

Employees Compensation Assistance Ordinance (Amendment of Schedule 4) Notice 2021 gazetted today

The Government today (March 19) published the Employees Compensation Assistance Ordinance (Amendment of Schedule 4) Notice 2021 in the Gazette to upwardly adjust the levels of the three relief payment items, namely the prescribed relief payment, the prescribed monthly amount and the prescribed monthly amount (extra).

The Employees Compensation Assistance Fund (the Fund) is administered by the Employees Compensation Assistance Fund Board in accordance with the Employees Compensation Assistance Ordinance (ECAO). The Fund provides relief payments to injured employees or eligible persons who have sustained injuries caused by accidents arising out of and in the course of employment, given that the court awards an amount of common law damages to be payable by their employers, but are unable to receive their entitlements from the employers or insurers after exhausting all legal and financially viable means of recovery.

According to the ECAO, the employee (or eligible person) shall receive the full amount of the relief payment where the amount does not exceed the prescribed relief payment. Where the amount of a relief payment exceeds the prescribed relief payment, the employee (or eligible person) can receive a first payment equivalent to the prescribed relief payment, followed by monthly payments (an amount equal to the prescribed monthly amount or the monthly earnings of the employee at the time of the accident, whichever is the higher). If the employee is severely injured, he/she can receive the prescribed monthly amount (extra) at the same time. Schedule 4 of the ECAO currently stipulates that the amount of prescribed relief payment is \$1,500,000, the prescribed monthly amount is \$10,000 and the prescribed monthly amount (extra) is also \$10,000.

Having studied and prudently considered various factors such as the unique circumstances and needs of the injured employees as well as the financial situation and sustainability of the Fund, etc, the levels of prescribed relief payment, prescribed monthly amount and prescribed monthly amount (extra) are to be adjusted upwards on a one-off basis, to \$6,000,000, \$40,000 and \$40,000 respectively.

"As the earning capacity for injured employees will be affected after the injury, and the extent of which will depend on the severity of injury sustained, the revised levels of three prescribed relief payment items will help provide a substantial sum of first payment and enhanced monthly payments to the injured employees (especially those who are severely injured) and their family members to sustain their living and meet their needs," a spokesman for the Labour Department said.

The Notice will be introduced into the Legislative Council on March 24. Upon the completion of the negative vetting procedure by the Legislative Council, the new payment levels will come into effect on May 14.