

## **LEGISLATIVE COUNCIL BRIEF**

Employees Retraining Ordinance (Chapter 423)

### **EMPLOYEES RETRAINING ORDINANCE (AMENDMENT OF SCHEDULE 4) NOTICE 2020**

#### **INTRODUCTION**

The Employees Retraining Board (ERB) issued the Employees Retraining Ordinance (Amendment of Schedule 4) Notice 2020 (the Notice) on 23 March 2020, at the Annex, pursuant to section 31(2) of the Employees Retraining Ordinance (ERO) (Chapter 423), to revise the maximum amount of retraining allowance payable monthly in respect of a trainee attending specific retraining courses of ERB as stipulated in Schedule 4 from \$4,000 to \$5,800 with effect from 25 May 2020.

#### **JUSTIFICATIONS**

2. ERB's placement-tied courses in various industries seek to equip eligible trainees with skills required by the market and help the unemployed to re-enter the job market. Eligible trainees may, pursuant to sections 20, 21 and 22 of ERO, apply for retraining allowance through the training bodies concerned. Section 21(4) provides that the maximum amount of retraining

allowance payable monthly in respect of a trainee attending these courses should be specified in Schedule 4. Section 31(2) of ERO provides that ERB may, by notice in the Gazette, amend the Schedule. At present, trainees who have completed these courses with duration of seven days or more and attained an attendance rate of at least 80% are eligible for retraining allowance, the maximum amount of which is \$4,000 per trainee per month. This ceiling is also applicable to the special training allowance payable to eligible trainees enrolled in the one-off “Love Upgrading Special Scheme” (“Special Scheme”) launched by ERB in October 2019<sup>1</sup>. Taking into account the inflation rate since the current maximum amount of retraining allowance was adjusted in July 1995, ERB has resolved that the maximum amount should be increased to \$5,800.

## **THE NOTICE**

3. The Notice seeks to amend Schedule 4 to ERO by repealing “\$4,000” and substituting “\$5,800”. The Notice shall come into operation on 25 May 2020.

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<sup>1</sup> The “Special Scheme” seeks to help those employees affected by the recent economic downturn to upgrade their skills and pursue self-enhancement, with a view to rejoining the employment market as soon as possible.

## **LEGISLATIVE TIMETABLE**

4. The legislative timetable will be –

Publication in the Gazette	27 March 2020
Tabling at the Legislative Council	1 April 2020
Date of Commencement	25 May 2020

## **IMPLICATIONS OF THE NOTICE**

5. The Notice is conducive to the policy objective of up-skilling our labour force and enhancing their employability and adaptability in the changing labour market through enhancing the financial support for trainees enrolled in ERB’s retraining courses. The anticipated financial commitment arising from the increase in the maximum amount of monthly retraining allowance, including those under the “Special Scheme”, will be met by the Government’s injection of \$2.5 billion into the Employees Retraining Fund, subject to the passage of the Appropriation Bill 2020.

6. The Notice is in conformity with the Basic Law, including the provisions concerning human rights. It will not affect the current binding effect of the Ordinance. The Notice has no civil service, competition, productivity, environmental, sustainability, family or gender implications.

## **PUBLIC CONSULTATION**

7. As part of the fourth package of measures to support enterprises and employment announced by the Financial Secretary on 4 December 2019, ERB has undertaken to, *inter alia*, increase the maximum amount of retraining allowance from \$4,000 to \$5,800 for all eligible ERB's retraining courses, including those under the "Special Scheme", through legislative amendment. The Legislative Council Panel on Manpower was briefed on the initiative at its meeting on 17 December 2019, and the Members present were in support of the initiative. ERB has also consulted relevant stakeholders and the consensus is that the proposed revision should be implemented as soon as possible.

## **PUBLICITY**

8. ERB will issue a press release to announce the implementation of new statutory cap before the commencement date. A spokesperson will be available to answer enquiries.

## **BACKGROUND**

9. ERB is an independent statutory body established under ERO. Courses and services provided by ERB are market-driven and employment-oriented, with an aim to improving the competitiveness of the local labour force for sustainable employment. To respond flexibly to changes in the job market, ERB provides courses and services with market demand through

coordinating the training programmes of some 80 training bodies appointed by it, allocating resources to these training bodies and monitoring their performance. ERB, in collaboration with its training bodies, offers over 700 courses straddling 28 industries with employment potential including full-time placement-tied courses for the unemployed, part-time generic skills courses for people from all industries, skills upgrading courses with skills enhancement training for employees, and courses for designated target groups such as young people, home makers, mature persons, ethnic minorities, workers recovered from work injuries, rehabilitated offenders, etc.

## **ENQUIRIES**

10. For enquiries on this brief, please contact Ms. Alice CHEUNG, Deputy Executive Director (Corporate Services) of ERB, at 3129 1288.

**Employees Retraining Board Executive Office**

**25 March 2020**

**Employees Retraining Ordinance (Amendment of  
Schedule 4) Notice 2020**

(Made by the Employees Retraining Board under section 31(2) of the  
Employees Retraining Ordinance (Cap. 423))

**1. Commencement**

This Notice comes into operation on 25 May 2020.

**2. Employees Retraining Ordinance amended**

The Employees Retraining Ordinance (Cap. 423) is amended as set  
out in section 3.

**3. Schedule 4 amended (maximum amount of retraining allowance  
specified for the purposes of section 21(4))**

Schedule 4—

**Repeal**

“\$4,000”

**Substitute**

“\$5,800”.

Chairman,  
Employees Retraining Board

23 Mar 2020



### Explanatory Note

Schedule 4 to the Employees Retraining Ordinance (Cap. 423) sets out the maximum amount of retraining allowance specified for the purposes of section 21(4).

2. This Notice amends the Schedule by repealing "\$4,000" and substituting "\$5,800".
3. This Notice comes into operation on 25 May 2020.