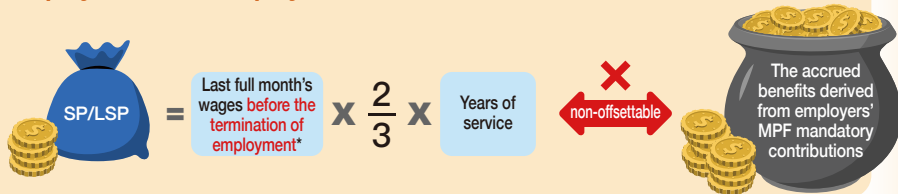


How to calculate the amount of severance payment (SP) / long service payment (LSP) after the abolition of MPF offsetting arrangement

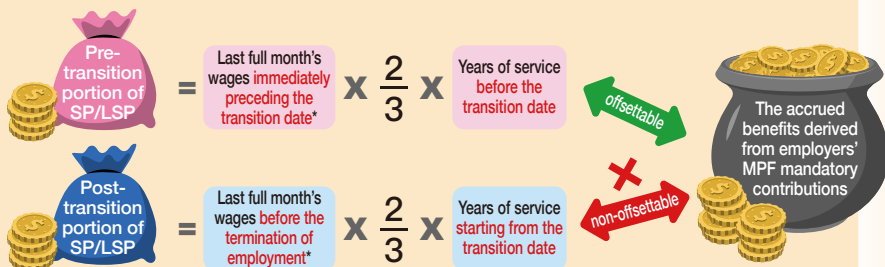
1

Employees whose employment commences on or after the transition date

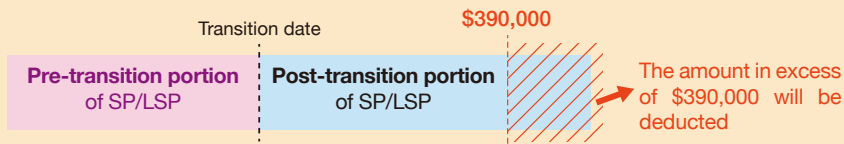


2

Employees whose employment commences before the transition date



If an employee's total SP/LSP exceeds \$390,000 cap, the exceeding amount will be deducted from post-transition portion of SP/LSP.



* An employee may also elect to use his/her average wages in the preceding 12 months for the calculation.

To estimate the amount of SP/LSP and compare the total benefits for employees before and after the abolition, you are welcome to use "EasyCal" – a calculating tool developed by the Labour Department.



<https://www.op.labour.gov.hk/en/calculator.html>

You may also visit our thematic website for more details on the abolition.



<https://www.op.labour.gov.hk/en>