Subsidy Scheme for Abolition of MPF Offsetting Arrangement
Subsidy Application for Shortfall in Aggregate Benefits
Employee Application Form

(Official Use Only)

Date and Time: _____

Application No.: _____

1. This Application Form is applicable to employees applying for subsidy on shortfall in aggregate benefits received after the abolition of the mandatory provident fund ("MPF") offsetting arrangement.
2. Before proceeding to complete the Application Form, **please complete the questionnaire below** to preliminarily assess whether you are eligible for making an application for subsidy on shortfall in aggregate benefits.
3. **If your answers to the first six questions of the questionnaire are all "yes" and there is a shortfall in your aggregate benefits as calculated by EasyCal of the Labour Department ("LD")**, you are preliminarily assessed to be eligible for making an application. You may proceed to provide your personal particulars and details of your employment on pages 3 to 9 of this Form. **Whether you are eligible for any subsidy to make up for the shortfall will be further assessed by the Service Centre for Subsidy Scheme for Abolition of MPF Offsetting Arrangement after receiving your subsidy application.**

Question		Please put a "✓" in the appropriate box: †	
		Yes	No
1.	Did your employment commence **before** 1 May 2025?		
2.	Was your employment mentioned above terminated **on or after** 1 May 2025?		
3.	Were your monthly wages *(Remark 1)* immediately preceding 1 May 2025 **less than** $22,500?		
4.	Were the above monthly wages *(Remark 1)* **less than** your monthly wages immediately preceding the termination of employment?		
5.	Had you received severance payment ("SP")/long service payment ("LSP") from your employer? *(Remark 2)*		
6.	During your employment, was your employer obliged to enrol you in an **MPF scheme** and make mandatory MPF contributions to your MPF account? **Or** During your employment, were you covered by a **statutory pension or provident fund scheme** and your employer had made contributions to the scheme for you? **Or** During your employment, were you a member of an **occupational retirement scheme ("ORS")** which has been granted MPF exemption certificate *(Remark 3)* under the Mandatory Provident Fund Schemes Ordinance ("MPFSO") (Chapter 485 of the Laws of Hong Kong) and your employer had made contributions to the scheme for you?		
7.	If your answers to the six questions above are all "Yes", please use EasyCal in LD's website to calculate whether the amount of your aggregate benefits *(Remark 4)* is less than what you would have received if the MPF offsetting arrangement *(Remark 5)* had not been abolished. Aggregate benefits refer to the SP/LSP amount receivable from employer upon termination of employment plus - (a) the amount of MPF benefits (including the accrued benefits attributable to the MPF contributions made by your employer to your MPF account(s)) remaining in your MPF account(s), if any, after offsetting (if applicable) with the SP/LSP receivable;	**Amount of shortfall in aggregate benefits as calculated by LD's EasyCal:** **$** _____	

	(b) if your employer had made contributions to an ORS, the remaining vested benefits of these employer-funded ORS contributions, if any, after offsetting (if applicable) with the SP/LSP receivable; and (c) if your employment contract had provided for the payment of contractual gratuities based on the length of service, the remaining amount of gratuities payable, if any, after offsetting (if applicable) with the SP/LSP receivable.	

Remark 1 *If you are a non-monthly rated employee, the "monthly wages" referred to in Question 3 and 4 are to be replaced by "18 days' wages chosen out of the last 30 normal working days immediately preceding 1 May 2025 or immediately preceding the termination of employment" respectively.*

Remark 2 *Employees who were defaulted payment of SP and were granted ex gratia payment of SP from the Protection of Wages on Insolvency Fund ("PWIF") may make application after receipt of the ex gratia payment. For employees who were defaulted payment of SP/LSP by their employers but are not eligible for PWIF, they may make a shortfall application after the due date of payment as stated in the award/order of SP/LSP obtained from the Labour Tribunal or a court in their favour, or after their employers have signed a Statement of Inability to Pay.*

Remark 3 *You may visit the Mandatory Provident Fund Schemes Authority's website at the following link to check if an ORS has been granted exemption certificate under MPFSO:*

https://www.mpfa.org.hk/en/info-centre/public-registers/mpf-exempted-orso-schemes

Remark 4 *You may make use of LD's EasyCal at the following link to calculate your aggregate benefits before and after the abolition of the MPF offsetting arrangement:*

https://www.offsettingsubsidy.gov.hk/en/calculator.html

If you have encountered any problems in using the EasyCal, please call the Service Centre for Subsidy Scheme for Abolition of MPF Offsetting Arrangement at 2989 1001.

Remark 5 *The MPF offsetting arrangement refers to the use of the accrued benefits of employer's mandatory contributions to an employee's MPF account(s) to offset the employee's SP/LSP entitlement under the Employment Ordinance ("EO") (Chapter 57 of the Laws of Hong Kong). The abolition of the MPF offsetting arrangement is also applicable to (i) an ORS which has been granted MPF exemption certificate; (ii) the provident fund schemes under the Grant Schools Provident Fund Rules (Chapter 279C of the Laws of Hong Kong) and the Subsidized School Provident Fund Rules (Chapter 279D of the Laws of Hong Kong); and (iii) a provident, pension, retirement or superannuation scheme (however described) of a place outside Hong Kong to which an employer has made contributions for an employee (including an imported worker) and due to which, the employer is exempted from arranging the employee to enrol in an MPF scheme in Hong Kong.*

Subsidy Scheme for Abolition of MPF Offsetting Arrangement
Subsidy Application for Shortfall in Aggregate Benefits
Employee Application Form

1. Please refer to the **Guidance Notes for Making Subsidy Applications for Shortfall in Aggregate Benefits** under the Subsidy Scheme for Abolition of MPF Offsetting Arrangement when completing this Application Form *(Note 1)* and **observe the requirements and eligibility criteria of the Subsidy Scheme**. Parts I to VII should be completed.
2. Please countersign next to any corrections you made on this Form.

Part I Particulars of Applicant *(Note 2)*

1. **Name of Applicant** *(Note 3)* *Mr* / *Ms* *
(as shown on Hong Kong Identity Card ("HKID")/ passport)

(English) _____ (*Surname*) _____ (*First Name*)

(Chinese) _____ (*Surname*) _____ (*First Name*)

2. **HKID No.** _____

3. **Passport No.** *(only for Applicant not possessing HKID)* _____

Issuing Country/Region of Passport _____ **Expiry Date of Passport** _____ *(dd/mm/yyyy)*

4. **Date of Birth** _____ *(dd/mm/yyyy)*

5. **Contact Tel. No.** _____ 6. **Email Address** ^ _____

7. **Correspondence Address**

_____ Flat / Unit / Room _____ Floor _____ Block

_____ Name of Building

_____ Estate / Court / Village

_____ No. and Name of Street

_____ District ☐ Hong Kong ☐ Kowloon ☐ New Territories

8. **Bank Account for Receiving Subsidy if Approved** *(Note 4)*

(a) **Name of Bank** (English) _____

(b) **Name of Account Holder** (English) _____

(c) **Bank Account No.** _____ (*Bank Code*) - _____ (*Branch Code and Account No.*)

Part II Particulars of Employer

9. **Name of Employer** *(Note 5)* (English) _____

(Chinese) _____

10. **Please indicate whether the Applicant is a family member of the Employer:** †

☐ Yes *(please complete items (a) to (c) below)* ☐ No *(please proceed to item (11))*

(a) **Please indicate whether the Applicant lived in the same dwelling with the Employer during the employment:** †

☐ Yes ☐ No

(b) **Please indicate whether the Applicant is the husband or wife of the Employer:** †

☐ Yes ☐ No

(c) **Please indicate whether the Applicant worked as a domestic servant in the private household of the Employer:** †

☐ Yes ☐ No

If the answer to any one of the items (a), (b) and (c) above is "Yes", the Applicant is not eligible for making an application under this Subsidy Scheme. If all the answers are "No", please proceed to the next item.

11. **Correspondence Address**

_____ Flat / Unit / Room _____ Floor _____ Block

_____ Name of Building

_____ Estate / Court / Village

_____ No. and Name of Street

_____ District ☐ Hong Kong ☐ Kowloon ☐ New Territories

Part III Employment and Termination Details

12. **Post Title** *(Note 6)* _____

13. **Commencement Date of Employment under a Continuous Contract** *(Note 7)* _____ *(dd/mm/yyyy)*

14. **Employment was terminated by**: †
(Please select one of the termination reasons in items (a) to (g) below, and provide the date on which the period of termination notice ended, the date up to which wages were calculated or the date up to which payment in lieu of notice ("PILON") was calculated, etc. as required.)

☐ (a) **Redundancy/Dismissal** ☐ (b) **Applicant resigned at the age of 65 or above**	☐ **With notice** Period of notice ended on: _____ *(dd/mm/yyyy)* **or** ☐ **With PILON** Date up to which PILON was calculated: _____ *(dd/mm/yyyy)* *inclusive* **or** ☐ **With both notice and PILON** (i) Period of notice ended on: _____ *(dd/mm/yyyy)* **and** (ii) Date up to which PILON was calculated: _____ *(dd/mm/yyyy)* *inclusive*
☐ (c) **Fixed-term contract expired**	Date on which the contract term expired: _____ *(dd/mm/yyyy)* *inclusive*
☐ (d) **Employee retired at the age specified in employment contract**	Date up to which wages were calculated: _____ *(dd/mm/yyyy)* *inclusive*
☐ (e) **Employee terminated contract of employment without notice on condition specified under EO** *(Note 8)*	(i) Date on which termination took effect: _____ *(dd/mm/yyyy)* **and** (ii) Date up to which PILON was calculated: _____ *(dd/mm/yyyy)* *inclusive*
☐ (f) **Employee terminated his/her contract of employment on the ground of being certified as permanently unfit for the particular type of work for which he/she was employed by a registered medical practitioner or a registered Chinese medicine practitioner** ☐ (g) **Others reasons (please provide details):** _____	(i) Date on which termination took effect: _____ *(dd/mm/yyyy)* **and** (ii) Date up to which wages were calculated: _____ *(dd/mm/yyyy)* *inclusive*

15. **Type of Payment Received from the Employer** †
☐ SP *(the employment period must not be less than 2 years)*
☐ LSP *(the employment period must not be less than 5 years)*

Part IV Calculation Details of SP/LSP *(Note 9)*

16. **Wages for Calculating the Pre-transition Portion of SP/LSP Entitlement**

(Please select the remuneration mode during the employment and complete items (a), (b) or (c) below to provide the wages (Note 10) for calculating the pre-transition portion of SP/LSP entitlement.)

☐ **Monthly-rated employee †**	☐ **Non-monthly rated employee †**
(a) If the employment period preceding 1 May 2025 was not less than 12 months †	
☐ Last full month's wages immediately preceding 1 May 2025: $_____ **or** ☐ The average monthly wages over the last 12 months immediately preceding 1 May 2025: $_____	☐ 18 days' wages chosen out of the last 30 normal working days immediately preceding 1 May 2025: $_____ **or** ☐ 18 times the average daily wages over the last 12 months immediately preceding 1 May 2025: $_____
(b) If the employment period preceding 1 May 2025 was less than 12 months but not less than one month or 30 normal working days †	
☐ Last full month's wages immediately preceding 1 May 2025: $_____ **or** ☐ The average monthly wages over the employment period immediately preceding 1 May 2025: $_____	☐ 18 days' wages chosen out of the last 30 normal working days immediately preceding 1 May 2025: $_____ **or** ☐ 18 times the average daily wages over the employment period immediately preceding 1 May 2025: $_____
(c) If the employment period preceding 1 May 2025 was less than one month or 30 normal working days †	
☐ First full month's wages after commencement of employment: $_____	☐ 18 days' wages chosen out of the first 30 normal working days after commencement of employment: $_____

17. **Amount of Pre-transition Portion of SP/LSP Entitlement** *(Note 9)* $_____

18. **Wages for Calculating the Post-transition Portion of SP/LSP Entitlement**

(Please select the remuneration mode during the employment and provide the wages (Note 10) for calculating the post-transition portion of SP/LSP entitlement.)

☐ **Monthly-rated employee †**	☐ **Non-monthly rated employee †**
☐ Last full month's wages immediately preceding termination of employment: $_____ **or** ☐ The average monthly wages over the last 12 months immediately preceding termination of employment: $_____	☐ 18 days' wages chosen out of the last 30 normal working days immediately preceding termination of employment: $_____ **or** ☐ 18 times the average daily wages over the last 12 months immediately preceding termination of employment: $_____

19. **Amount of Post-transition Portion of SP/LSP Entitlement** *(Note 9)* $_____

20. **Has the Employer offset the SP/LSP in items (17) and (19) above with the following items? †**
(If the Employer has offset SP/LSP with any item(s) below, please put a "✓" in the appropriate box(es) below and provide the amount used for offsetting.)

(a) Pre-transition Portion of SP/LSP

☐ Employer-funded (mandatory) MPF scheme benefits *(Note 11)* $ _____

☐ Employer-funded (voluntary) MPF scheme benefits *(Note 12)*
(that have not been used to offset the post-transition portion of SP/LSP) $ _____

☐ Employer-funded (basic portion) exempt ORS benefits *(Note 13)* $ _____

☐ Employer-funded (specified) ORS benefits *(Note 14)*
(that have not been used to offset the post-transition portion of SP/LSP) $ _____

☐ Gratuities based on length of service of Applicant *(Note 15)*
(that have not been used to offset the post-transition portion of SP/LSP) $ _____

(b) Post-transition Portion of SP/LSP

☐ Employer-funded (voluntary) MPF scheme benefits *(Note 12)*
(that have not been used to offset the pre-transition portion of SP/LSP) $ _____

☐ Employer-funded (specified) ORS benefits *(Note 14)*
(that have not been used to offset the pre-transition portion of SP/LSP) $ _____

☐ Gratuities based on the length of service of Applicant *(Note 15)*
(that have not been used to offset the pre-transition portion of SP/LSP) $ _____

21. **Actual Net Amount of SP/LSP Received from Employer after Offsetting (if any):**

(a) Pre-transition Portion of SP/LSP $ _____

(b) Post-transition Portion of SP/LSP $ _____

22. **Date of Receipt of the Net Amount of SP/LSP** _____
(dd/mm/yyyy)

Part V Details of Accrued MPF Scheme or ORS Benefits

23. **Please provide the details of the MPF scheme(s) and/or ORS which the Applicant was enrolled in and had kept the employer-funded contributions until the termination of employment:**

	Name of MPF Scheme/ ORS *(Note 16)* *(as shown on MPF Scheme/ ORS statement)*	**Name of Approved Trustee of MPF Scheme/ Administrator of ORS**	**Scheme Membership No.**	**Date of Enrolment in the Scheme**	**Balance of Employer-funded MPF Scheme Benefits/ Vested Employer-funded ORS Benefits after the Offsetting in Item (20)** *(as shown on the transfer statement/ withdrawal statement)*
(1)				_____ *(dd/mm/yyyy)*	$_____
(2)				_____ *(dd/mm/yyyy)*	$_____
(3)				_____ *(dd/mm/yyyy)*	$_____
(4)				_____ *(dd/mm/yyyy)*	$_____
(5)				_____ *(dd/mm/yyyy)*	$_____

Part VI Details of Gratuities Based on Length of Service

24. (a) If the Applicant is entitled to gratuities based on length of service, the amount of gratuities is: $_____

(b) If the Employer has used the gratuities to offset SP/LSP (i.e. item (20) above, if any), the balance of gratuities after offsetting is: $_____

Part VII Declaration and Undertaking

The Applicant has read and fully understands:

(1) the content of the Guidance Notes for Making Subsidy Applications for Shortfall in Aggregate Benefits ("Guidance Notes") under the Subsidy Scheme for Abolition of MPF Offsetting Arrangement ("this Subsidy Scheme") and this Application Form (including the Personal Information Collection Statement ("PICS"));

(2) that **wilfully or knowingly making a false statement, misrepresentation or concealment of any information in order to obtain subsidy by deception is a criminal offence, the commission of which, in addition to being disqualified for making application, can lead to prosecution for contravening the Theft Ordinance (Chapter 210 of the Laws of Hong Kong) and on conviction to imprisonment for a maximum of 14 years**;

(3) that the Labour Department ("LD") and/or its appointed agent(s) may not be able to process this application if the information or documents as required are not provided. Receipt of this application does not constitute any guarantee or undertaking by LD and/or its appointed agent(s) on the approval of this application; and

(4) that the Applicant may seek review of his/her application(s) once if not satisfied with the application result, and if still not satisfied with the review result, may submit an appeal request. The review/appeal request should be made with justifications and supporting documents. The decision of LD on the Applicant's appeal request is final.

The Applicant agrees:

(5) that if this application is selected for audit check/review, including but not limited to interview(s) with the Applicant, the Applicant shall cooperate with the staff of LD and/or its appointed agent(s), provide the original employment records, supporting documents and other required information for verification if requested. The Applicant may be required to repay in full the subsidy received if the Applicant intentionally obstructs the staff of LD and/or its appointed agent(s) in its audit check/review, and may be liable to prosecution if the Applicant intentionally conceals or fails to provide the necessary information requested by LD and/or its appointed agent(s) with an intent to obtain subsidy by deception;

(6) that LD and/or its appointed agent(s) may, in accordance with PICS and the Guidance Notes, handle and use the personal data and information provided in this application; and may disclose the information including personal data provided in this application to the relevant government bureaux/departments/organisations (including but not limited to the Immigration Department, the Inland Revenue Department, the Companies Registry, the Mandatory Provident Fund Schemes Authority and approved trustees of mandatory provident fund ("MPF") schemes/administrators of occupational retirement schemes ("ORS"), banks and insurance companies) for the purposes of processing and auditing application(s) under this Subsidy Scheme; and

(7) that the relevant government bureaux/departments/organisations (including but not limited to the Immigration Department, the Inland Revenue Department, the Companies Registry, the Mandatory Provident Fund Schemes Authority and approved trustees of MPF schemes/administrators of ORS, banks and insurance companies) may release to LD and/or its appointed agent(s) the information including personal data provided in this application for the purposes of processing and auditing application(s) under this Subsidy Scheme, as well as for the purposes of monitoring and safeguarding against abuses of this Subsidy Scheme.

The Applicant confirms:

(8) that to the best of the knowledge and belief of the Applicant, the information provided in this Form and any supporting document(s) submitted are true, complete and accurate; and the Applicant shall report any change of information provided in this application and submit the updated information to LD and/or its appointed agent(s) as soon as possible. The Applicant understands that any incorrect/inaccurate information provided in this Form and the attached document(s) (including supplementary information and document(s) (if any)) may render the application invalid;

(9) that the Applicant shall comply with all requirements set out in the Guidance Notes;

(10) that the Applicant is entitled to severance payment ("SP")/long service payment ("LSP") under the Employment Ordinance ("EO") (Chapter 57 of the Laws of Hong Kong) and has received the amount of SP/LSP at item (21) of Part IV of this Form or is confirmed to be defaulted payment of SP/LSP; and

(11) that the wages adopted for calculating the pre- and post-transition portions of SP/LSP entitlement in the respective items (16) and (18) of Part IV of this Form comply with the definition of "wages" stipulated in EO.

(12) The Applicant agrees to repay in full to the Hong Kong Special Administrative Region Government any overpaid subsidy, or have the overpaid subsidy partly or wholly set off by LD and/or its appointed agent(s) against the subsidy approved in any applications by the Applicant, subject to the decision of LD and/or its appointed agent(s).

(13) The Applicant consents that the personal data and information provided in this application may be used for matching with the data held by other government bureaux/departments/organisations (including but not limited to the Immigration Department, the Inland Revenue Department, the Companies Registry, the Mandatory Provident Fund Schemes Authority and approved trustees of MPF schemes/administrators of ORS, banks and insurance companies) for processing and auditing application(s) under this Subsidy Scheme, as well as for the purposes of monitoring and safeguarding against abuses of this Subsidy Scheme.

Name of Applicant	**Signature of Applicant**	**Date** ***(dd/mm/yyyy)***

Explanatory Notes for Employees Completing the Application Form

General

1. The Application Form is available in both Chinese and English. Should there be any discrepancy between the English and Chinese versions, the English version shall prevail. Please complete the Form in block letters and black or blue ink.

2. All items are required to be filled in except those marked with a "^" aside or otherwise specified in the Form. Please fill in "N/A" if the information is not available for the mandatory fields. For example, for the Chinese name of an Employer (item (9) of Part II), please fill in "N/A" if the Employer does not possess a Chinese name.

Notes

Note 1 This Application Form is applicable to employees:

(a) whose employment commenced before 1 May 2025 and was terminated on or after 1 May 2025;

(b) any one of the following conditions is met in relation to the employees -

(i) contributions are payable by the employer for the employee to a mandatory provident fund ("MPF") scheme in accordance with the Mandatory Provident Fund Schemes Ordinance ("MPFSO") (Chapter 485 of the Laws of Hong Kong); or

(ii) contributions are payable by the employer for the employee to an employer-funded exempt occupational retirement scheme ("ORS") because of the operation of that contract of employment; or

(iii) contributions are payable by the employer for the employee to a provident fund scheme under the Grant Schools Provident Fund Rules (Chapter 279C of the Laws of Hong Kong) or Subsidized School Provident Fund Rules (Chapter 279D of the Laws of Hong Kong); or

(iv) the employer is exempted from arranging the employee to enrol in an MPF scheme in Hong Kong because the employer has made contributions to a provident, pension, retirement or superannuation scheme (however described) in a place outside Hong Kong for the employee; and

(c) whose aggregate benefits (i.e. the amount of severance payment ("SP")/long service payment ("LSP") receivable from the employer upon termination of employment plus (i) the remaining amount of employer-funded MPF scheme benefits after offsetting with the SP/LSP (if any); (ii) the remaining vested amount of employer-funded ORS benefits after offsetting with the SP/LSP (if any); and/or (iii) the remaining amount of gratuity after offsetting with the SP/LSP (if any)) received after the abolition of the MPF offsetting arrangement are less than what the employees concerned would have received if the MPF offsetting arrangement had not been abolished.

The MPF offsetting arrangement refers to the use of the employer-funded (mandatory) MPF scheme benefits or employer-funded (basic portion) ORS benefits to offset the SP/LSP payable to the employee upon termination of employment. The MPF offsetting arrangement was abolished on 1 May 2025 and since that day, employers are not allowed to use the employer-funded (mandatory) MPF scheme benefits or the employer-funded (basic portion) ORS benefits to offset an employee's SP/LSP in respect of **the employment period on or after 1 May 2025**. Employers may continue to use the employer-funded (voluntary) MPF scheme benefits (if any) and/or employer-funded (specified) ORS benefits (if any) to offset an employee's SP/LSP in respect of the employment period both before and after 1 May 2025.

After the abolition of the MPF offsetting arrangement, some employees whose employment straddles 1 May 2025 may receive less aggregate benefits than what they would have received if the MPF offsetting arrangement had not been abolished. These employees may apply to the Government for subsidy to make up for the shortfall in aggregate benefits by completing this Application Form.

Note 2 The Applicant must be an employee whose aggregate benefits are less than what they would have received if the MPF offsetting arrangement had not been abolished. For definition of aggregate benefits, please refer to Note 1 above.

Note 3 If the Applicant does not have an English or Chinese name, please mark "N/A".

Note 4 Please provide the account information of a local Hong Kong Dollar savings or current bank account. The bank account should be under the sole name of the Applicant in item (1) of Part I of this Application Form or a joint account in which the Applicant is one of the account holders.

Note 5 It refers to the Employer who employed the Applicant in the employment provided in Part III of this Application Form. Please provide the correct name and address of the Employer. If necessary, the Applicant may approach the Business Registration Office of the Inland Revenue Department (if the Employer is a sole proprietorship or a partnership) (https://www.gov.hk/en/residents/taxes/etax/services/brn_enquiry.htm) and/or the Companies Registry (if the Employer is a limited company) (https://www.e-services.cr.gov.hk/). If the Employer does not have an English or Chinese name, please mark "N/A".

Note 6 Please fill in the post title during the employment with the Employer named in item (9) of Part II of this Application Form.

Note 7 Please refer to "A Concise Guide to the Employment Ordinance" for the definition of "continuous contract". Please provide the commencement date of the employment with the Employer named in item (9) of Part II of this Application Form.

Note 8 **Special conditions for termination of contract without notice by employee**

Section 10 of the Employment Ordinance ("EO") (Chapter 57 of the Laws of Hong Kong) specifies that, an employee may terminate his/her employment contract without notice or payment in lieu of notice ("PILON") if:

(a) he/she reasonably fears physical danger by violence or disease;
(b) he/she is subjected to ill-treatment by the employer; or
(c) on any other ground on which he/she would be entitled to terminate the contract without notice at common law.

For such cases, **"Date on which termination took effect"** refers to the date the employee exercised such right to terminate the employment contract.

Termination of contract without notice by employee due to non-/late payment of wages

Section 10A of EO specifies that if wages are not paid within one month after they become due, an employee may deem his/her contract of employment to be terminated by his/her employer without notice and is entitled to PILON in addition to other statutory and contractual termination payment, such as SP/LSP. For such cases, please provide the date up to which PILON was calculated.

Termination of contract without notice by employee due to lay-off

Under section 31E of EO, where an employee is employed on such terms and conditions that his/her remuneration depends on his/her being provided by the employer with work of the kind he/she is employed to do (e.g. piece-rated employee), he/she shall be taken to be laid off if the number of days on which no work is provided and no wages is paid exceeds:

(a) half of the total number of normal working days in any period of four consecutive weeks; or
(b) one-third of the total number of normal working days in any period of 26 consecutive weeks.

The days of lock-out, rest days, annual leave and statutory holidays should not be counted as normal working days during the above periods.

For such cases, **"Date on which termination took effect"** refers to the expiry date of the four consecutive weeks or 26 consecutive weeks mentioned above.

Note 9 For employees to whom the abolition of the MPF offsetting arrangement applies and whose employment straddles 1 May 2025, their SP/LSP entitlement is divided into the pre-transition portion (i.e. derived from the employment period before 1 May 2025) and the post-transition portion (i.e. derived from the employment period from 1 May 2025 onwards).

The maximum amount of SP/LSP for an employee is $390,000. If an employee's total SP/LSP (i.e. the sum of the pre- and post-transition portions of SP/LSP) exceeds $390,000, the amount in excess will be deducted from the post-transition portion (i.e. the amount of post-transition portion of SP/LSP should be equal to the remainder of $390,000 after deducting the amount of pre-transition portion of SP/LSP).

The following formula applies to the calculation of both SP and LSP:

(a) Calculation of Pre-transition Portion of SP/LSP

Monthly-rated employee	(Last full month's wages[@] immediately preceding 1 May 2025 × 2/3)[+]	×	Years of service preceding 1 May 2025[#]
Non-monthly rated employee (e.g. daily rated or piece-rated employee)	(18 days' wages[@] chosen by the employee out of his/her last 30 normal working days immediately preceding 1 May 2025)[+]		

(b) Calculation of Post-transition Portion of SP/LSP

Monthly-rated employee	(Last full month's wages[@] immediately preceding termination of employment × 2/3)[+]	×	Years of service from 1 May 2025 onwards[#]
Non-monthly rated employee (e.g. daily rated or piece-rated employee)	(18 days' wages[@] chosen by the employee out of his/her last 30 normal working days immediately preceding termination of employment)[+]		

@ *An employee may also elect to use his/her average wages in the 12 months immediately preceding 1 May 2025 or the termination of employment contract for the calculation.*
\+ *The sum should not exceed $15,000.*
\# *Service of an incomplete year should be calculated on a pro-rata basis.*

For employee(s) whose wages were reduced before 1 May 2025 and/or termination of employment, and the pre-reduced wage rate was used to calculate the pre- and/or post-transition portions of SP/LSP entitlement as undertaken by the employer, please fill in the pre-reduced wage rate as appropriate in items (16) and (18) of Part IV of this Application Form and provide the supporting documents, such as a written consent for reduction of wages and an undertaking to use the pre-reduced wage rate for calculation of the pre- and/or post-transition portions of SP/LSP at termination of employment, etc.

Pursuant to section 31G(3) of EO, for non-manual employees whose employment commenced before 1980 and the average monthly wages for the 12 months immediately preceding 8 June 1990 exceeded $15,000, their years of service can only be reckoned up to 1980 for the calculation of SP/LSP.

Note 10 **Definition of wages**

As specified under section 2 of EO, "wages" means all remuneration, earnings, allowances, tips and service charges, however designated or calculated, payable to an employee in respect of work done or work to be done. Allowances including travelling allowances, attendance allowances, commission and overtime pay are within the definition of wages. However, it does not include:

(a) the value of any accommodation, education, food, fuel, water, light or medical care provided by the employer;
(b) employer's contribution to any retirement scheme;
(c) commission, attendance allowance or attendance bonus which is of a gratuitous nature or is payable only at the discretion of the employer;
(d) non-recurrent travelling allowance or the value of any travelling concession or travelling allowance for actual expenses incurred by the employment;
(e) any sum payable to the employee to defray special expenses incurred by him/her by the nature of his/her employment;
(f) end of year payment, or annual bonus which is of a gratuitous nature or is payable only at the discretion of the employer; and
(g) gratuity payable on completion or termination of a contract of employment.

Overtime pay should also be included in calculating SP/LSP if:

(a) it is of a constant character; or
(b) its monthly average over the past 12 months is not less than 20% of the average monthly wages of the employee during the same period.

Note 11 It refers to the accrued benefits of the employee that are attributable to the mandatory contributions made to an MPF scheme by the employer. ***Employer-funded (mandatory) MPF scheme benefits cannot be used to offset the post-transition portion of SP/LSP.***

Note 12 It refers to the accrued benefits of the employee that are attributable to the voluntary contributions made to an MPF scheme by the employer. ***Employer-funded (voluntary) MPF scheme benefits can be used to offset the pre- and/or post-transition portions of SP/LSP.***

Note 13 It refers to the employee's vested benefits attributable to employer's contributions to an MPF-exempted ORS or the amount of benefits calculated in accordance with the following formula, whichever is less:

Employee's final average monthly relevant income*	×	**Employee's years (and pro rata for an incomplete year) of service to which the employer-funded exempt ORS benefits are attributable****	×	**5%**	×	**12**

* *"Final average monthly relevant income" means the employee's average monthly relevant income in the 12 months immediately preceding the termination of employment, subject to the prevailing maximum level of relevant income under MPFSO.*

** *Only years of service on or after 1 December 2000 will count.*

Employer-funded (basic portion) exempt ORS benefits cannot be used to offset the post-transition portion of SP/LSP.

Note 14 It refers to (a) employer-funded non-exempt ORS benefits of the employee (which is provided by the employer in addition to the employer-funded (mandatory) MPF scheme benefits); and/or (b) employer-funded (prescribed portion) exempt ORS benefits of the employee. (b) refers to the amount of employer-funded exempt ORS benefits that exceeds the employer-funded (basic portion) exempt ORS benefits (see Note 13).

Employer-funded (specified) ORS benefits can be used to offset the pre- and/or post-transition portions of SP/LSP.

Note 15 Gratuities based on length of service payable to an employee because of the operation of the employee's contract of employment ***can be used to offset the pre- and/or post-transition portions of SP/LSP.***

Note 16 The name of MPF schemes/ORS and MPF approved trustees/ORS administrators can be found on the Mandatory Provident Fund Schemes Authority's website at https://www.mpfa.org.hk/en/info-centre/public-registers/mpf-approved-trustees.

Personal Information Collection Statement for Employees

Purposes of Collection of Personal Data

1. The information collected by means of your application(s) for subsidy under the Subsidy Scheme for Abolition of MPF Offsetting Arrangement ("this Subsidy Scheme") will be used by the Labour Department ("LD") and/or its appointed agent(s) for the following purposes:

   (a) processing and auditing application(s) under this Subsidy Scheme, effecting subsidy and dealing with and recovering overpaid subsidy in relation to this Subsidy Scheme, if any;
   (b) matching your personal data and those of the Employer with the databases of relevant government bureaux/departments/organisations (including but not limited to the Immigration Department, the Inland Revenue Department, the Companies Registry, the Mandatory Provident Fund Schemes Authority and approved trustees of mandatory provident fund ("MPF") schemes/administrators of occupational retirement schemes ("ORS"), banks and insurance companies) for processing and auditing application(s) under this Subsidy Scheme, and monitoring and safeguarding against abuses of this Subsidy Scheme;
   (c) all other purposes connected with implementing this Subsidy Scheme by LD and/or its appointed agent(s); and
   (d) statistical purposes on the condition that the resulting statistics will not be made available in a form that identifies the Applicant and the Employer to which the application(s) relate(s) (data subjects).

2. The provision of the personal data is voluntary. However, failure to provide true, complete and accurate personal information may render your application(s) under this Subsidy Scheme invalid, not being accepted and/or disqualified.

Classes of Transferees

3. For the purposes stated in paragraph 1 above, LD and/or its appointed agent(s) may disclose your personal data and those of the Employer:

   (a) to relevant organisations and/or persons to verify the application(s), and to match with the databases of relevant government bureaux/departments/organisations (including but not limited to the Immigration Department, the Inland Revenue Department, the Companies Registry, the Mandatory Provident Fund Schemes Authority and approved trustees of MPF schemes/administrators of ORS, banks and insurance companies) for the purposes of processing and auditing application(s) under this Subsidy Scheme, and monitoring and safeguarding against abuses of this Subsidy Scheme;
   (b) to organisations and/or persons authorised by or associated with LD and/or its appointed agent(s) in the operation of this Subsidy Scheme for the purposes set out in paragraph 1 above; or
   (c) pursuant to or as permitted under the Personal Data (Privacy) Ordinance ("PDPO") (Chapter 486 of the Laws of Hong Kong).

Access to and Correction of Personal Data and Enquiries

4. In accordance with PDPO, you have the right to access and make correction to the personal data provided in your application(s). You may also request a copy of the relevant personal data on paying an administrative fee. Request for access to and/or correction of personal data should be made in writing to: Labour Officer (EBS), Employment Benefits Support Division, Labour Department, 6/F., Harbour Building, 38 Pier Road, Central, Hong Kong.