

Employment Support Scheme publishes the first batch of employers received wage subsidies

A Government spokesman today (June 22) said that the Employment Support Scheme (ESS) Secretariat has published the list of the first batch of employers who have received wage subsidies, the amount of subsidies and the total number of committed headcount of employees on the ESS website (www.ess.gov.hk).

"A transparent approach is adopted to enable monitoring of the ESS by employees concerned and the community. The list of the first batch of employers published today covers close to 25 500 employers who receive a total wage subsidy of \$4.8 billion with a combined committed headcount exceeding 200 000," the spokesman said.

The applications for the first tranche of ESS was closed after midnight on June 14. The Government received a total of 168 799 applications from employers, which accounts for about two-third of the eligible employers. We have disbursed a total of \$11.4 billion to two batches of 59 500 employers in the past two weeks, involving 490 000 committed headcount of employees. Ninety-eight per cent of the two batches of employers are micro, small or medium-sized enterprises with fewer than 50 employees. Another list of employers will be published after the wage subsidies have been deposited into the designated bank accounts of the second batch of employers. We will expeditiously process the remaining applications and disburse the wage subsidies to successful employers as soon as possible.

The spokesman reminded again that the relevant applicants who received follow-up emails from the ESS Secretariat or the processing agent to respond to the emails or/and provide necessary information before the specified deadline. Otherwise the ESS Secretariat or the processing agent would not be able to further process the relevant applications.

Employers who have received the wage subsidies must comply with the undertakings – the number of employees on the payroll in any one month of the three-month subsidy period (i.e. June to August 2020) must not be less than the total number of paid and unpaid employees in March 2020, and the subsidy for each month of the subsidy period should be fully spent on paying the wages of employees in the same month.

"If the number of employees on the payroll in any one month of the subsidy period is less than the number of paid and unpaid employees in March 2020, the employer receiving wage subsidies will have to pay a penalty to the Government. Furthermore, during the three-month subsidy period, if an employer fails to use all the wage subsidies received for a particular month to pay the wages of the employees in the same month, the Government will claw

back the unspent balance of the subsidy," the spokesman stressed.

Employers participating in MPF schemes should note that the processing agent will perform auditing to check whether or not the relevant employers have spent all the wage subsidies received during the subsidy period 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. 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 redundancies.

"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," the spokesman reminded.

Moreover, employers who have received subsidies should provide the basic salaries of employees aged 65 or above (whether or not voluntary contributions have been made) in their remittance statements to their MPF trustees during the subsidy period, so as to show that salaries have been paid to the relevant employees in the relevant months. Otherwise, the employees concerned will not be counted towards the total number of paid employees.

Should an employer be found to have abused or violated the conditions of the ESS, the employees concerned or members of the public may report to the ESS Secretariat who will proactively follow up on the irregularity. For enquiries relating to provisions under the Employment Ordinance or conditions of employment, please contact the Labour Relations Division (LRD) of the Labour Department.

The Government is reviewing the experience and arrangement of the first tranche of the ESS and will later announce the details of the second tranche of the ESS, which aims to disburse subsidies in September this year for paying the wages of September to November 2020.