

Second batch of successful employer applicants for the second tranche of Employment Support Scheme received notification

A Government spokesman today (September 23) said, the Employment Support Scheme (ESS) Secretariat has notified the second batch of over 82 500 successful employer applicants of the application result for the second tranche of the ESS with subsidies totalling \$11.5 billion and a total committed headcount of paid employees of over 480 000.

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The ESS Secretariat has notified successful applicants via email and SMS. 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."

"Together with the first batch of 20 000 employers, the ESS has disbursed wage subsidies to about 102 500 employers of the second tranche, with subsidies totaling \$18.7 billion and a total committed headcount of paid employees of about 770 000. The list of employers and the relevant information will be published on the ESS website after we disburse the wage subsidies," the spokesman said.

Among the second batch of some 82 500 employers who will receive wage subsidies for the second tranche, some 5 600 employers (seven per cent) have not fulfilled the one or two undertakings of 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 5 600 employers, about 5 000 of them with less than their committed headcount of paid employees in June and/or July. Most of them (about 4 300 employers) had a smaller 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 \$48 million which accounts for 0.4 per cent of the total amount wage subsidies of the second tranche. The amount will be deducted from the relevant employers' subsidies of the second tranche.

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).