

[Employment Support Scheme publishes second batch of employers receiving wage subsidies](#)

The Employment Support Scheme (ESS) Secretariat published on the ESS website (www.ess.gov.hk) today (June 29) the name list of the second batch of employers who have received wage subsidies, the amount of subsidies received and their committed headcount of paid employees.

"The ESS Secretariat published the name list of the first batch of employers who received wage subsidies last week (June 22). The name list of the second batch of employers published today covers about 33 679 employers, 98 per cent of whom are micro, small or medium-sized enterprises with fewer than 50 employees. These employers have received wage subsidies totalling about \$6.5 billion (for June to August 2020), and committed to maintaining a total paid headcount exceeding 280 000," a Government spokesman said.

Since last Friday (June 26), the ESS Secretariat has commenced the disbursement of wage subsidies to the third batch of 30 016 successful employer applicants, with subsidies totalling around \$7.7 billion and total committed headcount of paid employees about 335 000. We will publish the name list of the employers concerned upon completion of subsidy disbursement.

The first tranche of ESS, closed on June 14, received a total of 168 799 applications from employers and 259 860 from self-employed persons. As of now, the ESS Secretariat and processing agent have approved 89 400 applications, accounting for 53 per cent of the applications received from employers, involving a total wage subsidy of \$19.1 billion and benefitting 836 000 employees. As for Self-employed Persons (SEPs), the Secretariat has disbursed the \$7 500 one-off subsidy to about 74 000 SEPs, involving a total of \$556 million.

The spokesman said that the ESS Secretariat and the processing agent will continue to process the remaining 70 000 applications from employers and 43 000 applications from SEPs, with a view to completing the processing of all qualified applications in mid-July.

Furthermore, the Secretariat will notify around 10 000 unsuccessful employer applicants by batches, most of whom have not provided MPF account information that fulfils the requirements of the ESS (for example, the employer's MPF account has already been terminated before March 31, 2020, or the account was set up only after April 1, 2020), while some others have failed to respond to the Secretariat's or processing agent's request and provide the necessary information before the specified deadline and, as a result, the ESS Secretariat or the processing agent cannot further process their applications. Should there be any enquiries about the application results, applicants may send email to subsidy@employmentsupport.hk within 14

days from the date of receipt of application result notification from the ESS secretariat or the processing agent.

The Government spokesman reminded employers who have received wage subsidies (for those participating in MPF schemes) that the processing agent will perform auditing to check whether or not they have spent all the wage subsidies received during the subsidy period (June to August 2020) on paying wages to their employees against the relevant income and the total number of paid employees as shown on the monthly MPF record certificates provided by the MPF trustees (those on no-pay leave will not be counted for this purpose). The processing agent will also compare this information with the total number of employees (whether paid or unpaid) as shown on the MPF record certificates in March 2020 to see whether the employers have made any redundancy. 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 according to the Terms and Conditions of the Scheme.

"During the subsidy period, the employers must remit to MPF trustees the mandatory contributions for their employees as well as setting up MPF accounts and make contributions for newly recruited employees on or before the contribution day of each contribution period. In other words, the opening of MPF accounts for new employees and remittance of contributions to MPF trustees for paid employees for June, July and August should be done on or before July 10, August 10 and September 10 respectively, so as to ensure that the information of relevant employees could be reflected in the MPF record certificates of the relevant months. Otherwise, the employees concerned would not be counted towards the total number of paid employees. In addition, in respect of employees aged 65 or above, employers who have received ESS subsidies should provide information on the basic salary of employees aged 65 or above (regardless of whether the employers have made voluntary contributions for them) in their return of remittance statements for their MPF contributions made during the subsidy period to the trustees, so as to prove that salaries have been paid to the relevant employees for the months. Otherwise, the employees concerned will not be counted towards the total number of paid employees," the spokesman reiterated.

The spokesman explained again that the objective underpinning the design of the ESS is to allow flexibility for employers to, having regard to the circumstances of their businesses, choose a particular month with larger number of employees and higher staff expenses as the "specified month", so as to maximise the amount of wage subsidies to be received. This enables employers to retain existing employees, pay wages to employees who have been put on no-pay leave, re-hire employees or even hire new employees having regard to the needs of their businesses. The ESS has not specified that employers can only use the wage subsidies to pay each employee a maximum of \$9,000 or half of his/her wages. So long as the employer spend all the

subsidies on paying wages to the employees and does not make redundancies during the subsidy period, the ESS Secretariat will not need to claw back wage subsidies from the relevant employers.