EMPLOYMENT SUPPORT SCHEME

The HKSAR Government has launched the “Employment Support Scheme” (ESS) under the second round of the “Anti-epidemic Fund” to provide time-limited financial support to employers to retain employees who may otherwise be made redundant.

Obligations

Eligible employers participating in ESS will be required to provide an undertaking –
(1) not to make redundancies during the subsidy period; and
(2) to spend all the wage subsidies on paying wages to the employees.

Eligibility

Employers participating in Mandatory Provident Fund (MPF)

Generally speaking, with the exception of ineligible employers (see below), all employers who have been participating in MPF schemes (including Master Trust Schemes and Industry Schemes) will be eligible to apply for wage subsidies in respect of the following categories of employees:

- a. "regular employees" under the Master Trust Schemes and Industry Schemes for whom MPF mandatory contributions have been made by their employers;
- b. employees aged 65 or above under the Master Trust Schemes and Industry Schemes.

It should be noted that employers cannot apply for wage subsidies in respect of "casual employees" under the Master Trust Schemes and Industry Schemes.

In order to be eligible for the first tranche, the MPF accounts of employers and employees should have been set up on or before 31 March 2020 (i.e. cannot be backdated to that date or any earlier dates). In other words, employers and employees with MPF accounts set up on or after 1 April 2020 will not be eligible.

1 "Regular employees" are employees who are at least 18 but under 65 years of age and have been employed in any industry for a continuous period of 60 days or more.

2 "Casual employees" refers to employees who are at least 18 but under 65 years of age, and are employed in the construction industry or the catering industry on a day-to-day basis, or for a fixed period of less than 60 days.

2 Referring to the subsidies for June to August 2020 mentioned below.

Employers who have set up MPF-exempted Occupational Retirement Schemes Ordinance (ORSO) Schemes

With the exception of ineligible employers (see below), employers who have set up MPF-exempted ORSO schemes (including ORSO registered schemes and ORSO exempted schemes) for their employees can apply for subsidies under ESS in respect of those employees who are members of these ORSO schemes. The employees covered in the relevant application should have become members of the relevant ORSO schemes on or before 31 March 2020 (i.e. cannot be backdated to that date or any earlier dates).

Employers not eligible for ESS (covering employers of MPF and ORSO Schemes)

1. 2. 3.

RESULT ENQUIRY

SCHEME DETAILS

FAQS

TERMS & CONDITIONS

APPROVED LIST

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The Hong Kong Special Administrative Region (HKSAR) Government, the Legislative Council of the HKSAR, the Judiciary of the HKSAR, The Liaison Office of the Central People's Government in the HKSAR, the Office of the Commissioner of the Ministry of Foreign Affairs of the People's Republic of China in the HKSAR, the Hong Kong Garrison of the Chinese People's Liberation Army, Offices of other governments and international organisations, Specified statutory bodies and corporations, Specified public organisations, government-owned companies or subvented organisations (The aforementioned types of employers not eligible for ESS are set out in the exclusion list).

A licence holder who has submitted application for the Catering Business (Social Distancing) Subsidy Scheme in respect of the licensed premises covered by the relevant business registration certificate (including applications being processed or approved) is not eligible.

Employers cannot apply for subsidies under ESS in respect of the following types of employees whose wages are subsidised by the Government:

- employees in government-funded organisations whose wages are fully funded by the Government.
- dedicated employees engaged by outsourced government services contractors/consultants to implement or deliver these contracts.

Self-employed Persons

Self-employed persons who have set up an MPF account on or before 31 March 2020 (i.e. cannot be backdated to that date or any earlier dates), which has not been terminated as of 31 March 2020 are eligible for ESS.

If the same self-employed person has more than one MPF account, he/she may only apply once for a one-off lump-sum subsidy of $7,500 under ESS.

Self-employed Persons not eligible for ESS

Freelancers who provide school bus services as school bus drivers, school private light bus drivers and escorts (commonly known as "nannies") and have applied for the subsidy under the "School Bus Service Providers Subsidy Scheme" of the Education Bureau.

Freelancers who are tour service coach drivers and have applied for the subsidy under "Tour Service Coach Drivers (Mainly Serving Tourists) Support Scheme" of Tourism Commission.

- except proprietors of a fleet or vehicle who are also drivers/escorts; they can apply for the ESS subsidy as self-employed persons and, at the same time, the subsidy under the "School Bus Service Providers Subsidy Scheme".
- except proprietors of a fleet/vehicle who are also drivers; they can apply for the ESS subsidy as self-employed persons and, at the same time, the subsidy under the "Tour Service Coach Drivers (Mainly Serving Tourists) Support Scheme".

Wage Subsidies and Calculation

The Government will provide wage subsidies to eligible employers for 6 months. Subsidies will be disbursed in two tranches. The first tranche of subsidies will cover the period from June to August 2020, while the second tranche will cover the period from September to November 2020.

Employers participating in MPF

Employers applying for the first tranche of subsidies under ESS can nominate any one month between December 2019 and March 2020 as the "specified month". The amount of wage subsidies will be calculated on the basis of the number of employees and their respective wages in the "specified month".

- "Regular employees" aged between 18 and 64
  - The amount of wage subsidies will be calculated based on 50% of the actual wages paid to each "regular employee" aged 18-64 in the "specified month", with a wage cap at $18,000 per month. The maximum wage subsidy per employee is $9,000 per month.

- Employees aged 65 or above
  - If employers have provided information on the basic salaries of employees aged 65 or above when making MPF voluntary contributions for them, the amount of wage subsidies will be calculated based on 50% of the basic salaries actually paid to the relevant employees in the "specified month", with a wage cap at $18,000 per month per employee. The maximum wage subsidy per employee is $9,000 per month.
  - If employers have not provided information on the basic salaries of individual employees when making MPF voluntary contributions for them, the amount of wage subsidies will be calculated by multiplying the amount of employers' voluntary contribution for the relevant...
employees in the “specified month” by 10 times, with a cap at $9,000 per month per employee.

Green minibus and local ferry operators who have applied for ESS wage subsidies in respect of their employees aged 65 or above are not allowed to apply, in respect of the same employees, for subsidies under the subsidy scheme of the Transport Department specifically designed for green minibus and ferry operators employees aged 65 or above, so as to avoid double benefit.

If an employer has made MPF contributions for both “regular employees” aged 18-64 and employees aged 65 or above, he/she must choose the same “specified month” for calculating subsidies in respect of all employees.

Employers who have set up MPF-exempted ORSO Schemes
Employers applying for the first tranche of subsidies under ESS can nominate any one month between December 2019 and March 2020 as the “specified month”. The amount of wage subsidies will be calculated based on 50% of the actual wages paid to each employee in the “specified month”, with a wage cap at $18,000 per month. The maximum wage subsidy per employee is $9,000 per month.

Self-employed persons
Each eligible self-employed person will be granted a one-off lump-sum subsidy of $7,500.

Employers with some but not all staff fully funded by the Government and have received notification letters from the relevant government departments
Employer can only apply for subsidies in respect of employees whose wages are not fully funded by the government, and for whom they have made MPF contributions or set up MPF-exempted ORSO Schemes. The aforementioned wage subsidies will be calculated on the basis of the number and actual wages of these eligible employees. The ESS Secretariat has, through the departments concerned, reminded their subvented organisations and outsourced service contractors/consultants of such eligibility criteria in writing.

Application Period
Employers who have been participating in MPF or who have set up MPF-exempted ORSO Schemes
Online applications for the first tranche of subsidies will open from 25 May to 14 June 2020. It is expected that most employers will receive the wage subsidy in three to four weeks after application, which can subsidise their payment of staff wages from June to August 2020. For applications involving ORSO schemes, a longer processing time may be required.

The second tranche of subsidies will be disbursed in September 2020. We will announce the application details in due course.

Self-employed Persons
Online application for self-employed persons will open from 25 May to 14 June 2020, and the one-off lump sum subsidy will be disbursed in three to four weeks after application.

Application Method and Information Required
Applicants should complete the application form online and upload the required supporting documents before submission of application within the application period.

Information and documents required:

<table>
<thead>
<tr>
<th>Employers participating in MPF</th>
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<tbody>
<tr>
<td>Information required</td>
</tr>
</tbody>
</table>
| • Business Registration Number or other registration numbers (for example, company registration number, registration number under the Societies Ordinance or Education Ordinance, non-governmental organization code assigned by the Social Welfare Department, etc.) (The name of employer must
Employers who have set up MPF-exempted ORSO Schemes

**Information required**
- Business Registration Number or other registration numbers (for example, company registration number, registration number under the Societies Ordinance or Education Ordinance, non-governmental organization code assigned by the Social Welfare Department, etc.) (The name of employer must be the same as the name of business/corporation stated in the Business Registration Certificate or other registration certificates)
- Name of the MPF-exempted ORSO Scheme, its MPF Exemption Number and ORSO Registration / Exemption Number
- Number of eligible employees (i.e. employees whose wages are not fully funded by the Government) in March 2020

**Documents to be uploaded**
- Scanned copy of the exemption certificate issued by the Mandatory Provident Fund Schemes Authority in accordance with section 5 of the Mandatory Provident Fund Schemes Ordinance
- Please use the designated form to fill in the information of eligible employees (i.e. employees whose wages are not fully funded by the government), including the wage of each employee in the “specified month”. The designated form can be downloaded here or from the online application form. (Only applicable to employers with some but not all staff fully funded by the Government and have received notification letters from the relevant government departments)

Self-employed Persons

**Information required**
- Name of the MPF Trustee (the name of the self-employed person must be the same as the name shown on the records of the MPF Trustee)
- Name of the MPF Scheme (any of the MPF schemes of the SEPs) and Scheme Registration/ Participation Number

**Documents to be uploaded**
- The bank account number of the employer and a scanned copy of the bank statement (the name of Applicant must be the same as the name of holder of the bank account)
Penalty

All employers applying for wage subsidies are required to provide an undertaking not to make redundancies during the subsidy period. With regard to the first tranche of subsidies, it means that the number of employees on the payroll in any one month of the subsidy period (from June to August 2020) should not be less than the number of paid and unpaid staff in March 2020. The employers should also undertake to spend all the wage subsidies on paying wages to the employees.

For an employer who has received the first tranche of subsidies, if he/she fails to use all the wage subsidies received for a particular month during the three-month subsidy period to pay the wages of his/her employees in the same month, the Government will claw back the unspent balance of the subsidy. Furthermore, if the number of employees on the payroll in any one month of the subsidy period is less than the number of paid or unpaid staff in March 2020, the employer will have to pay a penalty to the Government. The penalty for a particular month during the subsidy period will be calculated as below:

<table>
<thead>
<tr>
<th>Subsidies received for a particular month ($)</th>
<th>Headcount reduction percentage (%)</th>
<th>Penalty percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. of paid and unpaid staff (as of March 2020) - Total no. of paid staff in a particular month</td>
<td>100%</td>
<td></td>
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</tbody>
</table>

The penalty percentage is determined by the employer’s total number of employees (whether paid or unpaid) in March 2020, viz, the larger the number of employees, the higher the penalty percentage. Details are set out below:

<table>
<thead>
<tr>
<th>Total number of employees in March 2020 (whether paid or unpaid)</th>
<th>Penalty Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 10</td>
<td>10%</td>
</tr>
<tr>
<td>10 - 49</td>
<td>20%</td>
</tr>
<tr>
<td>50 - 99</td>
<td>40%</td>
</tr>
<tr>
<td>100 - 499</td>
<td>60%</td>
</tr>
<tr>
<td>500 or more</td>
<td>80%</td>
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Please note that:

If an employer has made MPF contributions for new employees in March 2020 and the relevant information is shown in their MPF record certificates, the employees concerned will be counted towards the total number of employees for March 2020 which provides the basis for comparison with the headcount during the subsidy period (June to August 2020). Similarly, if information relating to the employer’s MPF contributions for new employees is shown in the MPF record certificates for any one month during the subsidy period, the employees concerned will be counted towards the total number of paid staff for that month.

Regarding employees aged 65 or above, employers who have received subsidies should provide information on the basic salaries of employees aged 65 or above in their return of remittance statements for their MPF contributions to the trustees for June to August 2020, so as to prove that salaries have been paid to the relevant employees. Otherwise, the employees concerned will not be counted towards the total number of paid staff.

Auditing and Monitoring Mechanisms

Appropriate monitoring and auditing mechanisms will be put in place under the ESS. During and after the vetting of applications, the ESS Secretariat and/or its processing agent will vet and conduct sample verification of the information submitted by the employers, and conduct on-site checking at those employers’ organisations. Furthermore, the Government will adopt a transparent approach, including announcing the list of employers who have received subsidies, the total number of employees benefited and the amount of subsidies, to enable monitoring by employees concerned and the society. Should an employer be found to have abused or violated...
the conditions of ESS, the employees concerned or members of the public may report to relevant authorities.

For enquiries relating to provisions under the Employment Ordinance or conditions of employment, please contact the Labour Relations Division (LRD) of the Labour Department:

- Email: enquiry@labour.gov.hk
- Branch offices of LRD: [link to website]
- Enquiry hotline: 2717-1771 (the hotline is operated by 1823)

Legal Liability:

Applicants must provide true, complete and accurate information when making the applications, otherwise, the relevant applications may be rendered invalid, rejected and/or disqualifed. Any person who makes false statement, misinterprets or conceals the facts, or furnishes false documents in an attempt to deceive the Government and/or its appointed agencies should be guilty of a criminal offence and subject to prosecution.

Enquiries

If you have any enquiries, please feel free to contact us.

- Telephone hotline: 1836-122
- Email: enquiry@employmentsupport.hk
- Online enquiry: Please click here and type in your application number and password.

If you have further enquiries, starting from 25 May 2020, you may call our hotline to make an appointment to visit any of our Help Desks as follows -

- Room 1701, A T Tower, 180 Electric Road, North Point, Hong Kong Island
- Room 2507, Prosperity Center, 25 Chong Yip Street, Kwun Tong
- Room 1206, Chinachem Tsuen Wan Plaza, 455 Castle Peak Road, Tsuen Wan

Service Hours of Help Desks:

- During the application period (25 May to 14 June 2020):
  - 25 May to 13 June 2020: 9 am – 6 pm
  - 14 June 2020: 9 am – 10 pm

- After the application period:
  - Monday to Friday: 9 am - 6 pm