

**Standard Employment Contract
for Employees of Contractors of Government Service Contract (Note 1)
Government Service Contract No.: _____ (Note 2)**

This employment contract is made between _____
 (“the Employer”) at the address of _____
 _____ and Mr/Ms* _____
 (Hong Kong Identity Card No. _____) (“the Employee”) at the address
 of _____. The Employer and
 the Employee understand and agree to observe the terms of employment set out below. Both parties
 understand that this employment contract is governed by the laws of Hong Kong, in particular, the
 Employment Ordinance, Chapter 57, the Employees’ Compensation Ordinance, Chapter 282 and the
 Minimum Wage Ordinance, Chapter 608. Both parties acknowledge that they have read the
 attached Guidance Notes on Signing of Standard Employment Contract (“the Guidance Notes”).

1. This employment contract shall commence on _____ (day/month/year).
(Note 3)
2. The Employee’s first day of employment under his/her previous employment contract in respect
 of the government service contract specified in Clause 3 below
 was _____ (day/month/year). (Note 4)
3. The Employee shall be employed by the Employer as _____ (post title)
 to work under the government service contract (contract no.: _____ (Note 2) ,
 date of award of contract: _____ (day/month/year)). Pursuant to the
 aforesaid government service contract, the new entitlements under Clauses 26 to 28 of this
 employment contract **shall apply/shall not apply***. The place of work as specified in the
 aforesaid government service contract is _____. If
 necessary, the Employer shall be allowed to deploy the Employee to work
 within _____ region (Note 5) under an urgent
 situation or on an ad hoc and limited basis in the course of this employment contract. (Note 6)
4. (a) The Employee shall work _____ days a week, and his/her daily working hours shall
 be: (Note 7)
 _____ a.m./p.m.* to _____ a.m./p.m.* and _____ a.m./p.m.* to _____ a.m./p.m.*
 on shift
 _____ a.m./p.m.* to _____ a.m./p.m.* and _____ a.m./p.m.* to _____ a.m./p.m.* ;
 _____ a.m./p.m.* to _____ a.m./p.m.* and _____ a.m./p.m.* to _____ a.m./p.m.* ; or
 _____ a.m./p.m.* to _____ a.m./p.m.* and _____ a.m./p.m.* to _____ a.m./p.m.*

(b) The meal time of the Employee shall be from _____ a.m./p.m.* to _____ a.m./p.m.* / _____ hour(s)/minutes* per day and is (Note 8):

counted as hours worked and its pay has been included in the monthly wages payable under 7(a). (Note 9)

not counted as hours worked and shall be paid at the rate of HK\$ _____ per day on top of the monthly wages payable under Clause 7(a).

not counted as hours worked and no payment will be made in this respect.

Under exceptional circumstances and at the request of the relevant procuring department, the Employer may make appropriate adjustment to the above working hours, provided that such adjustment should be on an ad hoc basis and it should not affect the original number of working hours in a day of the Employee.

5. The Employee is entitled to 1 paid rest day in every period of 7 days. The paid rest day for the Employee shall be on every _____ / granted on an irregular basis* (in which case the Employer must inform the Employee in writing of the appointed paid rest days, or exhibit the Employee's roster of paid rest days in a conspicuous place in the place of employment, before the beginning of each month). The rest day pay of the Employee shall be a sum equivalent to the pay for the Employee's work on a normal working day (excluding overtime pay).

6. Contractual day-off other than paid rest days as specified in Clause 5 shall be (if applicable):

paid at the rate of HK\$ _____ per day/a sum equivalent to the pay for the Employee's work on a normal working day* on top of the monthly wages payable under Clause 7(a).

unpaid.

7. If the Employee works in accordance with the working hours as specified in Clause 4(a) of this employment contract, he/she shall receive:

(a) monthly wages (excluding any overtime pay) of HK\$ _____, which shall include wages for hours worked by the Employee on his/her normal working days and rest day pay as specified in Clause 5. (Note 9)

Irrespective of the number of days in a particular month, the Employee shall be paid monthly wages equivalent to the wages specified in this employment contract. The Employee's deductions for absence from work shall be calculated on the basis of the number of normal working days plus paid rest days in a particular month.

wages for working in each workplace calculated pro-rata according to the monthly wages specified in the Tables under Clause 2 of the Schedule if he/she is employed to work for the Employer under different government service contracts undertaken by the Employer in the same region. (The Schedule to this employment contract must also be completed.)

Any allowance shall be paid on top of the above wages.

(b) the overtime pay and pay for work on rest day/contractual day-off shall be _____% (the entered figure must not be less than 100) of the wage rate for the Employee's work on his/her normal working days if the Employee is required to work beyond the working hours as specified in Clause 4(a) of this employment contract or on a rest day/contractual day-off. (Note 10)

- (c) the pay for meal time if the periods of meal time as specified in Clause 4(b) are not counted as hours worked and are payable.
 - (d) the pay for contractual day-off, if any, as specified in Clause 6.
 - (e) the pay for working under typhoon signal no. 8 or above, if any, as specified in Clause 27 below or Clause 5 of the Schedule.
 - (f) additional remuneration, if any, in accordance with the Minimum Wage Ordinance. (Note 11)
 - (g) any other sums payable to the Employee under the provisions of this employment contract or the laws of Hong Kong.
8. The wage period shall be one month. Wages (including overtime pay and other sums payable under Clause 7, if any) shall be paid in any case not later than 7 days after the expiry of the wage period. Similarly, wages and any sum due to the Employee (including the gratuity under Clause 28 and any other sums due in respect of this employment contract, if any) must be paid not later than 7 days after the expiry or termination of this employment contract. If the Employee is employed by the Employer to work for more than one Post (as defined in the Schedule) and a gratuity is payable to the Employee under Clause 6 of the Schedule upon the expiry or termination of the Post that he/she has worked, the gratuity shall be paid not later than 7 days after the expiry or termination of the relevant Post.
9. The Employer and the Employee agree that all wages (including overtime pay and other sums payable under Clause 7 but excluding the gratuity and any sum payable upon expiry or termination of this employment contract or a Post) shall be paid directly by way of automatic payment into a bank account in the Employee's name with a bank licensed under the Banking Ordinance, Chapter 155. The Employer shall also provide a wage record (pay slip) setting out the breakdown of wages for each wage period to the Employee for reference. If the Employee agrees, the Employer may pay the gratuity (if any) and any sum payable upon expiry or termination of this employment contract or a Post (including wages) by cheque not later than 7 days after the expiry or termination of this employment contract or the Post.
10. No deductions shall be made by the Employer from the wages of the Employee other than permitted deductions made in accordance with the Employment Ordinance and the Employee's contribution in accordance with the Mandatory Provident Fund Schemes Ordinance, Chapter 485, and the sum to be deducted shall not exceed the limit stipulated therein. Subject to the provisions of the law, any operating and/or administrative costs due to wear and tear of fixed assets and equipment including expenses on uniforms (clothing, shoes, socks, etc.), training fees, administrative costs, cleaning fees, tool charges, travelling expenses, deposits, etc, and any sum and/or deductions imposed on the Employer by the procuring department pursuant to the terms of the relevant government service contract shall be borne by the Employer and not be charged to the Employee or recovered by deductions from the Employee's wages.
11. The Employee shall be entitled to statutory rights and benefits and the relevant protection such as rest days, statutory holidays, paid annual leave, maternity leave, paternity leave and sickness allowance in accordance with the Employment Ordinance.
12. The Employer shall arrange the Employee to take rest days, statutory holidays and paid annual leave on separate dates in accordance with the Employment Ordinance. These holidays must

not be substituted by each other.

13. The Employer shall comply with the provisions of the Employees' Compensation Ordinance. The Employee shall be entitled to the rights, benefits and protection provided under the Employees' Compensation Ordinance.
14. The Employer shall comply with the provisions on safety and health under the Occupational Safety and Health Ordinance, Chapter 509 and the Factories and Industrial Undertakings Ordinance, Chapter 59.
15. The Employee **is/is not*** required to obtain a security personnel permit according to the requirements of the Security and Guarding Services Ordinance, Chapter 460. (Note 12)
16. The Employer shall arrange the Employee to enrol as a member of a mandatory provident fund scheme and pay the contribution to the relevant registered scheme each month in accordance with the Mandatory Provident Fund Schemes Ordinance. The Employer shall issue to the Employee a record of mandatory provident fund contribution within 7 working days after each monthly contribution.
17. When typhoon signal no. 8 or above is hoisted,
 - the Employee is not required to work and no wages shall be deducted. The Employee is required to resume duty if typhoon signal no. 8 is lowered not less than _____ hours before close of working hours.
 - the Employee is required to work and is entitled to reimbursement of extra travelling expenses.
 - the Employee is required to work and is entitled to a typhoon allowance of HK\$_____.

For the avoidance of doubt, the benefits conferred under this Clause are in addition to the pay for working under typhoon signal no. 8 or above (if applicable) as specified in Clause 27 below or Clause 5 of the Schedule.

18. When black rainstorm warning is hoisted,
 - the Employee is not required to work and no wages shall be deducted. The Employee is required to resume duty if the black rainstorm warning is lowered not less than _____ hours before close of working hours.
 - the Employee is required to work and is entitled to reimbursement of extra travelling expenses.
 - the Employee is required to work and is entitled to a rainstorm allowance of HK\$_____.
- 18A. When "extreme conditions" as announced by the Government before typhoon signal no. 8 is replaced with typhoon signal no. 3 are in force (Note 16):
 - the Employee is not required to work and no wages shall be deducted. The Employee is required to resume duty if the "extreme conditions" are cancelled not less than _____ hours before close of working hours.
 - the Employee is required to work and is entitled to reimbursement of extra travelling expenses.

the Employee is required to work and is entitled to an “extreme conditions” allowance of HK\$_____. The Employee **is / is not** * entitled to this “extreme conditions” allowance if he/she has been paid typhoon allowance as specified in Clause 17.

19*. The probation period of the Employee shall be _____day(s)/month(s) *. (Note 13)

20. Either party may terminate this employment contract under the following circumstances (Note 13):

During the first month of the probation period, both parties are not required to give notice or payment in lieu of notice. During the rest of the probation period, a notice period of _____ day(s)/month(s) * or payment in lieu of notice is required.

After the probation period, a notice period of _____ day(s)/month(s) * or payment in lieu of notice is required.

There is no probation period, a notice period of _____day(s)/month(s) * or payment in lieu of notice is required.

21. Should there be any legislative amendment to the relevant legislation subsequent to the signing of this employment contract which in effect confers more favourable terms on the Employee than what he/she is entitled to under this employment contract, the provision of the legislation shall prevail and the employment contract shall be taken to be varied accordingly. Should the rights and benefits conferred on the Employee after the legislative amendment be still less favourable than the terms of this employment contract, the terms of this employment contract shall prevail.

22. The Employer shall provide a copy of this employment contract signed by both parties (including the Schedule to this employment contract, if any, and the attached Guidance Notes on Signing of Standard Employment Contract) to the Employee for his/her retention.

23. Any variation, amendment, cancellation or addition to any terms of this employment contract (including the Schedule) must not extinguish or reduce any right, benefit or protection conferred upon the Employee by this employment contract, and must be duly signed by both parties, otherwise it shall be void. The Employer shall provide a copy of the amendments duly signed by both parties to the Employee for retention.

24. The Employee consents to the Employer providing his/her wage records, attendance records and other relevant information to_____ [name(s) of procuring department(s)] (Note 14) for the purpose of monitoring the Employer’s fulfillment of employment-related obligations under the government service contract(s).

25. The Employee consents to the Employer providing copies of this signed employment contract together with the amendments, if any, to _____ [name(s) of procuring department(s)](Note 14) for record and for the purpose of monitoring the Employer’s compliance with the government service contract(s). The Employee also consents to the procuring department(s) providing copies of this signed employment contract together with any amendments, and any other relevant information to other government departments and enforcement agencies for the purpose of monitoring the Employer’s compliance with the relevant legislation.

Clauses 26 to 28 below are applicable with effect from 1 April 2019 provided that the government service contract under which the Employee is engaged stipulates that such new entitlements shall apply. If the Employee is employed by the Employer to work for more than one Post under this employment contract, details of such new entitlements are set out in Clauses 4 to 6 of the Schedule.

26. (a) The Employee is entitled to the holiday pay provided that the Employee has been employed by the Employer under a continuous contract as defined in the Employment Ordinance (“continuous contract”) in respect of the government service contract specified in Clause 3 above for not less than one month (including, for the avoidance of doubt, any period of employment immediately prior to the commencement date of this employment contract) immediately preceding a statutory holiday. Holiday pay shall be calculated according to the relevant provisions under the Employment Ordinance and shall be paid to the Employee not later than the day on which he/she is next paid his/her wages after that statutory holiday. For the avoidance of doubt, this Clause 26 shall not prejudice the Employee’s entitlements to holiday pay under the Employment Ordinance.
- (b) If the Employee is employed by the Employer to work for more than one Post, details of the holiday pay payable is set out in Clause 4 of the Schedule.
27. (a) If typhoon signal no. 8 or above is hoisted anytime (regardless of the duration) during the working hours of a day or a shift in which the Employee has worked, the pay for that day/shift shall be _____ % (the entered figure must not be less than 150) of the Employee’s original pay for the hours worked in that day/shift. The Employee’s original pay for the hours worked in that day/shift shall include the pay for all the hours worked in that day/shift calculated on a pro-rata basis according to the Employee’s monthly wages, the overtime pay at the specified percentage under Clause 7(b) (if applicable), and any sum for the meal time payable under Clause 4(b) (if applicable).
- (b) If the Employee is employed by the Employer to work for more than one Post, details of the pay that he/she is entitled to when working under typhoon signal no. 8 or above is set out in Clause 5 of the Schedule.
28. (a) The Employer shall pay a gratuity to the Employee upon the expiry or termination of this employment contract for reason(s) other than in accordance with section 9 of the Employment Ordinance (Note 15), provided that the Employee has been employed by the Employer under a continuous contract in respect of the government service contract specified in Clause 3 above for a period of not less than 12 months immediately before its expiry or termination. For the avoidance of doubt, any period of employment in respect of the government service contract immediately prior to the commencement date of this employment contract shall be taken into account.
- (b) If the Employee is entitled to the gratuity in Clause 28(a) above, the amount of gratuity shall be a sum equivalent to 6% of the total wages earned by the Employee during the period for which the gratuity is payable. The period for which the gratuity is payable is a continuous period of time immediately before the expiry or termination of the employment contract during which the Employee has been employed by the Employer under a continuous contract in respect of the government service contract, but in any case the commencement date of such period shall not be earlier than 1 April 2019.

- (c) The gratuity is a sum of money payable to the Employee based on his/her length of service. If any severance payment or long service payment is payable to the Employee under the Employment Ordinance, the Employer shall pay the gratuity prior to the payment of the severance payment or long service payment (as the case may be), and may, pursuant to the Employment Ordinance, reduce any severance payment or long service payment payable to the Employee under the Employment Ordinance by the amount of gratuity paid to the Employee to the extent that the gratuity is attributable to the same period of service for which the severance payment or long service payment is payable. The Employer may only reduce the relevant occupational retirement scheme benefit or mandatory provident fund scheme benefit in respect of the Employee by the remainder of severance payment or long service payment payable to the Employee.
- (d) If the Employee is employed by the Employer to work for more than one Post, details of the gratuity payable is set out in Clause 6 of the Schedule.

Signature of Employee

Signature of Employer or Employer's representative

 Name: _____
 HK Identity Card No.: _____
 Date: _____

 Name: _____
 Post: _____
 Date: _____

 Company Chop

- * Delete whichever is inapplicable
 Please mark a "✓" at the appropriate box

Notes:

- Note 1: In accordance with the relevant mandatory requirements specified in government service contracts, government service contractors are required to enter into this Standard Employment Contract with each and every employee who is employed to work under government service contracts for more than 7 days in posts which signing of Standard Employment Contract is specified in the relevant government service contracts.
- Note 2: If the Employee is employed by the Employer to work under more than one government service contract undertaken by the Employer in the same region, the parties must also complete the Schedule but are not required to fill in the government service contract no., Clause 2, Clause 3, Clause 4, Clause 7(b) and Clause 27(a) of this employment contract.
- Note 3: (i) If the Employee was being employed by the Employer under the government service contract specified in Clause 3 or under any Post as defined in the Schedule immediately prior to the signing of this employment contract and this employment contract is signed as a result of the

Employee's entitlements under Clauses 26 to 28, this date refers to the effective date of the new terms and conditions of employment.

- (ii) In other situations, this date refers to the commencement date of the employment and it is not necessary to fill in Clause 2.

Note 4: (i) If the Employee was being employed by the Employer under the government service contract specified in Clause 3 immediately prior to the signing of this employment contract and this employment contract is signed as a result of the Employee's entitlements under Clauses 26 to 28, this Clause must be filled in and the date to be filled-in should be the first day of employment under his/her previous employment contract in respect of the government service contract specified in Clause 3. The continuity of employment with the Employer shall not be treated as broken.

- (ii) In other situations, it is not necessary to fill in this Clause.

Note 5: "Region" refers to an area delineated under the Declaration of Geographical Constituencies (Legislative Council) Order 2011, with the exception of Islands District which is separated from New Territories West. As such, there are 6 relevant regions, namely, Hong Kong Island, Kowloon West, Kowloon East, New Territories West, New Territories East and Islands District. The parties shall state one region only in accordance with the area of the place of work specified in Clause 3.

Note 6: Clause 3 of this employment contract only provides for deployment of the Employee to work within the region specified in Clause 3 of this employment contract under an urgent situation or on an ad hoc and limited basis in the course of this employment contract and is not applicable to any redeployment of the Employee to other posts or work places as a result of the termination of this employment contract or expiry of the government service contract specified in Clause 3 of this employment contract, which shall be subject to the mutual agreement between the Employer and the Employee and relevant provisions of the Employment Ordinance.

Note 7: The Employer has committed in the relevant government service contract that the Employee's maximum number of working hours in a day shall be _____ hours.

Note 8: If the Employee's meal time falls under the definition of "hours worked" in the Minimum Wage Ordinance (including the Employee being in attendance at a place of employment in accordance with the contract of employment or with the agreement or at the direction of the Employer, irrespective of whether the Employee is provided with work or not), or where the meal time is regarded as hours worked in this employment contract or pursuant to any agreement with the Employer, such time must be taken into account in computing the minimum wage.

Note 9: (i) The wage rate of the monthly wages specified in Clause 7(a) of this employment contract shall not be less than the wage rate of the monthly wages committed by the Employer in the relevant government service contract or with reference to paragraph 2 of the Guidance Notes any adjusted wage level brought about by future revisions of the prescribed minimum hourly wage rate under the Minimum Wage Ordinance, whichever is higher. Employees with disabilities are entitled to the same monthly wage rate committed by the employer in the relevant government service contract.

- (ii) The wage rate of the monthly wages specified in Clause 7(a) of this employment contract shall be calculated based on the maximum number of _____ normal working days plus paid rest days per month and the average number of _____ normal hours of work per day. If the period of meal time as specified in Clause 4(b) of this employment contract is counted as hours worked, such period shall be included in the above average number of normal hours of work per day for derivation of the monthly wages.

- (iii) The wage rate of the monthly wages of HK\$ _____ committed by the Employer in the relevant government service contract is calculated on the basis of 31 days (27 normal working days plus 4 paid rest days) per month and the average number of _____ normal hours of work per day. For the avoidance of doubt, the Employee is entitled to 1 paid rest day in every period of 7 days in accordance with Clause 5 of this employment contract.

Note 10: The wage rates of overtime pay and pay for work on rest day/contractual day-off specified in Clause 7(b) of this employment contract shall not be less than 100% of the wage rates calculated using the monthly wages specified in Clause 7(a) of this employment contract and the number of normal

working days plus paid rest days in the month and the average number of normal hours of work per day specified in Note 9(ii).

- Note 11: Under the Minimum Wage Ordinance, the minimum wage for an employee for a wage period is the amount derived by multiplying the total number of hours (including any part of an hour) worked by the employee in the wage period by the minimum hourly wage rate for the employee provided by the Ordinance. A payment made to an employee in any wage period for any time that is not hours worked by the employee must not be counted as part of the wages payable in respect of that or any other wage period. If the wages payable to an employee in respect of any wage period are less than the minimum wage for the employee for that period, the employee is entitled to additional remuneration in respect of that period of the amount derived by subtracting from that minimum wage the amount of wages that is payable in respect of that period.
- Note 12: All employees employed to perform security work are required to obtain a permit in accordance with the Security and Guarding Services Ordinance.
- Note 13: (i) If the Employee was being employed by the Employer under the government service contract specified in Clause 3 or under any Post in the Schedule immediately prior to the signing of this employment contract and this employment contract is signed as a result of the Employee's entitlements under Clauses 26 to 28, the probation period (if any) shall count from the Employee's first day of employment in Clause 2 or the earliest first day of work of all Posts in the Schedule, as appropriate.
(ii) In other situations, the probation period (if any) shall count from the commencement date of the employment in Clause 1.
- Note 14: If the Employee is employed by the Employer to work under more than one government service contract in the same region, the names of all relevant procuring departments have to be filled in Clause 24 and Clause 25 of this employment contract.
- Note 15: Under section 9 of the Employment Ordinance, an employer may summarily dismiss an employee without notice or payment in lieu of notice: (i) if the employee, in relation to his/her employment, (a) wilfully disobeys a lawful and reasonable order; (b) misconducts himself/herself, such conduct being inconsistent with the due and faithful discharge of his/her duties; (c) is guilty of fraud or dishonesty; or (d) is habitually neglectful in his/her duties; or (ii) on any other ground on which he/she would be entitled to terminate the contract without notice at common law.
- Note 16: Under "extreme conditions" caused by typhoon, such as serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage, the Government will review the situation and decide whether to issue "extreme conditions" announcement before typhoon signal no. 8 is replaced with typhoon signal no. 3. Upon the announcement of "extreme conditions", apart from employees who have an agreement with their employers to be on duty when the "extreme conditions" are in force, other employees are advised to stay in the place they are currently in or safe places for 2 hours after cancellation of typhoon signal no. 8. When "extreme conditions" are in force, the Government will review the situation and consider whether to extend "extreme conditions". Once "extreme conditions" are cancelled, employees should follow the work arrangements they have agreed with employers and resume work. "Extreme conditions" are applicable territory-wide.

Standard Employment Contract for Employees of Contractors of Government Service Contracts Schedule

(If the Employee is employed by the Employer to work under more than one government service contract in the same region (Note 16), this Schedule should also be completed. Clause 2, Clause 3, Clause 4, Clause 7(b) and Clause 27(a) of the Standard Employment Contract are not applicable and shall be left blank.)

1. The Employee shall be employed by the Employer for the posts in more than one government service contract with details stated in the Table(s) below (collectively “the Posts”). If necessary, the Employer shall be allowed to deploy the Employee to work within _____ region (Note 16) under an urgent situation or on an ad hoc and limited basis in the course of this employment contract. (Note 17)
2. The Employee shall work _____ days a week. The daily working hours shall accord with that specified in the relevant government service contracts awarded to the Employer. Information on relevant government service contracts is listed in the Table(s) below. The actual monthly wages to be received by the Employee shall be calculated in accordance with the monthly wages listed in the following Tables in respect of different government service contracts under which the Employee has worked during a particular month and on the basis of the number of normal working days plus paid rest days in that particular month (if the number of government service contracts is more than two, please continue to list out after Table (2)):

Table (1)	(a)	Government service contract no.		Procuring department	
		Employee’s first day of work for this government service contract (Note 18)	____/____/____ (day/month/year)	Date of award of this government service contract	____/____/____ (day/month/year)
	Pursuant to this government service contract, the new entitlements under Clauses 26 to 28 of the Standard Employment Contract shall apply/shall not apply* .				
		Post title		Place of work	
		Number of working hours in a day		Maximum number of working hours in a day	
	(b)	Daily working hours <input type="checkbox"/> ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.* <input type="checkbox"/> on shift ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.*; ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.*; or ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.* The meal time of the Employee shall be from ____ a.m./p.m.* to ____ a.m./p.m.* / hour(s)/minutes* per day and is (Note 19): <input type="checkbox"/> counted as hours worked and its pay has been included in the monthly wages payable under item (c) of this Table. (Note 20) <input type="checkbox"/> not counted as hours worked and shall be paid at the rate of HK\$ ____ per day on top of the monthly wages payable under item (c) of this Table. <input type="checkbox"/> not counted as hours worked and no payment will be made in this respect. Under exceptional circumstances and at the request of the relevant procuring department, the Employer may make appropriate adjustment to the above daily working hours, provided that such adjustment shall be on an ad hoc basis and it shall not affect the original number of working hours in a day of the Employee.			

	(c) If the Employee works in accordance with the working hours as specified in item (b) of this Table and works _____ days a week, he/she shall receive monthly wages (excluding any overtime pay) of HK\$ _____, which shall include wages for hours worked by the Employee on his/her normal working days and rest day pay as specified in Clause 5 of the Standard Employment Contract. (Note 20)
	(d) The wage rate for overtime pay and pay for work on rest day/contractual day-off shall be ____ % (the entered figure must not be less than 100) of the wage rate for the Employee's work on his/her normal working days if the Employee is required to work beyond the working hours as specified in item (b) of this Table or on a rest day/contractual day-off. (Note 21)

Table (2)	(a)	Government service contract no.		Procuring department	
		Employee's first day of work for this government service contract (Note 18)	____/____/____ (day/month/year)	Date of award of this government service contract	____/____/____ (day/month/year)
	Pursuant to this government service contract, the new entitlements under Clauses 26 to 28 of the Standard Employment Contract shall apply/shall not apply* .				
		Post title		Place of work	
		Number of working hours in a day		Maximum number of working hours in a day	
	(b)	Daily working hours	<input type="checkbox"/> ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.* <input type="checkbox"/> on shift ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.*; ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.*; or ____ a.m./p.m.* to ____ a.m./p.m.* and ____ a.m./p.m.* to ____ a.m./p.m.* The meal time of the Employee shall be from ____ a.m./p.m.* to ____ a.m./p.m.* / hour(s)/minutes* per day and is (Note 19): <input type="checkbox"/> counted as hours worked and its pay has been included in the monthly wages payable under item (c) of this Table. (Note 20) <input type="checkbox"/> not counted as hours worked and shall be paid at the rate of HK\$ ____ per day on top of the monthly wages payable under item (c) of this Table. <input type="checkbox"/> not counted as hours worked and no payment will be made in this respect. Under exceptional circumstances and at the request of the relevant procuring department, the Employer may make appropriate adjustment to the above daily working hours, provided that such adjustment shall be on an ad hoc basis and it shall not affect the original number of working hours in a day of the Employee.		
	(c)	If the Employee works in accordance with the working hours as specified in item (b) of this Table and works _____ days a week, he/she shall receive monthly wages (excluding any overtime pay) of HK\$ _____, which shall include wages for hours worked by the Employee on his/her normal working days and rest day pay as specified in Clause 5 of the Standard Employment Contract. (Note 20)			
	(d)	The wage rate for overtime pay and pay for work on rest day/contractual day-off shall be ____ % (the entered figure must not be less than 100) of the wage rate for the Employee's work on his/her normal working days if the Employee is required to work beyond the working hours as specified in item (b) of this Table or on a rest day/contractual day-off. (Note 21)			

3. If the Employee works under different government service contracts awarded to the Employer:

- (a) The statutory benefits of the Employee including holiday pay, annual leave pay and sickness allowance shall be calculated in accordance with the Employment Ordinance.

If it is not possible to ascertain the amount of holiday pay, annual leave pay, sickness allowance and other statutory benefits to which the Employee is entitled, the sum shall be calculated in

accordance with the highest monthly wages among those listed in the Tables under Clause 2 of this Schedule.

- (b) The rest day pay of the Employee shall be the average daily wages of the Employee for work on a normal working day (excluding overtime pay) in the month. The Employer shall pay the Employee such rest day pay not later than the day on which the Employee is next paid his/her wages after the rest day.
- (c) If the Employee is not provided with any work for a period, the Employee shall still receive wages equivalent to the wages which he/she would have earned if he/she had worked for that period during which work is not provided.

If it is not possible to ascertain the wages which the Employee would have earned for the period during which work is not provided, the sum shall be calculated in accordance with the highest monthly wages among those listed in the Tables under Clause 2 of this Schedule.

- The Employer and the Employee may choose an amount calculated at a wage rate no less than the highest wage rate of the monthly wages among those listed in the Tables under Clause 2 of this Schedule for calculating the monthly wages of the Employee. If this is the case, the Employee shall work in accordance with the number of working days as specified in Clause 2 of this Schedule and the working hours as specified in the relevant government service contracts, and he/she shall receive monthly wages (excluding any overtime pay) of HK\$ _____, which shall include wages for hours worked by the Employee on his/her normal working days and rest day pay as specified in Clause 5 of the Standard Employment Contract. The overtime pay and pay for work on rest day/contractual day-off shall be _____% (the entered figure must not be less than 100) of the wage rate for the Employee's work on his/her normal working days if the Employee is required to work beyond the daily working hours in respect of the relevant government service contract as specified in the Tables under Clause 2 of this Schedule or on a rest day/contractual day-off. (Note 22)

Clauses 4 to 6 below are applicable with effect from 1 April 2019 provided that the government service contract under which the Employee is engaged stipulates that the new entitlements under Clauses 26 to 28 of the Standard Employment Contract shall apply. For the avoidance of doubt, if the Employee is engaged to work for more than one Post, the new entitlements under Clauses 4 to 6 below shall only be applicable to the Post(s) in relation to which the relevant government service contract(s) stipulate(s) that such new entitlements apply.

- 4. If the Employee is employed by the Employer to work for more than one Post in this employment contract, the Employee is entitled to the holiday pay provided that the Employee has been employed for not less than one month immediately preceding a statutory holiday under a continuous contract taking into account all the Posts as a whole. For the avoidance of doubt, a period of employment in respect of any of the Posts immediately prior to the commencement date of this employment contracts shall count. Holiday pay shall be calculated according to the relevant provisions under the Employment Ordinance and shall be paid to the Employee not later than the day on which he/she is next paid his/her wages after that statutory holiday. For the avoidance of doubt, this Clause 4 shall not prejudice the Employee's entitlements to holiday pay under the Employment Ordinance.
- 5. If the Employee is employed by the Employer to work for more than one Post in this employment contract and typhoon signal no. 8 or above is hoisted anytime (regardless of the duration) during the working hours of a day or a shift of the Post in which the Employee has worked, the pay for that day/shift of the relevant Post shall be _____ % (the entered figure must not be less than 150) of the Employee's original pay of the relevant Post for the hours worked in that day/shift. The Employee's

original pay of the relevant Post for the hours worked in that day/shift shall include the pay of the relevant Post for all the hours worked in that day/shift calculated on a pro-rata basis according to the Employee's monthly wages, the overtime pay at the specified percentage under Clause 2 or Clause 3 of this Schedule (if applicable), and any sum for the meal time payable under Clause 2 of this Schedule (if applicable).

6. (a) The Employer shall pay a gratuity to the Employee upon the expiry or termination of a Post for reason(s) other than in accordance with section 9 of the Employment Ordinance (Note 23), provided that:
- (i) the Employee has been employed by the Employer in that Post for a period of not less than 12 months immediately before its expiry or termination; and
 - (ii) he/she has been employed by the Employer under a continuous contract (taking into account all the Posts as a whole) for a period of not less than 12 months immediately before the expiry or termination of that Post.

For the avoidance of doubt, in determining whether sub-clause (i) or sub-clause (ii) is satisfied, a period of employment in respect of that Post or in respect of any of the Posts immediately prior to the commencement date of this employment contract shall respectively count.

- (b) If the Employee is entitled to the gratuity for a Post in Clause 6(a) above, the amount of gratuity shall be a sum equivalent to 6% of the total wages in relation to that Post earned by the Employee during the period for which the gratuity is payable. The period for which the gratuity is payable is a continuous period of time immediately before the expiry or termination of the Post during which the Employee has been employed by the Employer under a continuous contract taking into account all the Posts as a whole, but in any case the commencement date of such period shall not be earlier than 1 April 2019.
- (c) The gratuity is a sum of money payable to the Employee based on his/her length of service. If any severance payment or long service payment is payable to the Employee under the Employment Ordinance, the Employer shall pay the gratuity prior to the payment of the severance payment or long service payment (as the case may be), and may, pursuant to the Employment Ordinance, reduce any severance payment or long service payment payable to the Employee under the Employment Ordinance by the amount of gratuity paid to the Employee to the extent that the gratuity is attributable to the same period of service for which the severance payment or long service payment is payable. The Employer may only reduce the relevant occupational retirement scheme benefit or mandatory provident fund scheme benefit in respect of the Employee by the remainder of severance payment or long service payment payable to the Employee.

Signature of Employee

**Signature of Employer or Employer's
representative**

Name: _____
HK Identity Card No.: _____
Date: _____

Name: _____
Post: _____
Date: _____

Company Chop

- * Delete whichever is inapplicable
- Please mark a “✓” at the appropriate box

Notes:

- Note 16: “Region” refers to an area delineated under the Declaration of Geographical Constituencies (Legislative Council) Order 2011, with the exception of Islands District which is separated from New Territories West. As such, there are 6 relevant regions, namely, Hong Kong Island, Kowloon West, Kowloon East, New Territories West, New Territories East and Islands District. The parties shall state one region only in accordance with the area of the place of work specified in Clause 1 of this Schedule.
- Note 17: Clause 1 of this Schedule only provides for deployment of the Employee to work within the region specified in Clause 1 of this Schedule under an urgent situation or on an ad hoc and limited basis in the course of this employment contract and is not applicable to any redeployment of the Employee to other posts or work places as a result of the termination of this employment contract or expiry of the government service contracts specified in the Table(s) in Clause 2 of this Schedule, which shall be subject to the mutual agreement between the Employer and the Employee and relevant provisions of the Employment Ordinance.
- Note 18: If the Employee was being employed by the Employer under a Post immediately prior to the signing of this employment contract and this employment contract is signed as a result of the Employee’s entitlements under Clauses 26 to 28, the date to be filled-in should be the first day of work for the government service contract under his/her previous employment contract. The continuity of employment in the Posts shall not be treated as broken.
- Note 19: If the Employee’s meal time falls under the definition of “hours worked” in the Minimum Wage Ordinance (including the Employee being in attendance at a place of employment in accordance with the contract of employment or with the agreement or at the direction of the Employer, irrespective of whether the Employee is provided with work or not), or where the meal time is regarded as hours worked in this employment contract or pursuant to any agreement with the Employer, such time must be taken into account in computing the minimum wage.

- Note 20: (i) The wage rates of the monthly wages listed in the Tables under Clause 2 of this Schedule shall not be less than the wage rates of the monthly wages committed by the Employer in the relevant government service contracts or with reference to paragraph 2 of the Guidance Notes any adjusted wage level brought about by future revisions of the prescribed minimum hourly wage rate under the Minimum Wage Ordinance, whichever is higher. Employees with disabilities are entitled to the same monthly wage rate committed by the employer in the relevant government service contract.
- (ii) The wage rates of the monthly wages listed in the Tables under Clause 2 of this Schedule are calculated based on the following maximum number of normal working days plus paid rest days per month and average number of normal hours of work per day. If the periods of meal time as specified in the Tables under Clause 2 of this Schedule are counted as hours worked, such periods shall be included in the average number of normal hours of work per day for derivation of the monthly wages.

	<u>Table (1)</u>	<u>Table (2)</u>
Maximum number of normal working days plus paid rest days per month	days	days
Average number of normal hours of work per day	hours	hours

- (iii) The wage rates of the monthly wages committed by the Employer in the relevant government service contracts specified in the Tables under Clause 2 of this Schedule are calculated on the basis of 31 days (27 normal working days plus 4 paid rest days) per month and the following average number of normal hours of work per day:

	<u>Table (1)</u>	<u>Table (2)</u>
Monthly wages committed in government service contract	HK\$	HK\$
Average number of normal hours of work per day	hours	hours

For the avoidance of doubt, the Employee is entitled to 1 paid rest day in every period of 7 days in accordance with Clause 5 of the Standard Employment Contract.

Note 21: The wage rates of overtime pay and pay for work on rest day/contractual day-off specified in the Tables under Clause 2 of this Schedule shall not be less than 100% of the wage rates calculated using the monthly wages specified in item (c) of the Tables under Clause 2 of this Schedule and the relevant number of normal working days plus paid rest days in the month and the average number of normal hours of work per day as specified in Note 20(ii).

Note 22: The wage rates of overtime pay and pay for work on rest day/contractual day-off shall not be less than 100% of the wage rates calculated based on the chosen monthly wages specified in the second box of Clause 3 of this Schedule, the number of normal working days plus paid rest days in the month and the average number of normal hours of work per day.

Note 23: Under section 9 of the Employment Ordinance, an employer may summarily dismiss an employee without notice or payment in lieu of notice: (i) if the employee, in relation to his/her employment, (a) wilfully disobeys a lawful and reasonable order; (b) misconducts himself/herself, such conduct being inconsistent with the due and faithful discharge of his/her duties; (c) is guilty of fraud or dishonesty; or (d) is habitually neglectful in his/her duties; or (b) on any other ground on which he/she would be entitled to terminate the contract without notice at common law.

Guidance Notes on Signing of Standard Employment Contract (SEC) for Employees of Contractors of Government Service Contracts

The Guidance Notes explain the points to note when filling in the SEC and the Schedule. Before signing the SEC, the employer and the employee should read the contents of the SEC and these Guidance Notes thoroughly to ensure that both parties understand all the contents. The employer and the employee should refer to the Employment Ordinance (Cap. 57) for statutory provisions on employees' rights and benefits. Please note that the Employment Ordinance only lays down the minimum requirements of employment terms. Employers and employees may enter into employment terms more favourable than those provided in the Employment Ordinance. They may also refer to the booklet "A Concise Guide to the Employment Ordinance" published by the Labour Department for reference.

Points to note when filling in the SEC and the Schedule

2. The monthly wages committed by the employer in the government service contract shall not be less than the amount derived by multiplying the maximum number of normal working days plus paid rest days per month (i.e. 27 normal working days plus 4 paid rest days) and the average number of normal hours of work per day of the employee by the prescribed minimum hourly wage rate under the Minimum Wage Ordinance ("statutory minimum wage plus rest day pay rate"). Besides, the employee's wages shall not be less than any adjusted wage level brought about by future revisions of the prescribed minimum hourly wage rate under the Minimum Wage Ordinance. Employees with disabilities are entitled to the same monthly wage rate committed by the employer in the relevant government service contract. Please refer to Schedule 3 of the Minimum Wage Ordinance for details of the prescribed minimum hourly wage rate. For the avoidance of doubt, the employee is entitled to 1 paid rest day in every period of 7 days in accordance with Clause 5 of the SEC.
3. The employer and the employee can make reference to the examples listed in the last part of these Guidance Notes in determining the employee's monthly wages, adjusting the employee's monthly wages upon revision of the statutory minimum wage rate and calculating deductions for absence from work, overtime pay, pay for work on rest day/contractual day-off/under typhoon signal no. 8 or above, gratuity and statutory benefits.
4. If the employee is employed to work under a single government service contract, Clause 2 (where applicable), Clause 3, Clause 4, Clause 7(b) and Clause 27(a) of the SEC on the first day of employment, workplace, working hours as well as the wage rates of overtime pay and pay for work on rest day/contractual day-off/under typhoon signal no. 8 or above, have to be filled in. It is not necessary to fill in the Schedule. However, if the employee is employed by the employer to work under more than one government service contract in the same region, then the parties have to complete the Schedule, but not Clause 2, Clause 3, Clause 4, Clause 7(b) and Clause 27(a) of the SEC. The completed Schedule is an integral part of the SEC.
5. When filling in Clause 4 of the SEC on the working hours of the employee, the employer should also fill in Note 7 regarding the employee's maximum number of working hours in a day. This maximum number of working hours in a day must be the same as that specified in the relevant government service contract.
6. When filling in the monthly wages of the employee in Clause 7(a) of the SEC, the wage rate of the monthly wages shall not be less than the wage rate of the monthly wages committed by the employer in the relevant government service contract or with reference to paragraph 2 above any adjusted wage level brought about by future revisions of the prescribed minimum hourly wage rate under the Minimum Wage Ordinance, whichever is higher. Besides, the employer should also fill in Note 9(ii) regarding the information on the maximum number of normal working days plus paid rest days per month and the average number of normal hours of work per day of the employee which form the basis for working out the monthly wages specified in Clause 7(a) of the SEC, and in Note 9(iii) the information on the monthly wages committed by the employer in the relevant government service contract (such information must be the same as that specified in the relevant

government service contract). When filling in Note 9(ii), the employer should derive the maximum number of normal working days plus a paid rest day for every 7 days in a month of 31 days as follows: (number of normal working days per week + 1 paid rest day) x 4 (weeks) + maximum number of working days/paid rest day for the remaining week. The maximum number of working days/paid rest day for the remaining week shall be equal to the number of normal working days per week of the employee + 1 paid rest day or 3 days, whichever is lower. (Please refer to Examples 1 and 2.)

7. When filling in the monthly wages, if the employee is employed to work under more than one government service contract in the same region, please mark a “✓” at the second box of Clause 7(a) of the SEC and fill in information such as the relevant government service contract numbers, places of work, working hours and monthly wages in the Schedule. The monthly wages of the employee should be derived with reference to paragraph 6 above. If the employee works under different government service contracts, the actual monthly wages to be received by the employee shall be calculated in accordance with the monthly wages specified in the Tables under Clause 2 of the Schedule in respect of different government service contracts under which he/she has worked on the basis of the number of normal working days plus paid rest days in a particular month. If, in the future, there is a change in the number of government service contracts (including those pursuant to which the new entitlements under Clauses 26 to 28 of the SEC shall apply) listed in the Schedule, the employer should comply with Clause 23 of the SEC and amend the Schedule.

8. To avoid confusion, the “monthly wages” under SEC do not include any overtime pay and allowances. Except for deductions of wages made in accordance with the Employment Ordinance and the Mandatory Provident Fund Schemes Ordinance (Cap. 485), the wages provided by the employer shall not be less than the monthly wages specified in the employment contract. The monthly wages shall not be broken down into different items, but they may include other wage items on top of the monthly wages. (For example, if the monthly wages are HK\$10,000, and the employer pays an additional allowance of HK\$500, the total monthly wages of the employee shall be HK\$10,500.) The employee’s monthly wages and other income should not be labelled as housing allowance.

9. The employee employed under the SEC is monthly-rated. Deductions for absence from work and the wage rate for overtime pay and pay for work on rest day/contractual day-off/under typhoon signal no. 8 or above shall be calculated on the basis of the number of normal working days plus paid rest days in a particular month. (Please refer to Examples 3 to 5.) The statutory benefits of the employee such as holiday pay, annual leave pay, sickness allowance, maternity leave pay and paternity leave pay, shall be calculated in accordance with the provisions of the Employment Ordinance. (Please refer to Examples 8 to 12.)

10. When filling in the monthly wages in the Tables under Clause 2 of the Schedule for the employee working under different government service contracts, the wage rate shall not be less than the wage rates of the monthly wages committed by the employer in the relevant government service contracts or with reference to paragraph 2 above any adjusted wage level brought about by future revisions of the prescribed minimum hourly wage rate under the Minimum Wage Ordinance, whichever is higher. Besides, the employer should also fill in Note 20 regarding the information on the maximum number of normal working days plus paid rest days per month and the average number of normal hours of work per day which form the basis for working out the monthly wages specified in the Tables under Clause 2 of the Schedule, and also information on the monthly wages committed by the employer in the relevant government service contracts (such information must be the same as that specified in the relevant government service contracts).

11. The rest day pay for an employee who is employed to work under more than one government service contract shall be the average daily wages of the employee for work on a normal working day (excluding overtime pay). (Please refer to Example 6.)

12. For the calculation of the monthly wages in the second box of Clause 3 of the Schedule for an employee who is employed to work under more than one government service contract, the employer and the employee

may choose an amount calculated at a wage rate no less than the highest wage rate worked out from among those monthly wages listed in the Tables under Clause 2 of the Schedule. If the employee is required to work beyond the daily working hours in respect of the relevant government service contract as specified in the Tables under Clause 2 of the Schedule or on a rest day/contractual day-off, he/she shall be paid overtime pay or pay for work on a rest day/contractual day-off. The relevant wage rates should not be less than 100% of the wage rates calculated based on the chosen monthly wages and the number of normal working days plus paid rest days in the month and the average number of normal hours of work per day based on which the chosen monthly wages are worked out. (Please refer to Example 7.)

13. If a gratuity is payable to the employee under the SEC, the amount of gratuity payable shall be a sum equivalent to 6% of the total wages earned by the employee under the relevant employment period (as detailed in Clause 28(b) of the SEC). Such total wages shall be all sums earned by the employee under Clause 7 of the SEC, plus holiday pay, annual leave pay, sickness allowance and other statutory benefits payable to the employee during the relevant employment period. For the avoidance of doubt, payment(s) in respect of the termination including severance payment or long service payment payable under the Employment Ordinance are to be excluded from the calculation of the gratuity. (Please refer to Example 13.)

14. If the employee is employed by the employer to work for more than one Post and a gratuity is payable to the employee upon the expiry or termination of a Post under the SEC, the amount of gratuity payable shall be a sum equivalent to 6% of the total wages in relation to that Post earned by the employee under the relevant employment period (as detailed in Clause 6(b) of the Schedule). Such total wages shall be the wages for hours worked earned by the employee in that Post, plus other employment benefits attributed to that Post calculated in the same proportion as wages for hours worked in that Post bear to the wages for hours worked in all Posts. For the avoidance of doubt, payment(s) in respect of the termination including severance payment or long service payment payable under the Employment Ordinance are to be excluded from the calculation of the gratuity. (Please refer to Examples 14 to 15 which cover examples of employment benefits.)

15. If any severance payment or long service payment is payable to the Employee under the Employment Ordinance, the Employer shall pay the gratuity prior to the payment of the severance payment or long service payment (as the case may be), and may, pursuant to the Employment Ordinance, reduce any severance payment or long service payment payable to the Employee under the Employment Ordinance by the amount of gratuity paid to the Employee to the extent that the gratuity is attributable to the same period of service for which the severance payment or long service payment is payable. The Employer may only reduce the relevant occupational retirement scheme benefit or mandatory provident fund scheme benefit in respect of the Employee by the remainder of severance payment or long service payment payable to the Employee. (Please refer to Example 16.)

16. If an employee is on leave or absent from work, whatever the circumstances may be, the employer shall make staffing arrangements as appropriate and pay wages to the substitute worker. The employer shall not ask the employee to hire his/her own substitute or pay wages to the substitute.

17. For details of the employment terms, employers and employees are advised to refer to the employment contract and the Employment Ordinance. Any term of an employment contract which purports to extinguish or reduce any right, benefit or protection conferred upon an employee by the Employment Ordinance shall be void.

Contributions to Mandatory Provident Fund

18. An employer is obliged to enrol his/her employee aged between 18 and 65 in a mandatory provident fund scheme if the employee is employed for 60 days or more. The employer shall make the monthly contribution for the employee to the relevant registered scheme from his/her own funds. For details, please

refer to the Mandatory Provident Fund Schemes Ordinance.

Examples for illustration

19. Examples listed below are for employers' reference for calculating employees' monthly wages, deductions for absence from work, overtime pay, pay for work on rest day/contractual day-off/under typhoon signal no. 8 or above, gratuity and statutory benefits.

Determining the monthly wages

Example 1

According to the relevant government service contract, the committed monthly wages for a cleaner are \$9,920.0 (calculated based on the normal working days plus paid rest days per month of 31 days and the average number of normal hours of work per day of 8). As per Clause 4 of SEC, if the cleaner:

- works 6 days per week and 8 hours per day, his/her maximum number of normal working days plus paid rest days per month shall be **31 days**
[6 (days) + 1 (day)] x 4 + 3 normal working days/paid rest day = 31 days
and his/her monthly wages shall not be less than **\$9,920.0**;
- works 5.5 days per week and 8 hours per day, his/her maximum number of normal working days plus paid rest days per month shall be **29 days**
[5.5 (days) + 1 (day)] x 4 + 3 normal working days/paid rest day = 29 days
and his/her monthly wages shall not be less than **\$9,280.0**
[\$9,920.0 ÷ 31(days) x 29(days) = \$9,280.0];
- works 5 days per week and 8 hours per day, his/her maximum number of normal working days plus paid rest days per month shall be **27 days**
[5 (days) + 1 (day)] x 4 + 3 normal working days/paid rest day = 27 days
and his/her monthly wages shall not be less than **\$8,640.0**
[\$9,920.0 ÷ 31(days) x 27(days) = \$8,640.0];
- works 6 days per week and 6 hours per day, his/her monthly wages shall not be less than **\$7,440.0**
[\$9,920.0 ÷ 8(hours) x 6(hours) = \$7,440.0]; or
- works 6 days per week, 8 hours per day plus 1-hour paid meal time which is counted as hours worked, his/her monthly wages shall not be less than **\$11,160.0**
[\$9,920.0 ÷ 8(hours) x 9(hours) = \$11,160.0].

Adjusting the monthly wages upon revision of the statutory minimum wage rate

Example 2

According to the relevant government service contract, the committed monthly wages for a cleaner are \$8,556.0 (calculated based on the normal working days plus paid rest days per month of 31 days, the average number of normal hours of work per day of 8). With reference to paragraph 2 of the Guidance Notes, the adjusted wage level of the cleaner brought about by revision of the prescribed minimum hourly wage rate from \$34.5 to \$37.5 shall be \$9,300.0 (\$37.5 x 31 days x 8 hours = \$9,300.0). As per Clause 4 and Note 9(i) of the SEC, if the cleaner:

- works 6 days per week and 8 hours per day, his/her maximum number of normal working days plus paid rest days per month shall be **31 days**
[6 (days) + 1 (day)] x 4 + 3 normal working days/paid rest day = 31 days
and his/her monthly wages shall not be less than **\$9,300.0**;
- works 5.5 days per week and 8 hours per day, his/her maximum number of normal working days plus

paid rest days per month shall be **29 days**

$[5.5 \text{ (days)} + 1 \text{ (day)}] \times 4 + 3 \text{ normal working days/paid rest day} = 29 \text{ days}$

and his/her monthly wages shall not be less than **\$8,700.0**

$[\$9,300.0 \div 31(\text{days}) \times 29(\text{days}) = \$8,700.0]$;

- works 5 days per week and 8 hours per day, his/her maximum number of normal working days plus paid rest days per month shall be **27 days**
 $[5(\text{days}) + 1(\text{day})] \times 4 + 3 \text{ normal working days/paid rest day} = 27 \text{ days}$
and his/her monthly wages shall not be less than **\$8,100.0**
 $[\$9,300.0 \div 31(\text{days}) \times 27(\text{days}) = \$8,100.0]$;
- works 6 days per week and 6 hours per day, his/her monthly wages shall not be less than **\$6,975.0**
 $[\$9,300.0 \div 8(\text{hours}) \times 6(\text{hours}) = \$6,975.0]$; or
- works 6 days per week, 8 hours per day plus 1-hour paid meal time which is counted as hours worked, his/her monthly wages shall not be less than **\$10,462.5**
 $[\$9,300.0 \div 8(\text{hours}) \times 9(\text{hours}) = \$10,462.5]$.

Calculating deductions for absence from work

Example 3

An employee's deductions for absence from work shall be calculated on the basis of the number of normal working days plus paid rest days in a particular month:

- (1) If an employee works 6 days per week and 8 hours per day, he/she has no contractual day-off apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$9,920.0, and he/she:
 - is absent from work on any one day in February, and there are 28 calendar days in February, the deduction for absence from work shall be **\$354.3**
 $[\$9,920.0 \div 28(\text{days}) = \$354.3]$;
 - is absent from work on any one day in March, and there are 31 calendar days in March, the deduction for absence from work shall be **\$320.0**
 $[\$9,920.0 \div 31(\text{days}) = \$320.0]$; or
 - is absent from work on any one day in April, and there are 30 calendar days in April, the deduction for absence from work shall be **\$330.7**
 $[\$9,920.0 \div 30(\text{days}) = \$330.7]$.
- (2) If an employee works 5 days per week and 8 hours per day, he/she has one contractual day-off per week apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$8,640.0, and he/she:
 - is absent from work on any one day in February and there are 28 calendar days in February, and there are 4 contractual day-off in the month, the deduction for absence from work shall be **\$360.0**
 $[\$8,640.0 \div (28 - 4(\text{days})) = \$360.0]$;
 - is absent from work on any one day in March, there are 31 calendar days in March, and there are 4 contractual day-off in the month, the deduction for absence from work shall be **\$320.0**
 $[\$8,640.0 \div (31 - 4(\text{days})) = \$320.0]$; or
 - is absent from work on any one day in April, there are 30 calendar days in April, and there are 4 contractual day-off in the month, the deduction for absence from work shall be **\$332.3**
 $[\$8,640.0 \div (30 - 4(\text{days})) = \$332.3]$.
- (3) If an employee works 6 days per week and 8 hours per day, he/she has no contractual day-off apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$9,920.0, and if he/she has taken 5 days of annual leave in March, and there are 31 calendar days in March, the deduction for absence from

work for any one day in March shall be **\$320.0**.

$[\$9,920.0 \div 31(\text{days})^{\#} = \$320.0]$

(#In calculating the deduction for absence from work in March, the number of the employee's normal working days (which includes the 5 days of annual leave falling on his/her normal working days) plus paid rest days shall remain as 31 days.)

Calculating overtime pay and pay for work on rest day/contractual day-off

Example 4

- (1) If an employee works 6 days per week and 8 hours per day, he/she has no contractual day-off apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$9,920.0,
- the wage rates of his/her overtime pay and pay for work on rest day/contractual day-off in February (there are 28 calendar days in February) shall not be less than:
 - daily: **\$354.3** [$\$9,920.0 \div 28(\text{days}) = \354.3]; and
 - hourly: **\$44.3** [$\$9,920.0 \div 28(\text{days}) \div 8(\text{hours}) = \44.3].
 - the wage rates of his/her overtime pay and pay for work on rest day/contractual day-off in March (there are 31 calendar days in March) shall not be less than:
 - daily: **\$320.0** [$\$9,920.0 \div 31(\text{days}) = \320.0]; and
 - hourly: **\$40.0** [$\$9,920.0 \div 31(\text{days}) \div 8(\text{hours}) = \40.0].
 - the wage rates of his/her overtime pay and pay for work on rest day/contractual day-off in April (there are 30 calendar days in April) shall not be less than:
 - daily: **\$330.7** [$\$9,920.0 \div 30(\text{days}) = \330.7]; and
 - hourly: **\$41.3** [$\$9,920.0 \div 30(\text{days}) \div 8(\text{hours}) = \41.3].
- (2) If an employee works 5 days per week and 8 hours per day, he/she has one contractual day off per week apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$8,640.0,
- the wage rates of his/her overtime pay and pay for work on rest day/contractual day-off in February (there are 28 calendar days in February and 4 contractual day-off in the month) shall not be less than:
 - daily: **\$360.0** { $\$8,640.0 \div [28 - 4(\text{days})] = \360.0 }; and
 - hourly: **\$45.0** { $\$8,640.0 \div [28 - 4(\text{days})] \div 8(\text{hours}) = \45.0 }.
 - the wage rates of his/her overtime pay and pay for work on rest day/contractual day-off in March (there are 31 calendar days in March and 4 contractual day-off in the month) shall not be less than:
 - daily: **\$320.0** { $\$8,640.0 \div [31 - 4(\text{days})] = \320.0 }; and
 - hourly: **\$40.0** { $\$8,640.0 \div (31 - 4(\text{days})) \div 8(\text{hours}) = \40.0 } .
 - the wage rates of his/her overtime pay and pay for work on rest day/contractual day-off in April (there are 30 calendar days in April and 4 contractual day-off in the month) shall not be less than:
 - daily: **\$332.3** { $\$8,640.0 \div [(30 - 4(\text{days}))] = \332.3 }; and
 - hourly: **\$41.5** { $\$8,640.0 \div [(30 - 4(\text{days}))] \div 8(\text{hours}) = \41.5 }.
- (3) If an employee works 6 days per week and 8 hours per day, he/she has no contractual day-off apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$9,920.0, and if he/she has taken one statutory holiday in January, and there are 31 calendar days in January, the wage rates of his/her overtime pay and pay for work on rest day/contractual day-off in January shall not be less than:
- daily: **\$320.0** [$\$9,920.0 \div 31(\text{days})^{\#} = \320.0]; and
 - hourly: **\$40.0** [$\$9,920.0 \div 31(\text{days})^{\#} \div 8(\text{hours}) = \40.0].

(#In calculating the overtime pay and pay for work on rest day/contractual day-off in January, the number of the employee's normal working days (which includes the statutory holiday falling on his/her normal working days) plus paid rest days shall remain as 31 days.)

Calculating pay for work under typhoon signal no. 8 or above

Example 5

An employee's pay when typhoon signal no. 8 or above is hoisted during his/her hours worked in a day/shift shall be at least 150% of the Employee's original pay for the hours worked in that day/shift calculated on a pro-rata basis according to the Employee's monthly wages:

- (1) If an employee works 6 days per week and 8 hours per day/shift, he/she has no contractual day-off apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$9,920.0. If typhoon signal no. 8 is hoisted anytime during the 8 hours' work in that day/shift:
 - the pay for work for that day/shift in February (there are 28 calendar days in February) shall not be less than:
 - **\$531.4** [$\$9,920.0 \div 28 \text{ (days)} \times 150\% = \531.4]
 - the pay for work for that day/shift in June (there are 30 calendar days in June) shall not be less than:
 - **\$496.0** [$\$9,920.0 \div 30 \text{ (days)} \times 150\% = \496.0]
 - the pay for work for that day/shift in July (there are 31 calendar days in July) shall not be less than:
 - **\$480.0** [$\$9,920.0 \div 31 \text{ (days)} \times 150\% = \480.0]
- (2) If an employee works 6 days per week and 8 hours per day (from 8 a.m. to 5 p.m. with 1 hour meal time in between which is not counted as hours worked but shall be paid at the rate of \$50 per day as per Clause 4(b) of the SEC), he/she has no contractual day-off apart from rest days and his/her monthly wages as per Clause 7(a) of the SEC are \$9,920.0. The overtime pay is 150% of the wage rate for the employee's work on his/her normal working days as per Clause 7(b). On a certain normal working day in June, the employee has worked 8 hours in accordance with the aforesaid working hours and then performed one hour overtime work (i.e. finished work at 6 p.m.) and typhoon signal no. 8 was hoisted from 1 a.m. to 11 a.m.
 - the pay for work for that day/shift in June (there are 30 calendar days in June) shall not be less than:
 - **\$664.0** [$[\$9,920.0 \div 30 \text{ (days)}] + [\$9,920.0 \div 30 \text{ (days)} \div 8 \text{ (hours)} \times 150\%] + \$50 \times 150\% = \$664.0$]

Calculating rest day pay and monthly wages for the employee who is employed to work for more than one government service contract

Example 6

- (1) An employee is employed to work for two government service contracts, and the monthly wages in the Tables under Clause 2 of the Schedule are \$9,920.0 [Table (1)] and \$10,168.0 [Table (2)] respectively. The employee is required to work 6 days per week and 8 hours per day with 1 paid rest day every 7 days.
 - If the employee has 4 paid rest days in a month of 30 days, the employee works 10 days for the contract in Table (1) and 16 days for the contract in Table (2),
 - his/her wages for the 26 days' work is: **\$8,729.6**;
[$\$9,920.0 \div 30 \text{ (days)} \times 10 \text{ (days)} + \$10,168.0 \div 30 \text{ (days)} \times 16 \text{ (days)} = \$8,729.6$]
 - his/her rest day pay shall not be less than **\$335.8** per rest day ; and
[$\$8,729.6 \div 26 \text{ (days)} = \335.8]
 - his/her monthly wages for the month shall not be less than **\$10,072.8**.
[$\$8,729.6 + \$335.8 \times 4 \text{ (days)} = \$10,072.8$]
 - If the employee has 5 paid rest days in a month of 31 days, the employee works 14 days for the contract in Table (1) and 12 days for the contract in Table (2),
 - his/her wages for the 26 days' work is: **\$8,416.0**;

$$[\$9,920.0 \div 31(\text{days}) \times 14(\text{days}) + \$10,168.0 \div 31(\text{days}) \times 12(\text{days}) = \$8,416.0]$$

- his/her rest day pay shall not be less than **\$323.7** per rest day; and
 $[\$8,416.0 \div 26(\text{days}) = \$323.7]$
- his/her monthly wages for the month shall not be less than **\$10,034.5**.
 $[\$8,416.0 + \$323.7 \times 5(\text{days})] = \$10,034.5]$

(2) An employee is employed to work for two government service contracts, and the monthly wages in the Tables under Clause 2 of the Schedule are \$8,640.0 [Table (1)] and \$8,856.0 [Table (2)] respectively. The employee is required to work 5 days per week and 8 hours per day with 1 paid rest day every 7 days.

- If the employee has 4 paid rest days and 4 contractual day-off in a month of 30 days, the employee works 10 days for the contract in Table (1) and 12 days for the contract in Table (2),
 - his/her wages for the 22 days' work: **\$7,410.5**;
 $\{ \$8,640.0 \div [30 - 4(\text{days})] \times 10(\text{days}) + \$8,856.0 \div [30 - 4(\text{days})] \times 12(\text{days}) = \$7,410.5 \}$
 - his/her rest day pay shall not be less than **\$336.8** per rest day; and
 $[\$7,410.5 \div 22(\text{days}) = \$336.8]$
 - his/her monthly wages for the month shall not be less than **\$8,757.7**.
 $\{ \$7,410.5 + [\$336.8 \times 4(\text{days})] = \$8,757.7 \}$
- If the employee has 5 paid rest days and 4 contractual day-off in a month of 31 days, the employee works 11 days for the contract in Table (1) and 11 days for the contract in Table (2),
 - his/her wages for the 22 days' work: **\$7,128.0**;
 $\{ \$8,640.0 \div [31 - 4(\text{days})] \times 11(\text{days}) + \$8,856.0 \div [31 - 4(\text{days})] \times 11(\text{days}) = \$7,128.0 \}$
 - his/her rest day pay shall not be less than **\$324.0** per rest day; and
 $[\$7,128.0 \div 22(\text{days}) = \$324.0]$
 - his/her monthly wages for the month shall not be less than **\$8,748.0**.
 $\{ \$7,128.0 + [\$324.0 \times 5(\text{days})] = \$8,748.0 \}$

Calculating the highest monthly wages chosen for the employee who is employed to work for more than one government service contract and the employee's overtime pay and pay for work on rest day/contractual day-off

Example 7

An employee is employed to work for two government service contracts and he/she agrees with his/her employer to choose an amount calculated at a wage rate no less than the highest wage rate of the monthly wages among those listed in the Tables under Clause 2 of the Schedule for calculating his/her monthly wages, overtime pay and pay for work on rest day/contractual day-off. If the employee is required to work 6 days a week and:

- (1) if the monthly wages specified in the Tables under Clause 2 of the Schedule are:
 - \$9,920.0 [working 6 days a week and 8 hours a day in Table (1)]; and
 - \$10,168.0 [working 6 days a week and 8 hours a day in Table (2)],
 the monthly wages chosen shall not be less than **\$10,168.0**. The wage rates of the employee's overtime pay and pay for work on rest day/contractual day-off shall be calculated on the basis of the monthly wages of \$10,168.0.
- (2) if the monthly wages specified in the Tables under Clause 2 of the Schedule are:
 - \$8,640.0 [working 5 days a week and 8 hours a day in Table (1)]; if the employee is required to work 6 days a week and 8 hours a day, then the monthly wages shall be \$9,920.0
 $[\$8,640.0 \div 27(\text{days}) \times 31(\text{days}) = \$9,920.0]$; and
 - \$9,512.0 [working 5.5 days a week and 8 hours a day in Table (2)]; if the employee is required to

work 6 days a week and 8 hours a day, then the monthly wages shall be \$10,168.0
[\$9,512.0 ÷ 29(days) x 31(days) = \$10,168.0],

then the monthly wages chosen shall not be less than **\$10,168.0**. The wage rates of the employee's overtime pay and pay for work on rest day/contractual day-off shall be calculated on the basis of the monthly wages of \$10,168.0.

(3) if the monthly wages specified in the Tables under Clause 2 of the Schedule are:

- \$8,640.0 [working 5 days a week and 8 hours a day in Table (1)], if the employee is required to work 6 days a week and 8 hours a day, then the monthly wages shall be \$9,920.0
[\$8,640.0 ÷ 27(days) x 31(days) = \$9,920.0]; and
- \$6,642.0 [working 5 days a week and 6 hours a day in Table (2)], if the employee is required to work 6 days a week and 8 hours a day, then the monthly wages shall be \$10,168.0
[\$6,642.0 ÷ 27(days) x 31(days) ÷ 6(hours) x 8(hours) = \$10,168.0],

then the monthly wages chosen shall not be less than **\$10,168.0**. The wage rates of the employee's overtime pay and pay for work on rest day/contractual day-off shall be calculated on the basis of the monthly wages of \$10,168.0.

Calculating holiday pay

Example 8

According to Clause 7(a) of the SEC, the monthly wages of an employee are \$9,920.0 (working 6 days per week and 8 hours per day). The holiday pay (according to the Employment Ordinance) shall be:

- 12-month wages earned immediately preceding the holiday: \$118,720.0, including wages of 301 days of work, 52 paid rest days and 11 paid statutory holidays. No overtime work is performed during the period.
- Leave taken with less than full wages in the 12-month period: 1 statutory holiday without pay (statutory holidays falling within the first month of employment are without pay).
- Periods and the sum to be disregarded: 1 day of statutory holiday without pay (as that day is a statutory holiday without pay, the amount to be disregarded will be \$0).
- Holiday pay: [(\$118,720.0 – 0) ÷ (365 – 1) (days)] = \$326.2

Calculating annual leave pay

Example 9

According to Clause 7(a) of the SEC, the monthly wages of an employee are \$9,280.0 (working 5.5 days per week and 8 hours per day). 5 days of annual leave pay (according to the Employment Ordinance) shall be:

- 12-month wages earned immediately preceding the annual leave: \$111,360.0, including wages for 275 days of work and the following leaves (no overtime work is performed during the period):
 - 52 paid rest days
 - 12 paid statutory holidays
 - 26 unpaid contractual day-off.
- Periods and the sum to be disregarded: 26 unpaid contractual day-off (as the 26 contractual day-off are unpaid, the amount to be disregarded will be \$0).
- 5-day annual leave pay: [(\$111,360.0 – 0) ÷ (365 – 26) (days) x 5(days)] = \$1,642.5.

Example 10

According to Clause 7(a) of the SEC, the monthly wages of an employee are \$9,920.0 (working 6 days per week and 8 hours per day). 5 days of annual leave pay (according to the Employment Ordinance) shall be:

- 12-month wages earned immediately preceding the annual leave: \$146,040.0 including
 - \$119,040.0 for 301 days of work, 52 paid rest days and 12 paid statutory holidays
 - Overtime pay of \$27,000.0 (where the monthly average over the past 12 months is not less

than 20% of the average monthly wages of the employee during the same period).

- Periods and the sum to be disregarded: No period and sum have to be disregarded because the employee is not paid less than his/her full wages for the leave taken in the 12-month period.
- 5-day annual leave pay: $[(\$146,040.0 - 0) \div (365 - 0) (\text{days}) \times 5(\text{days})] = \$2,000.5$.

Calculating sickness allowance

Example 11

According to Clause 7(a) of the SEC, the monthly wages of an employee are \$8,640 (working 5 days per week and 8 hours per day). If the employee is granted 4 consecutive days of sick leave, the sickness allowance of the 4 days (according to the Employment Ordinance) shall be:

- 12-month wages earned immediately preceding the first sickness day: \$103,040.0, including wages of 240 days of work and the following leaves (no overtime work is performed during the period):
 - 52 paid rest days
 - 12 paid statutory holidays
 - 7 days of paid annual leave
 - 52 unpaid contractual day-off
 - 1 day no-pay leave in May (leave taken with the agreement of the Employer)
 - 1 day no-pay leave in July (leave taken with the agreement of the Employer).
- Periods and the sum to be disregarded: 52 unpaid contractual day-off and 2 days of no-pay leave (as the 54 days are unpaid, the amount to be disregarded will be \$0).
- 4-day sickness allowance:
 $[(\$103,040.0 - 0) \div (365 - 54) (\text{days})] \times 4(\text{days}) \times 4/5 = \$1,060.2$.

Calculating wages in lieu of notice

Example 12

According to Clause 7(a) of the SEC, the monthly wages of an employee are \$9,920.0 (working 6 days per week and 8 hours per day). Clause 19 of the SEC specifies that there is no probation period, and a notice period of 7 days or payment in lieu of notice is required. If the employer terminates the employment, the employee's wages in lieu of notice shall be:

- 12-month wages earned immediately preceding the date of notification: \$119,040.0, including wages of 301 days of work, 52 paid rest days and 12 paid statutory holidays. No overtime work is performed during the period.
- Periods and the sum to be disregarded: No period and sum have to be disregarded because the employee is not paid less than his/her full wages for the leave taken in the 12-month period.
- Amount of 7 days' wages in lieu of notice:
 $[(\$119,040.0 - 0) \div (365 - 0) (\text{days})] \times 7(\text{days}) = \$2,283.0$.

Calculating gratuity upon expiry of the government service contract for an employee who is employed by the employer to work under one government service contract

Example 13

An employee has worked for 12 months under the government service contract upon its expiry. During the period, the employee's total wages are \$126,289.0.

- The gratuity for the contract is: \$7,577.3;
 $[\$126,289.0 \times 6\% = \$7,577.3]$.

Calculating gratuity upon expiry of one of the Posts for an employee who is employed by the employer to work for two Posts

Example 14

An employee is employed to work for two posts under two government service contracts. The employee has worked for 24 months under the post in [Table (1)] under Clause 2 of the Schedule upon its expiry. The employee's total wages are \$259,825.0, including wages for hours worked earned by the employee of \$78,080.0 and \$131,174.0 for the posts in [Table (1)] and [Table (2)] respectively, and the total amount of other employment benefits (e.g. rest day pay, annual leave pay, holiday pay and sickness allowance, etc.) being \$50,571.0

- The total amount of wages for hours worked earned under the posts in Table (1) and Table (2) is: \$209,254.0;
[\$78,080.0 + \$131,174.0 = \$209,254.0]
- The total wages earned under the post in Table (1) are: \$96,949.8;
[\$78,080.0 + \$50,571.0 x (\$78,080.0 ÷ \$209,254.0) = \$96,949.8]
- The gratuity for the post in Table (1) is: \$5,817.0.
[\$96,949.8 x 6% = \$5,817.0].

Example 15

After expiry of the post in [Table (1)], the employee continues to work for the post in [Table (2)] and is also deployed to work under another post [Table 3]. The employee has worked for 36 months when the post in [Table (2)] expires. As shown in Example 14, the employee's total wages for the first 24 months (from the posts in [Table (1)] and [Table (2)]) is \$259,825.0, including wages for hours worked earned by the employee of \$78,080.0 and \$131,174.0 for the posts in [Table (1)] and [Table (2)] respectively, and the total amount of other employment benefits (e.g. rest day pay, annual leave pay, holiday pay and sickness allowance, etc.) being \$50,571.0. The total wages for the following 12 months is \$134,410.0, including wages for hours worked of \$65,587.0 and \$41,968.0 for the posts in [Table (2)] and [Table 3] respectively, and the total amount of other employment benefits being \$26,855.0

- The total wages earned under the post in Table (2) for the first 24 months: \$162,875.2;
 - The total amount of wages for hours worked earned under the posts in Table (1) and Table (2) is: \$209,254.0
[\$78,080.0 + \$131,174.0 = \$209,254.0]
 - The total wages earned under the post in Table (2) for the first 24 months are: \$162,875.2
[\$131,174.0 + \$50,571.0 x (\$131,174.0 ÷ \$209,254.0) = \$162,875.2]
- The total wages earned under the post in Table (2) for the last 12 months: \$81,963.2;
 - The total amount of wages for hours worked earned under the posts in Table (2) and Table (3) is: \$107,555.0
[\$65,587.0 + \$41,968.0 = \$107,555.0]
 - The total wages earned under the post in Table (2) for the last 12 months are: \$81,963.2
[\$65,587.0 + \$26,855.0 x (\$65,587.0 ÷ \$107,555.0) = \$81,963.2]
- The total wages earned under the post in Table (2) for 36 months are: \$244,838.4;
[\$162,875.2 + \$81,963.2 = \$244,838.4]
- The gratuity for the post in Table (2) is: \$14,690.3.
[\$244,838.4 x 6% = \$14,690.3].

Reduction of severance payment payable to an employee by the amount of gratuity paid

Example 16

- (1) An employee is employed by an employer to work for a government service contract for 36 months, and then entered into another government service contract with the same employer immediately

following the expiry/termination of the previous contract. The second contract has stipulated that gratuity under Clause 28 of the SEC shall apply. The employee works for another 12 months under the second contract since 1 January 2019, and is dismissed by reason of redundancy on 31 December 2019. The employee's last month wages are \$9,920.0 and he/she is thus entitled to a severance payment of \$26,453.0 for his/her service of 48 months in total.

In respect of the 12 months' service under the second contract, a gratuity is payable to the employee for the period from 1 April 2019 to 31 December 2019 according to Clause 28(b) of the SEC. Based on his/her total wages for the 9 months from 1 April 2019 to 31 December 2019, the employer is required to pay him/her a gratuity of \$5,357.0 prior to the payment of the severance payment. Upon payment of the gratuity, the employer may reduce the severance payment by the gratuity paid to the employee that is attributable to the employee's 9 months' service under the second contract.

- Severance payment for the employee's 9 months' service under the second contract is: \$4,960.0
[\$9,920.0 x 2/3 x 9/12 (year) = \$4,960.0]
The gratuity paid to the employee is higher than the severance payment in respect of the same period, and the whole amount of severance payment in respect of the period, that is \$4,960.0, may be reduced.
- Remainder of severance payment payable to the employee is: \$21,493.0
[\$26,453.0 - \$4,960.0 = \$21,493.0]
- The employer may reduce the relevant occupational retirement scheme benefit or mandatory provident fund scheme benefit in respect of the employee by the remainder of severance payment to the employee, i.e. \$21,493.0.

- (2) An employee is employed by an employer to work for a government service contract for 36 months, and then entered into another government service contract with the same employer immediately following the expiry/termination of the previous contract. The second contract has stipulated that gratuity under Clause 28 of the SEC shall apply. The employee works for another 12 months under the second contract since 1 April 2019, and is dismissed by reason of redundancy on 31 March 2020. The employee's last month wages are \$9,920.0 and he/she is thus entitled to a severance payment of \$26,453.0 for his/her service of 48 months in total.

The employer is required to pay him/her a gratuity of \$7,142.0 for his/her 12 months' service under the second contract prior to the payment of the severance payment. Upon payment of the gratuity, the employer may reduce the severance payment by the gratuity paid to the employee that is attributable to the employee's 12 months' service under the second contract.

- Severance payment for the employee's 12 months' service under the second contract is: \$6,613.3
[\$9,920.0 x 2/3 x 1 (year) = \$6,613.3]
The gratuity paid to the employee is higher than the severance payment in respect of the same period, and the whole amount of severance payment in respect of the period, that is \$6,613.3, may be reduced.
- Remainder of severance payment payable to the employee is: \$19,839.7
[\$26,453.0 - \$6,613.3 = \$19,839.7]
- The employer may reduce the relevant occupational retirement scheme benefit or mandatory provident fund scheme benefit in respect of the employee by the remainder of severance payment to the employee, i.e. \$19,839.7.

October 2019