

經濟發展及勞工局
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25 October 2005

The Hon. LAU Chin-shek, JP
Chairman
Panel on Manpower
Legislative Council
(c/o Secretary, Panel on Manpower
Legislative Council)
8 Jackson Road
Hong Kong

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 6 October 2005.

(Matthew CHEUNG Kin-chung)
Permanent Secretary for Economic
Development and Labour (Labour)
and Chairman, Labour Advisory Board

**Decisions taken by the Labour Advisory Board
at its meeting on 6 October 2005**

**Proposal to raise the maximum penalty for wage offences under the
Employment Ordinance**

To reinforce Government's efforts in tackling wage offences and to enhance the deterrent effect, it is proposed that the maximum penalty under section 63C of the Employment Ordinance be raised from a fine of \$200,000 and imprisonment for one year to a fine of \$350,000 and imprisonment for three years.

The Labour Advisory Board supported the proposal at the meeting.

Review of the levels of compensation under the Employees' Compensation Ordinance and the Pneumoconiosis (Compensation) Ordinance

The Government reviewed the levels of compensation for various items under the Employees' Compensation Ordinance (ECO) and the Pneumoconiosis (Compensation) Ordinance (PCO) for the period of 2003 to 2004.

Having considered the review findings and its implications to employers and employees, it is proposed that-

- (1) the amounts for various compensation items under the ECO and PCO should be maintained at their existing levels; and
- (2) to avoid inflating the value of the levels of compensation in future reviews of the levels of compensation, the cumulative negative wage and price movements 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 rates of decrease in wage or price movements have been offset by future increases.¹

The Labour Advisory Board (LAB) supported the proposals at the meeting.

¹ This practice was agreed by the LAB in the last two review exercises in 2000 and 2003.