

# BIPO TIMES

## 3rd Anniversary 2017.9-2020.9

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

#### Macau, SAR in Brief

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).

<u>Capital</u> Canberra	<u>Population</u> 631,636 (as at 2018 est)
<u>Currency</u> Canberra(AUD)	<u>GDP Per Capita</u> USD81,728 (PPP, 2018 est)

Macau, SAR

#### 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.
- The current two (2) working days remains in the case of adoption

## 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

- a. Employers may arrange for employees to work on such days regardless of the employee’s consent
- b. 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 <b>OR</b>	1. Normal pay 2. One day leave + one additional day’s salary <b>OR</b>
Two days’ leave	Two day’s additional pay <b>OR</b> 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
An indefinite contract does not specify any employment period; in other words, it is a permanent employment.	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. <ul style="list-style-type: none"><li>• If the duration of a contract is set for a specific length eg: one year, the contract is a fixed term contract.</li><li>• If a contract ends after the task is completed, it is a variable term contract.</li></ul> Only under the circumstances prescribed by law could the employer conclude a term contract with a resident employee.
May be made in oral or written form.	Must be concluded in writing and its conclusion must meet the legal requirements.
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.	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.

## 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

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.

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

## 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](#)

## Around the World with BIPO

### 17 August | Shanghai, China

Paying it forward to the business community, BIPO recently spearheaded a series of initiatives in support of **Centre for the Promotion of Global Human Resource Service**. Collaborating with partners such as Michael Page International, Mercer China, Ernst & Young and the Singapore Human Resources Association, joint activities such as webinars and round-table discussions were held, setting the stage for global connectivity and co-operation among Enterprises. Through this Centre and its many initiatives, enterprises in China will benefit from the vast resources available while leveraging one-stop digital, HR and professional services that are compliant with multi-country regulations to broaden business co-operation on a global level.

### 20 August 2020 | Singapore

BIPO officially launched BIPO Safe Entry in Singapore through a series of campaigns aimed at helping businesses resume operations in a safe and socially responsible manner. BIPO Safe Entry is a contactless and safe way for employees to clock-in at the workplace. As part of BIPO's Attendance Automation Service under its award-winning HR Management System (HRMS), BIPO Safe Entry is a contactless clock-in and door access control system that incorporates facial recognition and contactless temperature scan. BIPO Safe Entry integrates with BIPO's cloud and mobile-based HRMS platform, offering businesses a convenient, one-stop solution that simplifies manual HR processes. With BIPO Safe Entry, businesses can leverage digital solutions to resume operations safely while improving productivity and remaining cost-efficient.



## August | National Day Celebrations (India, Indonesia, Singapore and Malaysia)

August has been abuzz with activities as our teams in Singapore, India, Indonesia, and Malaysia celebrated National Day in their respective countries. While social distancing was foremost on our minds, celebrations took a unique spin as our teams “met” over virtual drinks, viewing live broadcasts of the celebrations, fly-pasts and fireworks together, but in the comfort and safety of their homes.



## About us

BIPO is a leading one-stop human resources provider in Asia Pacific, focused on providing organisations with innovative ways to manage complex end-to-end HR processes. Through our cloud and mobile-based Human Resources Management system as well as industry-leading solutions such as Payroll Outsourcing, Attendance Automation, Business Intelligence, HR Consulting, Recruitment & Business Process Outsourcing and Flexible Employee Management, we help companies transform their HR operations to and beyond their expectations, while achieving business goals related to cost and profitability.

Founded in 2004, our APAC headquarters is in Singapore and R&D centre in Indonesia. We have offices in Australia, China, Hong Kong, India, Japan, New Zealand, Philippines, Vietnam, Taiwan and Thailand with business links in over 10 countries and regions.



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