

Employment Support Scheme (ESS)

(11.5.2020)

Objective

- To maintain employment during the epidemic by providing time-limited financial support to employers to retain their employees who will otherwise be made redundant.

Targeted Employers and Employees

- All employers making Mandatory Provident Fund (MPF) contributions to Master Trust Schemes or have set up Occupational Retirement Schemes (ORSO), excluding:
 - HKSAR Government
 - Statutory Bodies
 - Subvented staff in government funded organizations
 - Staff working on Government contracts
 - Other governmental organizations e.g. consular corps

ESS for self-employed persons

- Self-employed persons (SEP) who have made MPF contributions between January 1, 2019 and March 31, 2020 will be eligible. [Excluding backdating]
- Each eligible SEP will be granted a one-off lump-sum of \$7,500 on application.

Level of Subsidy per month

- 50% of actual wages at a “specified month”
- Wage cap: \$18,000 per employee (i.e. max subsidy per employee per month = \$9,000)
- For MPF: “wage” refers to Relevant Income (including salary, commissions, bonuses etc.)
- For ORSO: “wage” based on which employers’ contribution is calculated.

Duration of the ESS

- To support salary payment for 6 months in two tranches
- 1st tranche: June, July and August
- 2nd tranche: September, October, November

Required undertakings

- Not to implement redundancy during the subsidy period, and
- To spend all the government wage subsidies in paying wages to their employees
- Non compliance – ESS subsidy will be clawed back plus additional penalty

First tranche of ESS

- Employers can choose either January 2020, February 2020, or March 2020 as the specified month.
- Payment for the June, July and August will be calculated on the basis of the wage paid in the specified month.
- Applications will start before the end of May 2020, with the aim of making the first payment to employers within June.

Compliance for the first tranche

In June, July and August, 2020

- The number of employees on payroll (i.e. with pay) cannot be smaller than the number of employees (with or without pay) in March, 2020.
- ESS received in these months should be all paid to the employees.
- Otherwise, penalties will be applied. Details to be announced later.

Arrangement of the 2nd tranche

- ESS for September, October and November, 2020 will be announced later
- Subject to the experience in the first tranche and on going conditions of the economy.

Coverage of ESS

- Under MPF:
 - About 270,000 employers employing 1.77 million employees
 - About 215,000 self-employed persons will be benefited.
- Under ORSO schemes:
 - About 4,650 Employers employing about 308,000 employees