

A better deal for our workers

THE Executive Council has approved some major changes in the Severance Pay Bill, giving employees more protection, sources said yesterday.

The council meeting on Tuesday passed proposals to raise the rate of severance pay and extend the period during which workers could file claims.

An employee will soon be entitled to two-thirds of his monthly salary for each year of employment as severance pay. The present law allows only half of the monthly salary.

For workers paid daily, it will be increased to 18 days, from the present 13.

Under the amended Bill, an employee can claim severance pay within three months following dismissal, instead of the present one month.

The changes will be gazetted before February 2.

The changes were endorsed by the Labour Advisory Board last year — after some heated debate between representatives of employers and employees on the board.

The two sides in LAB were also divided in other proposed changes to the law and were unable to reach a consensus, sources said.

But the Executive Council's acceptance of the these changes were seen by labour groups as long overdue.

The severance pay legislation enacted in 1974 has, through the years, come under criticism. Labour officials had also said publicly that amendments were needed.

But employers said any change would have cumulative effect on production costs. As Hongkong relied heavily on exports, the changes would weaken the colony's competitiveness in the free market, they added.

The employers also believed the changes would affect their long-term staff recruitment plan, they said.

However they would be given six weeks' time to lodge their objections before the amendments were passed.

The Executive Council decision came as no surprise to labour groups, as they have repeatedly criticised the government for delaying the enactment of the Bill.

They said the Bill had been delayed for three years and that it had not been revised since 1977. It was long overdue because Hongkong's economy had been thriving on a system where workers were not adequately protected by labour laws.

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