

# Common questions of the second tranche of the Employment Support Scheme



Dear Customers

With the second tranche of the Employment Support Scheme (“ESS”) is open for application during 31 August – 13 September 2020, we understand you might have queries during the application and expect support from us as your MPF partner. As your reliable MPF partner, we will definitely provide you full support you during the process.

To save your time and provide convenience, we prepared a list of frequently asked questions and answers. We hope you will take a look and find the information you need. Please also note that for enquiries relating to the ESS, please contact the ESS hotline on 1836-122 or through email at [enquiry@employmentsupport.hk](mailto:enquiry@employmentsupport.hk).

In view that there will be a high volume of calls to the employer hotline, we appreciate your understanding that you may experience a bit longer than usual waiting time to reach our Customer Service Representatives.

## **Contributions**

- 1. An employee had an MPF account set up after 31 March 2020, but the effective date was before 31 March 2020. Also, there were MPF contributions during December 2019 to March 2020. Is the employer entitled to the wage subsidy under ESS?**

No. The MPF accounts of employees applying for the second tranche of wage subsidies should have been set up on or before 31 March 2020 (i.e. cannot be backdated to that date or any earlier dates). Please contact the ESS hotline on 1836-122 or through email at [enquiry@employmentsupport.hk](mailto:enquiry@employmentsupport.hk) for more information.

- 2. How can I obtain the documents, such as the MPF statement, issued by HSBC MPF which shows I have participated in your MPF scheme?**

Please send us a written request signed by an authorised person at your company and return it to Pensions Administration, PO Box 73770 Kowloon Central Post Office, or place it in the MPF drop-in box at designated HSBC branches. (Remarks: Please state the company name and relevant employer ID in your signed written request. The authorised signature of employer must be the same as our record.)

You can also contact the HSBC MPF Employer Hotline on 2583 8033 for further assistance.

\*Please note, only the employers who did not apply the 1<sup>st</sup> tranche of ESS need to login to the ESS Application Service Portal according to the instructions in the online application form, and upload the related supporting documents for verification and follow up.

- 3. How can I check the contribution records for the period from December 2019 to March 2020?**

You can check the contribution records through any of the following methods:

- Logon to HSBC Business Internet Banking or the HR software you are using to submit contributions
- View the confirmation of contribution
- Refer to the submitted remittance statement, if any

- 4. Which month of the contribution and relevant income records will be reported to the processing agent for checking and calculating the claw back?**

We will report the contribution and relevant income details of June and July 2020 to the processing agent.

## **Regarding the subsidy for employees who are aged 65 or above**

### **5. If the employee is aged 65 or above with MPF voluntary contributions made by the employer not shown on the employer's MPF record certificate, is this employee eligible for the second tranche of wage subsidies?**

The second tranche of the ESS covers employees aged 65 or above who have MPF accounts set up on or before 31 March 2020. The amount of wage subsidies will be calculated based on the amount of such employees aged 65 or above engaged in the "specified month", with a subsidy of HKD5,000 per month. You can contact ESS hotline at 1836-122 or through email at [enquiry@employmentsupport.hk](mailto:enquiry@employmentsupport.hk) for more information.

### **6. If the employee is aged 65 or above and has withdrawn the accrued benefits, can I apply for the second tranche of wage subsidies for this employee?**

If this employee has an account set up on or before 31 March 2020 and is still active during the period that the specified month falls, this member will be included in the extraction of the MPF record certificate that will be provided to the processing agent. But, you can contact the ESS hotline on 1836-122 or through email at [enquiry@employmentsupport.hk](mailto:enquiry@employmentsupport.hk) for more information.

### **7. If there are no voluntary contributions in the contribution account of an employee who is aged 65 or above, can I still apply for the second tranche of wage subsidies?**

The second tranche of the ESS covers employees aged 65 or above who have MPF accounts even if employers have not made any voluntary contributions for such employees. Please contact the ESS hotline at 1836-122 for more details.

## **Others**

### **8. How can I obtain a copy of MPF record certificate after the completion of the second tranche of wage subsidies?**

You can contact your Customer Service Manager or HSBC MPF Employer Hotline on 2583 8033 for further assistance.

### **9. How to calculate the penalty and claw back?**

All employers applying for wage subsidies are required to **undertake and guarantee** not to make redundancies during the subsidy period and to spend all wages on paying wages of their employees.

The total number of employees on the payroll (excluding those on no-pay leave) in any one month during the subsidy period of the second tranche (September to November 2020) should not be less than the “committed headcount of paid employees” (meaning the total number of paid and unpaid employees in **March 2020**). The employers should also, in accordance with the undertaking, spend all the wage subsidies for a particular month on paying wages to the employees in the same month.

If an employer fails to use all the subsidies received for a particular month to pay the wages of his/her employees in the same month during the subsidy period of the second tranche, the Government will claw back the unspent balance of the subsidy for that month. The calculation is as below:

Subsidies clawed back by the Government (\$) =
Subsidies received for a particular month (\$) – Actual payroll expenses for a particular month (\$)

Furthermore, if the total number of employees on the payroll (excluding those on no-pay leave) in any one month of the subsidy period of the second tranche is less than the “committed headcount of paid employees”, 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:

Subsidies received for a particular month (\$) x Headcount reduction percentage for a particular month (%) x Penalty percentage (%)
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$\frac{\text{Headcount reduction percentage for a particular month (\%)}}{\text{Committed headcount of paid employees} - \text{Total no. of paid employee in a particular month}} \times \frac{\text{Committed headcount of paid employees}}{100\%}$
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The penalty percentage is determined by the employer’s “number of committed headcount of paid employees”. Details are set out below:

Committed headcount of paid employees	Penalty Percentage
Less than 10	10%
10 – 49	20%
50-99	40%
100- 499	60%
500 or more	80%

In addition to the above penalty:

For employers who have received the first tranche of subsidies and participate in the second tranche, the Government reserves the right to reject an employer's application for the second tranche of wage

subsidies if the Secretariat considers that the magnitude of "redundancies made" by the employer in its company/organisation during the subsidy period of the first tranche (i.e. from June to August 2020) was substantial, and the employer concerned fails to prove to the satisfaction of the Secretariat its intention to employ persons to replace those being laid off and/or re-employ those who have been laid off, and/or there is no other reasonable explanations provided for the "redundancies made" by it; and

the Government reserves the right to claw back the second tranche of wage subsidies disbursed to an employer (in full or in part) if the Secretariat considers that the magnitude of "redundancies made" by the employer in its company/organisation during the subsidy period of the second tranche (i.e. from September to November 2020) was substantial, and the employer concerned fails to prove to the satisfaction of the Secretariat its intention to employ persons to replace those being laid off and/or re-employ those who have been laid off, or there is no other reasonable explanations provided for the "redundancies made" by it.

For further details of the penalty and claw back, Please contact the ESS hotline at 1836-122 for more details.