



Employment law update: HK revises “Continuous Contract” definition – from 418 to 468 Rule

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On 18 June 2025, the Legislative Council passed the **Employment (Amendment) Bill 2025**, introducing a more inclusive definition of “continuous contract” under the Employment Ordinance (Cap. 57).

This reform replaces the long-standing “418 rule” with a more flexible “468 rule”, designed to extend statutory employment protections to a broader group of employees, particularly those under part-time or irregular work arrangements. The change reflects the government’s commitment to fairer labour practices and greater social protection for all workers in line with today’s diverse employment landscape.

Revisiting the 418 rule

The “**418 Rule**” has long been a cornerstone of Hong Kong’s Employment Ordinance. It defines a “**continuous contract**” as one where an employee works **at least 18 hours per week for four consecutive weeks** under the same employer. Employees under such contracts are entitled to a range of statutory benefits. However, this rule has faced criticism for being too rigid, especially for part-time or flexible workers whose hours may fluctuate. Employers could avoid triggering the rule by reducing weekly hours below the threshold.

Summary of key amendments

The Amendment Ordinance introduces two major changes to the existing “continuous contract” requirement:

1. Reduction of weekly working hours threshold

The threshold has been lowered from 18 hours to 17 hours per week, thereby broadening the scope of employees eligible for statutory benefits.

2. Introduction of a four-week aggregation mechanism

A new provision allows for the calculation of continuous employment based on an aggregate of **68 working hours over any four consecutive weeks**. Under this mechanism, a week with fewer than 17 hours will still count toward continuous employment if the total hours over the four-week period meet the 68-hour threshold.

These changes are intended to enhance flexibility in the assessment of employment continuity and reduce disruptions caused by occasional short work weeks.

Implementation timeline

- **Gazettal date:** 27 June 2025
- **Effective date:** 18 January 2026

Benefits to employees

The revised criteria will extend statutory protections to a broader segment of the workforce, particularly part-time, casual, and gig workers. Eligible employees will gain access to:

- Statutory holiday pay
- Paid annual leave
- Sickness allowance
- Maternity and paternity leave
- Severance and long service payments

This reform promotes fairer treatment and improved job security for employees whose working hours may fluctuate.

Implications for employers

Employers are advised to:

- Review and update employment contracts and HR policies to reflect the revised criteria.
- Identify employees who may newly qualify for statutory benefits under the amended framework.
- Prepare for compliance by ensuring payroll and rostering systems can accommodate the new calculation method.

Continuity of existing provisions

It is important to note that all other provisions of the Employment Ordinance remain unchanged. Employees who currently meet the “continuous contract” requirement will not be affected by the amendments.

For advice on employment-related issues, please contact our Accounting and Outsourcing Team.



Contacts

Forvis Mazars Outsourcing Limited

42/F, Central Plaza,
18 Harbour Road,
Wanchai, Hong Kong
info.hk@forvismazars.com

Gilles-Alexandre Salansy

Partner, Outsourcing Services
Forvis Mazars, Hong Kong
gilles-alexandre.salansy@forvismazars.com

Betty Tang

Partner, Outsourcing Services
Forvis Mazars, Hong Kong
betty.tang@forvismazars.com

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