In other words, the levels of compensation would not be revised upwards until the cumulative rate of decrease in price movement has been offset by future increase.

The package of proposals will be submitted to the Legislative Council Panel on Manpower for discussion on 23 February 2010.