# **EMPLOYMENT ORDINANCE 1968.**

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#### HONG KONG

No. 38 of 1968.

I assent.



D. C. C. TRENCH, Governor.

26th September, 1968.

An Ordinance to repeal and re-enact with certain amendments the Employers and Servants Ordinance, to provide for the protection of the wages of employees, to regulate employment agencies, and for matters connected therewith; and to make consequential amendments to the Contracts for Overseas Employment Ordinance.

[27th September, 1968.]

Enacted by the Governor of Hong Kong, with the advice and consent of the Legislative Council thereof.

## PART I.

## PRELIMINARY.

Short title. **1.** This Ordinance may be cited as the Employment Ordinance 1968.

Interpretation.

(Cap. 134.)

2. In this Ordinance, unless the context otherwise requires— "Commissioner" means the Commissioner of Labour;

"contract of employment" means any agreement, whether in writing or oral, express or implied, whereby one person agrees to employ another and that other agrees to serve his employer as an employee and also a contract of apprenticeship;

"dangerous drug" has the meaning assigned to it in the Dangerous Drugs Ordinance;

"employee" means an employee to whom, by virtue of section 3, this Ordinance applies;

"employer" means any person who has entered into a contract of employment to employ any other person as an employee and the duly authorized agent, manager or factor of such first mentioned person;

"wage period" means the period in respect of which wages are payable under a contract of employment or under section 12;

ordinance not dicallowed -Ree & N. 1079/69.

A154

- "wages" means all remuneration, earnings or allowances, however designated or calculated, capable of being expressed in terms of money, payable to an employee in respect of work done or to be done under his contract of employment, but does not include—
  - (a) the value of any accommodation, education, food, fuel, light, medical care or water provided by the employer:
  - (b) any contribution paid by the employer on his own account to any pension fund or provident fund:
  - (c) any travelling allowance or the value of any travelling concession:
  - (d) any sum payable to the employee to defray special expenses incurred by him by the nature of his employment:
  - (e) any gratuity payable on completion or termination of a contract of employment; or
  - (f) any annual bonus, or any proportion thereof, which is of a gratuitous nature or which is payable only at the discretion of the employer.

(1) Subject to subsection (2) and section 35, this Ordin-3. ance applies to every employee engaged under a contract of employment, to an employer of such employee and to a contract of employment between such employer and employee.

- (2) This Ordinance does not apply—
- (a) to a person employed otherwise than by way of manual labour whose wages exceed fifteen hundred dollars per month:
- (b) to a person who is a member of the family of the proprietor of the business in which he is employed and who dwells in the same dwelling as the proprietor;
- (c) to a worker as defined in the Contracts for Overseas Employment Ordinance;
- (d) to a person who is serving under articles entered into pursuant to subsection (1) of section 10 of the Merchant Shipping Ordinance, or on board a ship registered in a country which is represented by a consular officer resident in the Colony;
- (e) to a contract of apprenticeship made on or after the 1st day of April 1965, if, within one month after it has been made, the contract is attested by the Commissioner.

Application of Ordinance.

(Cap. 78.)

(Cap. 281.)

(3) For the avoidance of doubt it is hereby declared that the provisions of subsection (3) of section 4 shall not apply to any contract of employment made before the 1st day of April 1965.

#### PART II.

## CONTRACTS OF EMPLOYMENT.

4. (1) Every contract of employment, which is a continuous contract, shall, in the absence of any express agreement to the contrary, be deemed to be a contract for one month renewable from month to month.

(2) Notwithstanding that it is proved that a contract of employment is for a period in excess of one month such contract shall be deemed to be a contract for one month renewable from month to month unless the contract is evidenced in writing signed by each of the parties thereto.

(3) Notwithstanding any other provision of this section, a contract of employment entered into by a manual worker for a period of six months or more or for a number of working days equivalent to six months or more shall be deemed to be a contract for one month renewable from month to month.

(4) Where any contract of employment for a period in excess of one month is deemed by virtue of the provisions of subsection (2) or (3) to be a contract from month to month the wages per month shall be such proportion of the total wages agreed under the contract as one month bears to the agreed duration of the contract.

5. (1) Subject to subsections (2) and (3), either party to a contract of employment may at any time terminate the contract by giving to the other party notice, orally or in writing, of his intention to do so.

(2) The length of notice required to terminate a contract of employment shall be—

- (a) in the case of a contract which is deemed by virtue of the provisions of section 4 to be a contract for one month renewable from month to month, not less than one month;
- (b) in every other case, the agreed period, but not less than seven days in the case of a continuous contract.

Termination of contract by notice. Ord. No. 38/68.

Duration of contracts of employment.

(3) Where in any contract of employment, whether in writing or oral, it has been expressly agreed that the employment is on probation such contract may be terminated—

- (a) by either party at any time during the first month of such employment without notice or payment in lieu;
- (b) by either party at any time during the two months immediately following the first month of such employment by giving to the other party notice of not less than seven days.

(4) For the purposes of this section the expression "month" means a period of time commencing on the day when notice of termination of a contract of employment is given or when employment begins, as the case may be, and ending at the end of the day before the corresponding date in the following month or, where there is no corresponding date in the following month or where the commencing day is the last day of a month, at the end of the last day of the following month.

6. (1) Either party to a contract of employment may at any time terminate the contract without notice by paying to the other party a sum equal to the amount of wages which would have accrued to the employee during the period of notice required under subsection (2) or paragraph (b) of subsection (3) of section 5, whichever period is appropriate in the case.

(2) Either party to a contract of employment, having given proper notice in accordance with section 5, may at any time thereafter terminate the contract by paying to the other party such proportion of the sum referred to in subsection (1) as is proportionate to the period between the termination of the contract and the time when the notice given would have expired.

(3) In the case of an employee whose remuneration is calculated by the piece or task the amount of wages which would have accrued to such employee during the period of notice referred to in subsection (1) shall be deemed to be the amount of wages earned by the employee during the equivalent period immediately prior to the giving of the notice or, if for any reason it is impracticable to compute the amount in this manner, it may be calculated by reference to the amount earned during such equivalent period by a person in the same trade or occupation at the same work in the same district.

(4) Notwithstanding any other provision of this Ordinance the term "wages" shall, for the purposes of this section, be deemed not to include overtime pay. Termination of contract by payment in lieu of notice.

A158	Ord. No.	38/68.	EMPLOYMENT
Saving of	7.	Nothing	in section 5 or 6 shall be taken—
rights.	<i>(a)</i>	to preve waiving, the purp	ant either party to a contract of employment from at the time notice is required to be given for poses of subsection (2) or (3) of section 5, his notice or to payment in lieu of notice;
	(b)	to termi	the right of a party to a contract of employment nate the contract without notice or payment in ler section 8 or 9 or under subsection (2) of 10.
Termination of contract	<b>8.</b> without		loyer may terminate a contract of employment payment in lieu—
without notice by	<i>(a)</i>	if an en	nployee, in relation to his employment—
employer.		(ii) m sistent w (iii) is	Ifully disobeys a lawful and reasonable order; isconducts himself, such conduct being incon- vith the due and faithful discharge of his duties; guilty of fraud or dishonesty; or habitually neglectful in his duties; or
	<i>(b)</i>	on any	other ground on which he would be entitled to e the contract without notice at common law.
Termination of contract	<b>9.</b> without	_	oyee may terminate his contract of employment payment in lieu—
without notice by employee.	<i>(a)</i>	disease a	asonably fears physical danger by violence or such as was not contemplated by his contract syment expressly or by necessary implication;
	<i>(b)</i>	if he is	subjected to ill-treatment by the employer; or
	(c)	on any o terminate	other ground on which he would be entitled to e the contract without notice at common law.
Suspension from employ- ment in certain cases.	ance or payment period n	of any of in lieu a ot exceed	withstanding any other provision of this Ordin- other law, an employer may without notice or suspend from employment any employee for a ling fourteen days—
	<i>(a)</i>	employer ment un	ciplinary measure for any reason for which the could have terminated the contract of employ- der section 8;
	<i>(b)</i>	employm	a decision by the employer as to whether or not exercise his right to terminate the contract of ent under section 8; or
	(c)	pending against the	the outcome of any criminal proceedings ne employee arising out of or connected with his
		Deer	ided that where such criminal proceedings are luded within the period of fourteen days such

suspension may be extended till the conclusion of the criminal proceedings.

(2) An employee who is suspended from employment under subsection (1) may at any time during the period of his suspension, notwithstanding sections 5 and 6, terminate his contract of employment without notice or payment in lieu.

(3) Without prejudice to the provisions of subsection (1), an employer may lay-off an employee for such periods as are expressly agreed in, or may be implied from, the contract of employment:

Provided that the period of lay-off shall in no case exceed three normal working days in any one calendar week.

11. (1) In this Part, "continuous contract" means a contract of employment under which an employee is deemed by virtue of the provisions of the Schedule to be in continuous employment.

(2) In any dispute as to whether a contract of employment is a continuous contract the onus of proving that it is not a continuous contract shall be on the employer.

## PART III.

#### PAYMENT OF WAGES.

12. The wage period in respect of which wages are payable with under a contract of employment shall, until the contrary is proved, be deemed to be one month.

13. Wages shall become due on the expiry of the last day of the wage period and shall be paid as soon as is practicable but in any case not later than seven days thereafter.

14. Wages of an employee on completion of his contract of employment and any other sum payable in respect of his contract shall be due to him on the day of the completion of the contract and shall be paid as soon as is practicable but in any case not later than seven days thereafter.

15. (1) Where a contract of employment is terminated any sum due to the employee at the time of the termination shall be paid to him as soon as is practicable and in any case not later than seven days after the day of termination.

- (2) The sum referred to in subsection (1) shall be-
- (a) the equivalent of the amount earned by the employee for work done over the period commencing on the expiry of his wage period next preceding the time of termination up to that time;
- (b) the sum (if any) payable under section 6; and

Meaning of continuous contract and onus of proof thereof. Schedule.

Wage period.

Time of payment of wages.

Payment on completion.

Payment on termination.

(c) any other sum due to the employee in respect of his contract of employment.

(3) In addition to any deductions which may be made under section 21, and subject to any order made by a court, an employer may deduct from any sum payable to the employee under subsection (1), such sum as the employee is liable to pay under section 6.

16. (1) Subject to this Ordinance, wages shall be paid on a working day directly to an employee in legal tender at his place of employment or at any office or other place customarily used by the employer for the purpose of payment of wages or at any other place mutually agreed.

- (2) With the consent of an employee wages may be paid-
- (a) by cheque, money order or postal order;
- (b) into an account in his name with any bank licensed under the Banking Ordinance; or
- (c) to his duly appointed agent.

17. Wages, or any sum due to an employee in respect of his contract of employment on the completion or termination thereof, shall not be paid—

- (a) in any place of amusement;
- (b) in any place where totalizator or *pari-mutuel* betting is conducted or where cash-sweeps are organized as authorized under the Betting Duty Ordinance;
- (c) in any place where intoxicating liquor or any dangerous drug is sold; or
- (d) in any shop or store for the retail sale of merchandise,

except where the employee is employed in such place, shop or store.

18. (1) A contract of employment may provide for giving to an employee food, accommodation or other allowances or privileges in addition to wages as remuneration for his services.

(2) No employer shall give to an employee any intoxicating liquor, dangerous drug, or any ticket or other substitute for ticket for any cash-sweep, totalizator or *pari-mutuel* authorized under the Betting Duty Ordinance as remuneration for his services.

19. No employer shall in any contract of employment or agreement in consideration of a contract of employment make any provision as to the place at which, the manner in which, or the person with whom, wages paid to an employee are to be expended.

Payment not to be made in certain

(Cap. 155.)

Manner and

payment of wages.

place of

(Cap. 108.)

places.

Remuneration other than wages.

(Cap. 108.)

Prohibition of agreements as to manner of spending.

20. An employer may establish shops, stores or places for the sale of commodities to his employees, but no employer shall bind any employee by contract, agreement or other obligation, written or oral, express or implied, to make use of any such shop, store or place for the purchase of commodities.

#### PART IV.

## **DEDUCTIONS FROM WAGES.**

21. (1) No deductions shall be made by an employer from the wages of his employee or from any other sum due to the employee otherwise than in accordance with this Ordinance.

(2) The following deductions may be made by an employer from the wages of his employee—

(a) deductions for absence from work:

Provided that, in the case of a contract of employment under which wages are calculated on a basis of time, no such deduction shall exceed a sum proportionate to the period of time during which the employee was absent from work;

(b) deductions for damage to or loss of goods, equipment or property belonging to or in the possession or control of the employer or expressly entrusted to an employee for custody, or for loss of money for which an employee is required to account, where such damage or loss is directly attributable to his neglect or default:

Provided that—

(i) the total amount recoverable by deduction in any one case shall not exceed the equivalent in value of the damage or loss suffered by the employer or three hundred dollars, whichever is the less; and

(ii) the total of such deductions in any one wage period shall not exceed one quarter of the wages payable to the employee in respect of that wage period;

- (c) deductions in respect of meals supplied by the employer at the request of the employee not exceeding the cost to the employer of such meals including expenses of production and service;
- (d) deduction for accommodation provided by the employer for the employee or his family made in respect of the period such accommodation has been in the occupation of the employee or his family;

Provision of

shops etc. by

employers for sale of com-

modities to

employees.

Restriction on deductions from wages. (e) deductions for the recovery of any advance or over-payment of wages made by the employer to the employee:

Provided that—

(i) except with the approval in writing of the Commissioner, no such deductions shall be made by way of discount, interest or any similar charge in consideration of such advance or over-payment; and

(ii) the total of such deductions in any one wage period shall not exceed one quarter of the wages payable to the employee in respect of that wage period;

- (f) deductions, with the written consent of an employee, for the recovery of any loan made by the employer to the employee;
- (g) deductions made at the request in writing of the employee in respect of contributions to be paid by him through the employer for the purpose of any medical benefit scheme, superannuation scheme, provident fund or thrift scheme lawfully established for the benefit of the employee or his dependants;
- (h) deductions which are required or authorized under any enactment to be made from the wages of an employee;
- (i) other deductions made at the request in writing of the employee and with the approval of the Commissioner, which may be signified in respect of any particular case in writing or in general by notice in the *Gazette*.

(3) Except with the approval in writing of the Commissioner, the total of all deductions, excluding deductions in respect of absence from work, made under this section from the wages of an employee in any one wage period shall not exceed one half of the wages payable to the employee in respect of the wage period.

(4) Nothing in this section shall be construed as preventing an employer from paying to an employee at any time before the due date the amount of wages and other remuneration proportionate to work done and adjusting any amount so paid against the total amount payable at the end of the wage period.

## PART V.

#### INFORMATION RESPECTING WAGES.

22. (1) Every employer shall inform each person before such person enters his employment, in a manner intelligible to him, of the conditions with regard to wages under which he is to be employed.

Information to persons entering employment. (2) Upon receipt, before such employment is entered into, of a written request therefor from such person the employer shall forthwith deliver to him a notice in writing containing such conditions.

23. (1) Every employer shall inform his employee, in a manner intelligible to the employee,—

- (a) whenever any change takes place in the conditions referred to in section 22 or the conditions in force at any time, of such change;
- (b) at the time of each payment to him of his wages, in so far as such particulars may be subject to change, of the particulars of his wages for the wage period concerned.

(2) Upon receipt of a written request from his employee the employer shall deliver to him—

- (a) where the request relates to changes in the conditions referred to in paragraph (a) of subsection (1), forthwith; or
- (b) where it relates to the particulars referred to in paragraph (b) of subsection (1), at the time of the payment to him of his wages for the wage period concerned,

a notice in writing containing such changes in conditions or particulars, as the case may be.

24. (1) The conditions referred to in sections 22 and 23 shall include the rate of wages, the overtime rate and any allowances, whether calculated by the piece, job, hour, day, week or otherwise, of the person or employee concerned.

- (2) The particulars referred to in section 23 shall include—
- (a) particulars of the amount earned, including overtime earnings (if any), by the employee; and
- (b) particulars of any deductions made from the wages of the employee and the reasons therefor.

# PART VI.

# RECORDS, FORMS AND RETURNS.

fied  $\frac{25.}{\text{under subsection}}$  (1) Every employer who is a member of a class speciunder subsection (2) shall in respect of—

- (a) each of his employees; or
- (b) any class of them,

Information to employees.

Details of conditions and particulars of wages.

Records to be kept by

employers.

keep records in such form as may be specified to enable  $\lim_{t_0} t_0$  to enable  $\lim_{t_0} t_0$ 

(2) For the purposes of subsection (1), the Commissioner may, by notice in the *Gazette*, specify any class of employers.

Returns to be made to Commissioner. 26. (1) For the purposes of this Ordinance the Commissioner may, either by notice in writing served by registered post or by notice in the *Gazette*, require any employer or class of employers to make returns in such form and at such times as he may in any such notice direct:

Provided that the Commissioner shall not require in any return information or particulars in respect of a time or period more than six months immediately preceding the date of the notice.

(2) Copies of any such form shall be supplied to an employer free of charge on application to the Commissioner.

27. (1) The Commissioner may specify the form of any consent, request, notice in writing, record or return required for the purposes of this Ordinance.

(2) The Commissioner may publish in the Gazette any forms specified by him under subsection (1).

## PART VII.

#### **EMPLOYMENT AGENCIES.**

28. No person, other than an employment agency registered with the Commissioner, shall procure, obtain or supply, or purport to procure, obtain or supply, the labour of persons, manual or otherwise, for or on behalf of any employer, actual or prospective, other than himself, for employment within the Colony or under an overseas contract.

29. The Governor in Council may make regulations-

- (a) prescribing the manner in which employment agencies shall be registered with the Commissioner;
- (b) prescribing the conditions under which registration of employment agencies may be refused or cancelled;
- (c) prescribing the nature of the services in respect of which employment agencies may charge fees and expenses and the amounts thereof;
- (d) providing for the exemption, subject to such conditions as may be prescribed, of any class of employment agency from the provisions of this Part;

notices, records, etc.

Form of

Obtaining or supplying labour.

Regulations in respect of employment agencies.

(e) prescribing the records to be kept and returns to be made to the Commissioner by employment agencies.

30. In this Part-

"employment agency" means any person who acts as an intermediary for the purpose of procuring or obtaining employment for another person or supplying the labour of another person, manual or otherwise, to an employer whether or not with a view to deriving either directly or indirectly any pecuniary or other material advantage from either the employer or any such other person, but does not mean a contractor who employs any person on work for another person;

"overseas contract" has the meaning assigned to it in the Con- (Cap. 78.) tracts for Overseas Employment Ordinance.

# PART VIII.

#### OFFENCES AND PENALTIES.

31. (1) Any employer who wilfully and without reasonable excuse contravenes any of the provisions of section 13, 14 or 15 shall be guilty of an offence.

(2) Any person who contravenes any of the provisions of section 16, 17, subsection (2) of section 18, section 19, 20, 21, 22, <sup>23</sup>, subsection (1) of section 25 or section 28 shall be guilty of <sup>an</sup> offence.

(3) Any person who fails to comply with the requirements of a notice in writing or a notice published in the *Gazette* under subsection (1) of section 26 shall be guilty of an offence.

(4) A person who is guilty of an offence under this section shall be liable on conviction to a fine of five thousand dollars.

**32.** (1) No prosecution for an offence under subsection (1) of section 31 shall be commenced without the consent in writing of the Commissioner.

<sup>(2)</sup> Before the Commissioner gives his consent to prosecute <sup>under subsection</sup> (1) he shall hear the person against whom the <sup>allegation</sup> is made, or give him an opportunity of being heard.

(3) A prosecution for any offence under section 31 may be conducted by an officer of the Labour Department authorized in that behalf in writing by the Commissioner.

<sup>(4)</sup> Nothing in this section shall derogate from the powers offences.

Prosecution of offences.

Offences and penalty.

Interpretation.

Liability for outstanding wages.

33. (1) An employer convicted of an offence under this Ordinance shall, in addition to any fine imposed under section 31, if the court before which the conviction was obtained so orders, pay any wages or other sum outstanding at the time of the conviction and in respect of which the offence was committed.

(2) Where the employer is acquitted of an offence under subsection (1) of section 31 on grounds that his default was not wilful or not without reasonable excuse, the court may, if it finds that any wages or other sums in respect of which the charge was brought are due, order the employer to pay such wages or other sums.

# PART IX.

#### MISCELLANEOUS.

Wages not to be attached. 34. No order for the attachment of wages of an employee shall be made by any court:

Provided that a civil debt due to the Crown under any enactment may be recovered from the wages of an employee by attachment or otherwise.

35. Save as is otherwise provided in this section, any agreement or contract of employment entered into between an employer and an employee, which is valid and in force at the commencement of this Ordinance, shall continue to be in force and, subject to any express conditions contained in any such agreement or contract, the parties thereto shall be subject to and entitled to the benefit of the provisions of this Ordinance:

Provided that where any express condition in the agreement or contract is contrary to the provisions of this Ordinance, the express condition shall be void.

36. The Employers and Servants Ordinance is repealed.

37. The Contracts for Overseas Employment Ordinance is amended—

(a) by deleting, in paragraph (d) of subsection (1) of section 10, "subsection (1) of section 14" and substituting therefor the following—

"section 28 of the Employment Ordinance 1968"; and

(b) by repealing Part III.

existing contracts of service.

Saving as to

Repeal. (Cap. 57.)

Consequential amendment of Cap. 78.

#### SCHEDULE.

#### [s. 11.]

#### CONTINUOUS EMPLOYMENT.

- (a) The provisions of this Schedule are to ascertain whether or not any contract of employment is a "continuous contract" for 1. the purposes of Part II.
- (b) In the case of a contract of employment existing at the commencement of this Ordinance, such period of employment next preceding the date of commencement of the Ordinance as may be necessary shall be taken into account in order to ascertain whether or not the contract of employment is a continuous contract.

Subject to the following provisions, where at any time an employee has been employed under a contract of employment during the period of four or more weeks next preceding such time he shall be deemed to have been in continuous employment during that period.

(1) For the purposes of paragraph 2, no week shall count unless the employee has worked on three days or more in that week, and in determining whether he has worked on any day the provisions of subparagraph (2) shall apply.

(2) If on any day the employee is, for the whole or part of the day-

- (a) incapable of work in consequence of sickness or injury; provided that any such incapability in excess of forty-eight hours is supported by a certificate issued by a registered medical practitioner; or
- (b) absent from work in circumstances such that, by law, mutual arrangement or the custom of the trade, business or undertaking, he is regarded as continuing in the employment of his employer for any purpose,

then, save as provided in paragraph 4, that day shall count as a day on which he has worked.

4. Where an employee is absent from work for the whole or part of any day-

(a) because of a strike (which is not illegal) in which he takes part; or

(b) because of a lock-out by his employer,

that day shall not count as a day on which he has worked, but the continuity of his period of employment shall not be treated as broken by any such absence.

If a trade, business or undertaking is transferred from one person to another, the period of employment of an employee in the trade, business or undertaking at the time of the transfer shall count as a period of employment with the transferee, and the transfer shall not break the continuity of the period of employment.

- 6. For the purposes of this Schedule-
- (a) any reference to days on which an employee has worked shall mean days on which he has worked for his employer whether or not the days were worked under the same or another contract

of employment with that employer and whether or not they were consecutive days; and

- (b) an employee shall be treated as having worked for an employer on any day on which the employee worked for that employer for not less than six hours, whether or not continuously.
- 7. In this Schedule, unless the context otherwise requires—

"lock-out" and "strike", respectively, have the meanings assigned to them in the Trade Union Registration Ordinance;

"week" means a week ending with Saturday.

This printed impression has been carefully compared by me with the Bill which passed the Legislative Council on the 25th day of September, 1968, and is found by me to be a true and correctly printed copy of the said Bill.

D. Barton,

Deputy Clerk of Councils.

(Secretariat GR 6/3231/50II)

(Cap. 332.)