

BDO NEWS

January 2023

www.bdo.com.hk

Statutory minimum wage will rise to HK\$40 per hour from 1 May 2023



BDO'S SUPPORT AND ASSISTANCE

PORTIA TANG

Director and Head of Payroll & HR Outsourcing Services and Professional Resources Solutions
Tel: +852 2218 8996

portiatang@bdo.com.hk

JOSEPH HONG

Consultant, Payroll & HR Outsourcing Services
Tel: +852 2218 8286

josephhong@bdo.com.hk

CLIENT SERVICES TEAM

Tel: +852 2218 8288

csd@bdo.com.hk

25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong

Tel: +852 2218 8288

Fax: +852 2815 2239

info@bdo.com.hk

Readers of APERCU may recall our article in April 2021 reporting on the decision to freeze the statutory minimum wage at HK\$37.5 per hour for two years (until 2023). It had been fixed at HK\$37.5 per hour since 1 May 2019, and April 2021 was the first time that the government had frozen the minimum wage since it was introduced on 1 May 2011.

As 2023 got underway, the government had some good news for Hong Kong workers. The Executive Council has accepted the Minimum Wage Commission's recommendation to increase the statutory minimum wage from HK\$37.5 per hour to HK\$40 per hour. As long as this is approved by the Legislative Council, the new rate will take effect on 1 May this year.

Back in February 2021, the former Secretary for Labour and Welfare, Law Chi Kong, announced the government's decision to freeze the statutory minimum wage at its 2019 level due to the deep economic recession brought on by the COVID-19 pandemic. The aim was to avoid the loss of low-paid jobs, which would have added to the increases in the unemployment rate.

The present Secretary for Labour and Welfare, Chris Sun Yuk-han, has expressed his delight, stating that the new statutory minimum wage will strike the right balance between ending excessively low wages and avoiding cuts in low-paid jobs, whilst maintaining Hong Kong's economic growth and competitiveness.

Speak to our payroll professionals

Feel free to get in touch to find out how we can help you by providing a tailored solution for payroll outsourcing.

McCabe International Limited, a limited liability company incorporated in the British Virgin Islands with its principal place of business in Hong Kong, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO to discuss these matters in the context of your particular circumstances. BDO, its directors, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.