

Employer sentenced to suspended imprisonment and fined for violations of Employees' Compensation Ordinance

The Labour Department prosecuted an employer for failing to pay periodical payments and taking out an insurance policy in accordance with the requirements of the Employees' Compensation Ordinance (ECO) for an employee who suffered injuries at work. The employer was convicted at Kowloon City Magistrates' Courts on December 24, 2019, and was sentenced to two months' imprisonment suspended for 18 months and fined a total of \$42,000 today (January 8).

A decoration worker fell from height and sustained multiple injuries while working on September 30, 2015. His employer failed to pay periodical payments to him on the normal paydays or within seven days thereafter as required by the ECO. His employer also failed to secure an employees' compensation insurance policy for him.

Section 10(10) of the ECO stipulates that during a period of temporary incapacity, the employer shall pay the injured employee periodical payments at the rate of four-fifths of the difference between the employee's monthly earnings at the time of the accident and his or her monthly earnings during the period of temporary incapacity. The periodical payments are payable on the injured employee's normal paydays. An employer who, without reasonable excuse, fails to pay within seven days after the normal payday commits an offence. In addition, section 40(1) of the ECO stipulates that employers are required to take out insurance policies for all their employees to cover their liabilities both under the ECO and at common law for injuries at work. An employer breaching section 40(1) of the ECO is liable to a maximum penalty of imprisonment for two years and a fine of \$100,000.