

## LC Paper No. LS32/16-17

## Paper for the House Committee Meeting on 10 February 2017

## Legal Service Division Report on Proposed Resolutions under the Employees' Compensation Ordinance, the Pneumoconiosis and Mesothelioma (Compensation) Ordinance and the Occupational Deafness (Compensation) Ordinance

The Secretary for Labour and Welfare has given notice to move three motions at the Legislative Council meeting of 1 March 2017 respectively under section 48A of the Employees' Compensation Ordinance (Cap. 282), section 40 of the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Cap. 360) and section 39(2) of the Occupational Deafness (Compensation) Ordinance (Cap. 469). The proposed resolutions seek to increase the amount of 18 compensation items under the three Ordinances with effect from 1 April 2017.

2. Cap. 282 provides for the payment of statutory compensation to employees injured at work or suffering from prescribed occupational diseases or to their family members (in fatal cases). The proposed resolution under Cap. 282 seeks to amend the Sixth Schedule (Specified Amount of Compensation) to Cap. 282 to make the following revisions -

	Item	Existing amount (\$)	Proposed amount (\$)	Increase (%)
(a)	Ceiling of monthly earnings for calculating compensation for death and permanent total incapacity	26,070	28,360	+8.78%
(b)	Minimum compensation for death	375,950	408,960	+8.78%
(c)	Minimum compensation for permanent total incapacity	426,880	464,360	+8.78%
(d)	Compensation for attention	511,770	556,700	+8.78%
(e)	Minimum surcharge on late payment of compensation			
	<ul><li>(i) initial surcharge</li><li>(ii) further surcharge</li></ul>	610 1,220	660 1,330	$+8.78\% \\+8.78\%$

	Item	Existing amount (\$)	Proposed amount (\$)	Increase (%)
(f)	Funeral expenses	76,220	83,700	+9.82%
(g)	Cost for supplying and fitting of a prosthesis or surgical appliance	36,430	40,010	+9.82%
(h)	Cost of repair and renewal of a prosthesis or surgical appliance	110,390	121,230	+9.82%
(i)	Minimum monthly earnings	3,690	4,090	+10.84%

3. Cap. 360 provides for the payment of statutory compensation to persons suffering from pneumoconiosis and/or mesothelioma or to family members of persons who died of the diseases. The proposed resolution under Cap. 360 seeks to amend the First Schedule (Amounts of Compensation) to Cap. 360 to make the following revisions -

	Item	Existing amount (\$)	Proposed amount (\$)	Increase (%)
(a)	Monthly compensation	4,650	5,110	+9.82%
	for pain, suffering and			
	loss of amenities			
(b)	Compensation for	110,390	121,230	+9.82%
	bereavement			
(c)	Minimum compensation	110,390	121,230	+9.82%
	for death			
(d)	Funeral expenses	76,220	83,700	+9.82%
(e)	Monthly compensation	4,930	5,210	+5.68%
	for care and attention			

4. Cap. 469 provides for the payment of statutory compensation to persons who suffer from noise-induced deafness by reason of employment in specified noisy occupations. The proposed resolution under Cap. 469 seeks to amend Schedule 5 (Amount of Compensation) to Cap. 469 to make the following revisions -

Item	Existing amount (\$)	Proposed amount (\$)	Increase (%)
(a) Maximum sum for calculating compensation for permanent incapacity			

Item	Existing amount (\$)	Proposed amount (\$)	Increase (%)
- Age under 40	2,502,720	2,722,560	+8.78%
- Age 40 to under 56	1,877,040	2,041,920	+8.78%
- Age 56 and above	1,251,360	1,361,280	+8.78%
(b) Minimum sum for calculating compensation for permanent incapacity	426,880	464,360	+8.78%
(c) First-time financing limit for hearing assistive devices	15,000	16,470	+9.82%
(d) Aggregate financing limit for hearing assistive devices	52,000	57,110	+9.82%

5. The proposed increases in the amount of the compensation items (last revised in 2015) under paragraph 2 to 4 above range from 5.68% to 10.84%. According to the paragraph 3 and 4 of the LegCo Brief (File Ref: LD ECS2/50/2(C)) issued by the Labour and Welfare Bureau, and the Labour Department in February 2017, 16 of the compensation items are proposed to be adjusted in accordance with established indicators or factors, including the wage movement as reflected by the Nominal Wage Index and price movement as reflected by the Consumer Price Index (A) ("CPI(A)") in the period from 2014 to 2015. The remaining two items (items (c) and (d) under paragraph 4 above) are proposed to be adjusted with the adoption of CPI(A) as the adjustment indicator starting from this exercise. The Labour Advisory Board supported the proposal at its meeting on 29 November 2016.

6. As advised by the Clerk to the Panel on Manpower, the Panel was consulted on the adjustment proposal at its meeting of 20 December 2016. Members raised no objection to the proposal but some members expressed concerns about the adjustment cycle and the increased amounts of some compensation items.

7. No difficulties in relation to the legal and drafting aspects of the proposed resolutions have been identified.

Prepared by

Clara TAM Assistant Legal Adviser Legislative Council Secretariat 9 February 2017 LS/R/1/16-17