

For the purposes of the Ordinance, “earnings” includes:


1. cash wages;
2. the value of any privilege or benefit which can be estimated in cash, e.g. food, fuel or quarters supplied to the employee, if as a result of the accident he is deprived of any of them;
3. overtime payments or other special remuneration, whether by way of bonus, allowance or otherwise, if it is of a constant nature; and
4. customary tips.

Under the Ordinance, “earnings” does not include items such as remuneration for intermittent overtime, casual payments of a non-recurrent nature, the value of travelling allowances or concession and the employer’s contributions to provident funds.

The “monthly earnings” is to be taken as the earnings for the month immediately preceding the date of the accident, or the average monthly earnings for the previous 12 months of employment (or any lesser period if the employee has not been so long employed), whichever calculation is more favourable to the employee. According to the Minimum Wage Ordinance<sup>(Note)</sup>, if the wages payable to an employee in respect of any wage period are less than the minimum wage, he is entitled to be paid the difference (i.e. additional remuneration). The employer is required to include the amount of additional remuneration (if any) in calculating the monthly earnings for the purpose of employees’ compensation.

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(Note) The statutory minimum wage (SMW) comes into force on 1 May 2011. The Minimum Wage Ordinance does not apply to persons to whom the Employment Ordinance does not apply, live-in domestic workers (irrespective of their sex, race or nationality), specified student interns as well as work experience students during a period of exempt student employment. Should there be any enquiries on SMW, please call 2717 1771 (the hotline is handled by the “1823”) or visit offices of the Labour Relations Division of the Labour Department.



According to section 11 of the Ordinance, where an employee suffers temporary incapacity for more than 12 (and 24) months after the date of accident, his monthly earnings should be adjusted for the purposes of calculating compensation at the end of the 12 (and 24) month period. Such an adjustment shall be made in accordance with the average rate of increase of the earnings in respect of other persons of similar earning capacity employed by the employer in similar employment. Where there is no such other persons, the rate of increase in the Consumer Price Index (A) at the end of the 12 (and 24) month period after the date of accident shall be used.

Where the injured employee was, at the time of the accident, under the age of 18 or employed as an apprentice, his monthly earnings shall, for the purposes of assessing compensation payable in the case of death or permanent incapacity, be assessed as if he were an adult employee or, in the case of an apprenticeship, as if he had completed his apprenticeship training.

For the purpose of assessing compensation payable, the minimum rate of earnings is deemed to be \$5,310<sup>(Note)</sup> per month.

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(Note) For work injuries caused by accidents happening or prescribed occupational diseases contracted before 15 April 2021, the minimum rate of earnings is deemed to be \$4,500 per month.