

LD responds to media enquiries

In response to media enquiries on the non-payment of employees' wages by Hsin Chong Group, a spokesman for the Labour Department (LD) today (December 13) replied as follows:

The LD is very concerned about the non-payment of employees' wages by Hsin Chong Group and has taken follow-up actions actively. The LD has repeatedly warned the related employers that they have to, without further delay, pay wages due to the affected employees in accordance with the Employment Ordinance and relevant terms in their employment contracts, and appropriate termination compensation to employees who have left employment.

The LD calls for affected employees to go to the Labour Relations Division's branch offices nearby to enquire on their rights and ask for assistance as soon as possible. They may also call the LD's dedicated enquiry hotline on employees' rights at 2927 7008.

The LD will continue to provide appropriate assistance to affected employees. In case of employers' inability to settle any outstanding employment-related payment, the department will assist the employees to apply for ex gratia payment from the Protection of Wages on Insolvency Fund (PWIF) on the wages and other statutory entitlements owed.

According to the Protection of Wages on Insolvency Ordinance, the affected employees have to submit their applications within six months after the date of termination of contract. The ex gratia payment that may be made by the PWIF covers:

- four months of arrears of wages (maximum \$36,000 in total);
- wages in lieu of notice up to the equivalent of one month's wages (maximum \$22,500 in total);
- severance payment: \$50,000 plus 50 per cent of any excess entitlement; and
- pay for untaken annual leave during the last two leave years and/or untaken statutory holidays in the last four months (maximum \$10,500 in total).

The LD has also carried out inspections and investigations into suspected offences involved proactively. Prosecutions have been taken out against relevant employers. Those prosecution cases are currently handled by magistrates' courts. Any employer or responsible officer of a company who wilfully and without reasonable excuse fails to pay wages to employees within the time limit in accordance with the Employment Ordinance is liable to prosecution and, upon conviction, to a fine of \$350,000 and to imprisonment for three years.