

Insights

## HK PROPOSES CHANGES TO THE “CONTINUOUS CONTRACT” RULE UNDER EMPLOYMENT ORDINANCE

May 07, 2025

### SUMMARY

The Hong Kong Government has proposed to change the “continuous contract” requirement under the Employment Ordinance (Cap 57) (“EO”) from the current “4-18” requirement to a more relaxed “4-17” or “4-68” requirement.

### THE CURRENT “4-18” RULE

Under the current rules, an employee is regarded as being engaged under a “continuous contract” if employed by the same employer continuously for four weeks or longer, having worked for 18 hours or more per week.

While all employees enjoy basic protection under the EO<sup>[1]</sup>, employees under a “continuous contract” are entitled to additional benefits, e.g. statutory holiday pay, paid annual leave, sickness allowance, statutory maternity leave, statutory paternity leave, severance payment and long service payment.

As the Government has pointed out, if an employee occasionally works less than 18 hours in a week, they will fail to satisfy the “4-18” requirement and will lose these additional benefits.

### PROPOSED “4-17” AND “4-68” REQUIREMENT

On 11 April 2025, the Government gazetted the Employment (Amendment) Bill 2025, seeking to amend the “4-18” rule.

As proposed in the bill, an employee will be considered as being under a “continuous contract” if they work with the same employer:

1. Continuously for four weeks or above, for 17 hours or more per week, or

2. For an aggregate of 68 hours or more during a four-week period.

In other words, under the second limb above, if an employee works less than 17 hours in a particular week, they still will be considered as being engaged under a “continuous contract” during that particular week if the sum of (a) the working hours during that particular week, and (b) the total of the working hours of the three weeks immediately preceding that particular week, reaches 68 hours.

The bill was introduced in the LegCo for first reading on 16 April 2025. It is not known when the bill would be passed. If passed, the bill will come into operation on the first Sunday six months after gazettal.

## **TAKEAWAY FOR EMPLOYERS**

Employers, especially employers who are hiring on-demand or part-time employees who currently are not engaged under a “continuous contract” under the current rules, should carefully review the status of their employees to see if the proposed changes will affect the status of any of their employees or their internal staff budget.

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[1] These basic protection includes payment of wages, restrictions on wage deductions and granting of statutory holidays.

## **RELATED CAPABILITIES**

- Employment & Labor

## MEET THE TEAM



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