

Subsidy Ratios under the 25-Year Subsidy Scheme for Employers

1. The subsidy for employers is only applicable to SP/LSP paid to an employee in respect of **the employment period on or after the transition date on 1 May 2025**, i.e. the post-transition portion of SP/LSP.
2. The amount of subsidy payable will be calculated based on the net amount of post-transition portion of SP/LSP actually paid to the employee by the employer or the net amount of post-transition portion of SP/LSP payable as calculated in accordance with EO, whichever is less.
3. The subsidy ratios/the cap on an employer's share of the post-transition portion of SP/LSP set for subsidy applications falling within the first \$500,000 of the net amount of post-transition portion of SP/LSP eligible for subsidy¹ of an employer (here below referred to as the "\$500,000 threshold") and beyond the \$500,000 threshold are provided in Table 1 and Table 2 below respectively.

Table 1: Subsidy applications which fall within the \$500,000 threshold in a subsidy year

Subsidy year		Subsidy amount
In the initial nine subsidy years, there is a cap on an employer's share of an employee's post-transition portion of SP/LSP. The subsidy amount is the greater amount of –		
(a) the subsidy amount calculated by applying the subsidy ratio of the applicable subsidy year to the net amount of post-transition portion of SP/LSP eligible for subsidy; or		
(b) an amount in excess of the cap on employer's share of an employee's net amount of post-transition portion of SP/LSP eligible for subsidy.		
1	1 May 2025 – 30 April 2026	(a) 50% of the net post-transition portion of SP/LSP eligible for subsidy; or (b) the amount in excess of the cap of \$3,000 per employee
2	1 May 2026 – 30 April 2027	
3	1 May 2027 – 30 April 2028	
4	1 May 2028 – 30 April 2029	(a) 45% of the net post-transition portion of SP/LSP eligible for subsidy; or (b) the amount in excess of the cap of \$25,000 per employee
5	1 May 2029 – 30 April 2030	(a) 40% of the net post-transition portion of SP/LSP eligible for subsidy; or (b) the amount in excess of the cap of \$25,000 per employee
6	1 May 2030 – 30 April 2031	(a) 35% of the net post-transition portion of SP/LSP eligible for subsidy; or (b) the amount in excess of the cap of \$25,000 per employee
7	1 May 2031 – 30 April 2032	(a) 30% of the net post-transition portion of SP/LSP eligible for subsidy; or (b) the amount in excess of the cap of \$50,000 per employee
8	1 May 2032 – 30 April 2033	(a) 25% of the net post-transition portion of SP/LSP eligible for subsidy; or (b) the amount in excess of the cap of \$50,000 per employee

¹ The net amount of post-transition portion of SP/LSP eligible for subsidy refers to the amount of post-transition portion of SP/LSP paid to an employee and accepted by the Service Centre. For example, an employee is entitled to \$50,000 post-transition portion of SP/LSP as calculated in accordance with EO. His/Her employer may offset the post-transition portion of SP/LSP with allowable offsetting item(s) (e.g. employer-funded (voluntary) MPF scheme benefits ("ERVC"), gratuities based on length of service, etc.). If the employer has offset the post-transition portion of SP/LSP with, say, (i) \$5,000 of ERVC and (ii) \$10,000 of gratuities, and paid the employee the remaining \$35,000 (i.e. \$50,000 – \$5,000 – \$10,000), the net post-transition portion of SP/LSP eligible for subsidy of the employee is \$35,000. If the employer has not offset the employee's post-transition portion of SP/LSP with any allowable offsetting item and paid the employee \$50,000, the net post-transition portion of SP/LSP of the employee for the purpose of calculation of subsidy payable to the employer is \$50,000.

9	1 May 2033 – 30 April 2034	(a) 20% of the net post-transition portion of SP/LSP eligible for subsidy; or (b) the amount in excess of the cap of \$50,000 per employee
In the 10 th to 25 th subsidy year, the subsidy amount is calculated by applying the subsidy ratio of the applicable subsidy year to the net amount of post-transition portion of SP/LSP eligible for subsidy.		
10	1 May 2034 – 30 April 2035	20% of the net post-transition portion of SP/LSP eligible for subsidy
11	1 May 2035 – 30 April 2036	20% of the net post-transition portion of SP/LSP eligible for subsidy
12	1 May 2036 – 30 April 2037	15% of the net post-transition portion of SP/LSP eligible for subsidy
13	1 May 2037 – 30 April 2038	15% of the net post-transition portion of SP/LSP eligible for subsidy
14	1 May 2038 – 30 April 2039	10% of the net post-transition portion of SP/LSP eligible for subsidy
15	1 May 2039 – 30 April 2040	
16	1 May 2040 – 30 April 2041	
17	1 May 2041 – 30 April 2042	
18	1 May 2042 – 30 April 2043	
19	1 May 2043 – 30 April 2044	
20	1 May 2044 – 30 April 2045	5% of the net post-transition portion of SP/LSP eligible for subsidy
21	1 May 2045 – 30 April 2046	
22	1 May 2046 – 30 April 2047	
23	1 May 2047 – 30 April 2048	
24	1 May 2048 – 30 April 2049	
25	1 May 2049 – 30 April 2050	

Table 2: Subsidy applications which fall beyond the \$500,000 threshold in a subsidy year

Subsidy year		Subsidy amount (calculated by applying the subsidy ratio of the applicable subsidy year to the amount of net post-transition portion of SP/LSP eligible for subsidy of an employee)
1	1 May 2025 – 30 April 2026	50% of the net post-transition portion of SP/LSP eligible for subsidy
2	1 May 2026 – 30 April 2027	
3	1 May 2027 – 30 April 2028	
4	1 May 2028 – 30 April 2029	45% of the net post-transition portion of SP/LSP eligible for subsidy
5	1 May 2029 – 30 April 2030	40% of the net post-transition portion of SP/LSP eligible for subsidy
6	1 May 2030 – 30 April 2031	35% of the net post-transition portion of SP/LSP eligible for subsidy
7	1 May 2031 – 30 April 2032	30% of the net post-transition portion of SP/LSP eligible for subsidy
8	1 May 2032 – 30 April 2033	25% of the net post-transition portion of SP/LSP eligible for subsidy
9	1 May 2033 – 30 April 2034	20% of the net post-transition portion of SP/LSP eligible for subsidy
10	1 May 2034 – 30 April 2035	15% of the net post-transition portion of SP/LSP eligible for subsidy
11	1 May 2035 – 30 April 2036	10% of the net post-transition portion of SP/LSP eligible for subsidy
12	1 May 2036 – 30 April 2037	5% of the net post-transition portion of SP/LSP eligible for subsidy
13	1 May 2037 – 30 April 2038	No subsidy
14	1 May 2038 – 30 April 2039	
15	1 May 2039 – 30 April 2040	
16	1 May 2040 – 30 April 2041	
17	1 May 2041 – 30 April 2042	
18	1 May 2042 – 30 April 2043	
19	1 May 2043 – 30 April 2044	
20	1 May 2044 – 30 April 2045	
21	1 May 2045 – 30 April 2046	
22	1 May 2046 – 30 April 2047	
23	1 May 2047 – 30 April 2048	
24	1 May 2048 – 30 April 2049	
25	1 May 2049 – 30 April 2050	

4. The relevant date of termination of employment of the employee determines in which subsidy year the application falls, and hence the corresponding subsidy ratio that should be applied in the calculation of subsidy amount. If the amount of net post-transition portion of SP/LSP eligible for subsidy of an application straddles the \$500,000 threshold, the subsidy amount will be calculated on a pro-rata basis.
5. **How to determine whether an application falls within or beyond the \$500,000 threshold**

When an application is approved, the newly approved application and all previously approved application(s) (counted on the basis of individual employees), if any, of the applicant in the same subsidy year will be sorted in descending order according to the respective net amount of the post-transition portion of SP/LSP eligible for subsidy. The subsidy amount payable for this newly approved application will be calculated depending on whether the application falls within or beyond the \$500,000 threshold in the order of the approved applications.