

COVID-19 – Second Tranche of Hong Kong Employment Support Scheme

Last Updated: 19 August 2020



The application details for the Second Tranche of Employment Support Scheme (“ESS”) were announced by Mrs Carrie Lam, Chief Executive of Hong Kong on 18 August 2020. The application period for the Second Tranche of subsidy (covering September to November 2020) will be from 31 August to 13 September 2020. The Government expects to release subsidies to employers starting from the end of September.

HIGHLIGHT

- Second Tranche of ESS is basically adopting the same measures as First Tranche.
- Employees aged 65 and above who have Mandatory Provident Fund (“MPF”) accounts without any employers’ voluntary contributions are now eligible for the Second Tranche. If information on such employees is shown in the MPF records, the amount of subsidies will be \$5,000 per number of such employees in the “specified month” per month.
- For employees aged 65 or above whose subsidies are calculated based on wages or voluntary contributions according to the MPF record, but for whom the subsidies amount less than \$5,000 per month, the employers may still receive a subsidy of \$5,000 per month.
- Self-employed persons (“SEP”), who have an MPF SEP account maintained on or before 31 March can apply for a one-off lump-sum subsidy of HK\$7,500 in the Second Tranche if this person did not receive such one-off lump-sum subsidy in the First Tranche.

- Employers who are in breach of their undertakings during the first subsidy period and have to return the unspent balance of the subsidy and/or pay a penalty, the Government will deduct the relevant amount directly from the subsidies of the Second Tranche if approved.
- Employer should use the same application number, password and mobile phone number of the contact person for the First Tranche to logon to the application webpage to apply for the Second Tranche. The application webpage will automatically display information previously submitted.
- Employer can choose the same “specified month” as the First Tranche or change to a different “specified month” between December 2019 to March 2020 in their application for the Second Tranche.
- Employers who have not applied in the First Tranche or employers who applied but did not receive the subsidies in the First Tranche are required to complete online application forms and upload the necessary supporting documents. Please refer to our previous newsletters for details of a first-time application.
- The total number of employees on the payroll (excluding those on no-pay leave) in any one month during the subsidised period of the Second Tranche should not be less than total number of paid and unpaid employees in March 2020.
- The Government reserves the right to reject an application for the Second Tranche of subsidies if it considers the number of redundancies made by the employer during the subsidised period of First Tranche (June to August 2020) was substantial, and the employer is unable to prove its intention to employ persons to replace those being laid off and/or no other reasonable explanations can be provided.
- The Government reserves the right to retrieve back the Second Tranche of subsidies disbursed to an employer (in full or in part) if it considers the number of redundancies made by the employer during the subsidised period of Second Tranche (September to November 2020) was substantial, and the employer is unable to prove its intention to employ persons to replace those being laid off and/or no other reasonable explanations can be provided.

For advice on employment-related issues in light of COVID-19 and the relief measures implemented, please contact our Accounting and Outsourcing Team.

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