

Employment Support Scheme to disburse fifth batch of wage subsidies

The Employment Support Scheme (ESS) Secretariat will notify the fifth batch of about 9 000 employer applicants of their successful applications under the ESS within this week. Disbursement of wage subsidies, totalling about \$4.2 billion and covering more than 190 000 employees, will commence early next week.

A Government spokesman said, "This batch of employers will receive an average wage subsidy of about \$460,000, which is higher than the average subsidy of \$214,000 for the first three batches of approved employers but lower than the average subsidy of \$565,000 for the fourth batch of employers. Four per cent of the fifth batch of employers are large-scale enterprises with 50 or more employees."

In addition, about 2 000 self-employed persons (SEPs) will receive a one-off lump sum subsidy of \$7,500 early next week. The total subsidy involved is about \$15 million.

Together with the first four batches of wage subsidies that have been disbursed, the wage subsidies in all the five batches amount to about \$29.6 billion, covering nearly 110 000 employers and more than 1.3 million employees. In addition, about 86 000 SEPs in these five batches have received or will receive a one-off subsidy of \$7,500, involving about \$650 million.

The spokesman added, "After excluding the ineligible applications, the ESS Secretariat is processing some remaining 49 000 applications from employers and 18 000 applications from SEPs, with a view to completing the processing of all eligible applications in mid-July. Among these applications, about 23 000 employers have not yet provided the supplementary bank and/or MPF account information as requested by the Secretariat and the processing agent. The Secretariat and the processing agent are following up on the cases, with a view to completing the processing of applications expeditiously."

The spokesman said that among the employers with approved wage subsidies in the third batch, there are around 150 employers (most employing only one or two people in the specified month) whose headcount in March 2020 was reduced to zero (e.g. having made all employees redundant before applying for the ESS). Since these employers have provided an undertaking to spend all the wage subsidies on paying wages to the employees, they have to rehire staff and use all the wage subsidies received to pay the wages of their employees from June to August 2020 and make contributions to their MPF accounts. Otherwise, the Government will claw back the unspent balance of the subsidies.

The spokesman stressed, "Assisting employers, by providing wage subsidies, to re-employ employees who have been dismissed or to pay wages to

employees who have been put on no-pay leave is consistent with the principles underpinning the ESS. The ESS processing agent will pay special attention to employers with zero 'committed headcount' and, when necessary, conduct on-site checking when processing their applications or after disbursing wage subsidies to these employers."