

Benefits deal to cost employers \$300m

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Proposals to improve welfare for workers will cost employers about \$300 million a year, an official said yesterday.

But Deputy Secretary for Education and Manpower Matthew Cheung Kin-chung said the package, covering wages, maternity, long-service payments and year-end payments, would not dramatically increase labour costs.

He said the changes made to the Employment Ordinance would cost employers about 0.1 per cent of the total annual labour bill.

Under the proposals:

- ▶ Employers will have to pay interest on unpaid wages seven days after they are due;

- ▶ Workers will be entitled to claim termination payment if employers fail to pay wages one month after they are due;

- ▶ Employers will be subject to a \$50,000 fine if they fail to move pregnant staff off heavy or hazardous work;

- ▶ Employers who wrongly sack pregnant staff will

have to pay a month's wages — up from the present one week;

- ▶ The number of years required for long service payment is cut from 10 to five;

- ▶ Women can apply for unpaid maternity leave if they have been employed for a month, instead of the current 6½ months;

- ▶ Pregnant employees get flexible allocation of their 10 weeks paid maternity leave;

- ▶ The definition of wages will be revised to include commission, attendance bonuses, attendance allowances, travelling allowances and overtime payments.

Employers Federation of Hong Kong executive director May Chow Mee-yee was worried the proposal would create an extra financial burden on smaller firms.

But the federation would not oppose the proposal as it was endorsed by employer and labour sides of the Labour Advisory Board.

The package was gazetted yesterday and will be introduced to Legco on May 29.