

Second tranche of Employment Support Scheme publishes first batch of employers receiving wage subsidies and disburses third batch of wage subsidies

A Government spokesman today (October 7) said that the Employment Support Scheme (ESS) Secretariat has published on the ESS website (www.ess.gov.hk) the name list of the first batch of employers who have received wage subsidies under the second tranche of the ESS, the amount of subsidies received and their committed headcount of paid employees.

The spokesman said, "The name list of the first batch of employers published today covers 19 200 employers with wage subsidies totalling about \$6.8 billion (for September to November 2020) and a total committed headcount of paid employees of over 270 000."

In addition, the ESS Secretariat has notified via email and SMS the third batch of over 22 000 employer applicants of their successful application for the second tranche of the ESS, with subsidies concerned totalling about \$13.1 billion and a total committed headcount of paid employees of close to 560 000. Applicants can log in to the ESS portal (enquiry.ess.gov.hk) to check the application results.

The spokesman said, "If an applicant accepts the application result, the applicant should confirm the acceptance through the enquiry portal within two days of the notification such that the Secretariat may arrange for an earlier disbursement of wage subsidies."

Taking into account the third batch of employers, the ESS has approved wage subsidies to a total of about 125 000 employers under the second tranche, with subsidies totaling \$31.8 billion and a total committed headcount of paid employees of about 1.33 million.

The spokesman said, "Appropriate monitoring mechanisms have been put in place under the ESS, and the name lists of employers who have received wage subsidies and related information are uploaded to the ESS website in a timely manner. Should an employer be found to have abused or violated the conditions of the ESS, the employees concerned or members of the public can make a report to the ESS Secretariat. The Secretariat and the processing agent will follow up on all reports and complaints."

"If an employer is found, after investigation, to have made a false statement, misinterpreted or concealed the facts, or furnished false or misleading documents or information in an attempt to deceive the Government,

the Secretariat and/or the processing agent to obtain any subsidies under the ESS, the employer may be prosecuted."

"Among some 125 000 employers receiving the second tranche of wage subsidies, about 15 400 employers (12 per cent) have not fulfilled one or two undertakings of the first tranche of the ESS. They either failed to fully use the subsidy amount received on paying wages to employees in June and/or July, and/or they could not maintain the number of paid employees in the respective months (the number was less than the total number of paid and unpaid employees in March 2020). Among these 15 400 employers, about 95 per cent (about 14 700 employers) of them with less than their committed headcount of paid employees in June and/or July. Most of them, about 76 per cent, (about 11 800 employers) had a reduction in headcount involving only one or two employees. The Government will claw back the unspent amount, and/or request the employer to pay a penalty. The amount involved is about \$190 million which is equivalent to 0.6 per cent of the total amount wage subsidies under three batches of the second tranche. The amount will be deducted from the relevant employers' subsidies of the second tranche."

The ESS Secretariat has completed processing for around 80 per cent of the employers' applications for the second tranche, and will continue to process the remaining 36 000 applications with a view to completing the second tranche as early as possible.

The spokesman reiterates that if employers receiving the second tranche of wage subsidies made redundancies in their respective companies/organisations during the subsidy period (i.e. from September to November 2020) and the ESS Secretariat considers that the magnitude of redundancies is substantial, and the employers fail to prove their intention to hire new employees to replace those being laid off and/or re-employ those who have been laid off, or there are no reasonable explanations provided for the redundancies made, the Government reserves the right to claw back the second tranche of wage subsidies disbursed to the employers (in full or in part).

To date, the Secretariat has also approved the \$7,500 one-off lump sum subsidy to a total of 8 100 Self-employed Persons (SEPs), involving a total subsidy of \$61 million.