



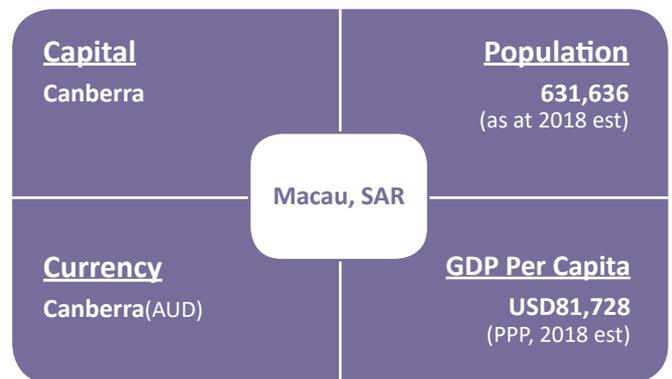
MACAU

An update on Macau’s Labour Relations Law (Law 7/2008)

Considered one of the most open economies, the mainstays of Macau’s economy are the export of apparel and gaming-related tourism. A stable economy has kept Macau’s unemployment rate relatively low. However, with the recent global pandemic, unemployment has edged up to 2.5% in April - June 2020 from 2.4% in the previous three-month period.

Overview

Macau’s Labour Relations Law (Law 7/2008) sets the general framework for labour relations. It contains the rule concerning employment contracts, including principles relevant to employment agreements, duties, employee and employer obligations, probation period, employment contract requirements, employment contract for fixed periods, working hours, overtime, weekly time-off, annual leave and compensation (in instances of contract termination without just cause, etc).



Amendment to Law 7/2008 – Labour Relations Law

Law 8/2020, introducing amendments to Law 7/2008 - Labour Relations Law, came into force on May 26, 2020. Amendments to the law include developments in maternity leave, the introduction of paternity leave, and adjustments to work compensation on rest days and mandatory holidays.

1. Paternity Leave

- Five (5) working days from current two (2) days unpaid leave.
- Option to take it consecutively or non-consecutively :
 - a. From mother’s pregnancy over 3 months,
 - b. Till 30 days after baby is born
- Paternity leave will only be paid for workers whose employment relationship is more than one year.

2. Increase in Maternity Leave

- Increased from 56 days to 70 days
- 63 of which should be taken immediately after delivery. The remaining seven days may be taken by the decision of the worker, totally or partially before or after delivery.
- During the first 3 years of implementation (i.e. May 26, 2020 – May 25, 2023), the Macau Government will subsidize the 14 days' remuneration of paid the Maternity leave.

3. Overlap compensation

- If a mandatory holiday falls on a weekly rest day, employees are entitled to compensatory rest within 30 days. Previously, there was no need to pay for such "compensatory rest".
- Mandatory holidays in Macau :
 - New Year's Day (January 1)
 - Lunar New Year (the first, second and third day of the first month of the Lunar Year)
 - Cheng Ming Festival
 - Labour Day (May 1)
 - The day after the Mid-Autumn Festival (Chong Chao Festival)
 - National Day of the People's Republic of China (October 1)
 - Chong Yeong Festival
 - Macao Special Administrative Region Establishment Day (December 20)

4. Leave arrangement after working on Mandatory Holidays

Where employees are required to work on Mandatory Holidays, such employees are entitled to compensatory rest day(s) which shall be designated by the employer within 90 days (instead of the current 30 days).

5. Compensation for work performed on weekly rest days and mandatory holidays

- Employers may arrange for employees to work on such days regardless of the employee's consent
- If the employee voluntarily request to work on weekly rest day, employer to provide either additional one (1) day's pay or one (1) day's leave

Compensation For working on a weekly rest day	Compensation For working on a mandatory holiday
1. Normal pay 2. One day leave + one additional day's salary OR	1. Normal pay 2. One day leave + one additional day's salary OR
Two days' leave	Two day's additional pay OR Two day's leave

6. Pro-rated compensation on Weekly Rest Day / Mandatory Holidays

If only part of the work period is completed due to the worker's personal reasons, it will be compensated or remunerated in proportion to the number of hours worked, i.e. pro-rated.

7. Amount of basic monthly remuneration for calculation of Rescission compensation

In the event of :

- Employers who rescind the employment contracts without just cause or
- Dismissal (with or without just cause)

Such employees are entitled to compensation depending on the length of the employment relationship.

The maximum amount of the basic monthly remuneration used to calculate the compensation is now MOP21,000 instead of MOP 20,000 – unless the Employer agrees on a higher amount.

This means that even if the worker receives a monthly remuneration of MOP30,000, if there is no provision in the contract, the compensation due in case of termination of the contract is calculated based on a monthly salary of MOP21,000.

8. Minimum Wage

Applicable rates depend on how the remuneration is calculated (eg: hourly, daily, weekly or monthly as follows, effective November 1, 2020 :

- Monthly: MOP 6,656 (based on 208 working hours per month)
- Weekly: MOP 1,536 (based on a six-day work week)
- Daily: MOP 256 (based on an eight-hour workday)
- Hourly: MOP 32

*Rates will be reviewed every two years.

Distinctions between Resident and Non-resident workers

• Resident Workers

- Granted residency status (i.e. Macau Resident ID card)
- Freely choose their jobs, change position and access to benefits not available to non-resident workers

• Non-resident Workers

- Holds a "Non-resident Worker" ID Card
- Such cards are attached to, and dependent on a Labour Contract (regarded as a working permit)
- Choices of employment and career advancement are limited since they are not permitted to work unless a proper work permit has been obtained



Types of Labour Contracts

Indefinite contract	Term contract
<p>An indefinite contract does not specify any employment period; in other words, it is a permanent employment.</p>	<p>May have a fixed term or a variable term. A term contract sets an employment period or a period required to complete the object of the contract.</p> <ul style="list-style-type: none"> • If the duration of a contract is set for a specific length eg: one year, the contract is a fixed term contract. • If a contract ends after the task is completed, it is a variable term contract. <p>Only under the circumstances prescribed by law could the employer conclude a term contract with a resident employee.</p>
<p>May be made in oral or written form.</p>	<p>Must be concluded in writing and its conclusion must meet the legal requirements.</p>
<p>Unless there are valid grounds, if an employee is dismissed by his employer, the employee shall be entitled to compensation calculated according to his length of service.</p>	<p>For term contracts, since an agreed period or a period needed for an agreed task is specified in the contract, when the contract is terminated due to its expiry or completion of the agreed task, the contract becomes invalid, thus no compensation is required.</p>

Contracts that must be concluded in writing

A written labour contract must contain :

- Identification and signatures of the employer and the employee
- Working conditions
- Date when the contract is entered into
- Date when the contract comes into force
- Other requirements stipulated by law

Contracts that must be concluded in writing include :

- Fixed term labour contract (including renewal)
- Variable term labour contract
- Labour contract concluded with a non-resident worker
- Labour contract concluded with a minor worker

If it is a term contract (including fixed term contract or variable term contract), the grounds justifying the term agreed upon by the employer and the employee must also be stated.

Conclusion

Employers must review existing leave policies and ensure these comply with the latest revisions and requirements for maternity and paternity leave. Consideration must also be made in relation to minimum wages and their possible financial impact on the business.

Source :

[Macau SAR Government Portal](#)

[SAR of Macau – Amendment to Law No. 7/2008 – Labour Relations Law](#)

[Macau SAR Labour Affairs Bureau](#)

[C&C Lawyers and Notaries](#)

About BIPO

Founded in 2004, BIPO is a leading, one-stop global HR service provider with a vast network of offices situated in key gateway cities across Asia: Singapore, Cambodia, Mainland China, Hong Kong, Taiwan, Japan, India, Indonesia, Malaysia, Myanmar, Philippines, Taiwan, Thailand and Vietnam, including subsidiaries in Australia and New Zealand.

At BIPO, we help businesses transform and digitalise, enabling them to thrive and realise their growth ambitions. Around the world, we support over 1,600 clients across 70 countries and regions with a new generation of HR solutions. Our comprehensive suite of service products from HRMS, multi-national payroll calculation, overseas landing services, Business Process Outsourcing (BPO) to attendance automation and more provide clients with a multi-regional, efficient and seamless user experience.

Our global R&D Centres are the foundation of BIPO's award-winning cloud and mobile-based BIPO HRMS and Workio platforms, providing cutting-edge, agile, and innovative technology solutions to meet the needs of Industry 4.0. We are also ISO-27001 certified with multi-country compliance, providing clients with the trust and confidence to champion their international growth plans.

We envision a world where communities flourish and grow, which is why we are committed to helping businesses leverage technology to scale up digital adoption in the workplace. We believe that if businesses thrive, so do our people and local communities.

