

Labour Advisory Board reaches consensus on review of “continuous contract” requirement

The Labour Advisory Board (LAB), at a meeting today (February 1), continued the discussion on the review of the "continuous contract" requirement (commonly referred to as the "418" requirement) under the Employment Ordinance. The employer members and employee members candidly expressed their views and, after thorough and in-depth deliberations, the LAB reached a consensus that such a requirement will be relaxed by using the aggregate working hours of four weeks as a counting unit and setting the four-week working hour threshold at 68 hours. The above review is one of the labour support initiatives announced in "The Chief Executive's 2023 Policy Address".

Under the existing requirement, regardless of whether working full-time or part-time, employees employed by the same employer for four weeks or more and having worked for 18 hours or more per week are regarded as being engaged under a "continuous contract". Subject to their meeting of relevant eligibility criteria under the Employment Ordinance, these employees are entitled to a range of employment benefits, such as statutory holiday pay, paid annual leave and sickness allowance.

A Government spokesman said, "The Government appreciates the efforts of all LAB members in achieving the result at today's meeting. The amendments will contribute to enhanced protection of the rights and benefits of employees with shorter working hours. The Government will report the outcome to the Panel on Manpower of the Legislative Council (LegCo) later and commence the relevant legislative amendment work. An Amendment Bill will be introduced into the LegCo for scrutiny upon completion of drafting."

The LAB is a tripartite consultative body comprising representatives of employees and employers to advise the Commissioner for Labour on labour matters.