

EMB CR 7/3051/82 Pt 19

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1 November 1999

Mrs Constance Li  
Clerk to Bills Committee  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

(By Fax : 2509 9055)

Dear

Bills Committee on  
Protection of Wages on Insolvency  
(Amendment) Bill 1999

I refer to your letter of 20 September 1999.

The Administration has consulted the Labour Advisory Board and the Protection of Wages on Insolvency Fund Board of the views of the Bill Committee discussed at its meeting held on 20 September 1999. We have decided to introduce Committee Stage Amendments (CSAs) to provide for the followings :

- (a) If there are more than one wage reductions in the 12-month period preceding termination of employment and if the employer has given undertakings to pay severance payment on the basis of pre-reduced wage level or a specified wage level, the Protection of Wage on Insolvency Fund (PWIF) would use the highest wage level specified in any of the undertakings given during the 12-month period to calculate the amount of ex-gratia severance payment.

- (b) To remove the requirement for written undertaking, i.e. the PWIF would recognise verbal as well as written undertakings by employers.

The draft CSAs are now attached for your reference.

Please feel free to let me know should you require further information or clarification.

Yours sincerely,

(Ivan K B Lee)  
for Secretary for Education and Manpower

w.e.

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