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Hong Kong Payroll Guide

A guide for organisations in Hong Kong

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If you want the peace of mind of an accurate, compliant, fully-managed service



Payroll should be the one thing you never have to worry about

Introduction

About this guide

Payroll in Hong Kong is a demanding operational discipline. Every employer, regardless of size, has to pay wages within seven days of the wage period ending, calculate MPF contributions correctly, remit them through the eMPF Platform on time, meet Inland Revenue Department reporting obligations, and stay current with an Employment Ordinance that continues to evolve.

This guide sets out the challenges Hong Kong employers most commonly face running payroll, what it typically costs to set up and run, the real cost of getting it wrong, and how Black Mountain's Hong Kong payroll service takes that burden off your team.

HK\$43.1

the new statutory minimum wage per hour, effective 1 May 2026.

HK\$450,000

maximum MPF fine for failing to remit deducted employee contributions, plus 4 years' imprisonment.

HK\$80 – 300

typical monthly cost per employee to outsource Singapore payroll.

1. Statutory Minimum Wage Ordinance, effective 1 May 2026 – <https://www.labour.gov.hk/eng/news/mwo.htm>

2. Enforcement measures and penalties, Mandatory Provident Fund Schemes Authority – <https://www.mpf.org.hk/en/enforcement-against-employers/enforcements-measures-and-penalties>

3. 2026 payroll outsourcing benchmarks, Lin Fung Accounting – <https://linfungaccounting.com/en/payroll-outsourcing-mpf-compliance-hong-kong>



The challenges of Hong Kong payroll

Hong Kong employment law is entering one of its most active reform periods in a generation. Here are the challenges we hear about most from employers:

1

The new 468 continuous contract rule

From 18 January 2026, the long-standing 418 rule is replaced. Employees qualify as being under continuous contract if they work at least 17 hours a week, or accumulate 68 hours over four weeks – opening statutory entitlements to many part-time workers who were previously outside them.

2

MPF offsetting has been abolished

From 1 May 2025, employers can no longer offset severance and long-service payments against MPF contributions. Employers must fund the full amount, budget for the transition, and separate pre-and post-transition service.

3

Wages must be paid within 7 days

Under the Employment Ordinance, wages must be paid within seven days of the end of the wage period. Wilful default carries a fine of up to HK\$350,000 and three years' imprisonment and directors can be personally liable.

4

Compulsory eMPF Platform onboarding

All MPF schemes are being migrated to the eMPF Platform on a phased timetable. Contribution submissions, enrolments, cessations and information updates must all be filed digitally – errors and missed deadlines are penalised on a strict scale.

5

Rising statutory costs

From 1 May 2026 the statutory minimum wage rises to HK\$43.1 per hour, Easter Monday becomes a 15th statutory holiday, and an annual wage-review formula makes further increases predictable rather than discretionary.



What does it cost to set up Hong Kong payroll?

Cost depends on whether you run payroll in-house or outsource, headcount, whether you want autopay files or outsourced disbursement, MPF administration, and IR56 year-end reporting. Here is what the Hong Kong market typically looks like:

Running payroll in-house

- A payroll professional (or team) confident with MPF rules, IRD reporting, leave calculations and the Employment Ordinance.
- Licensed payroll software that stays current with eMPF and IRD requirements.
- Monthly MPF contribution submissions to the eMPF Platform on or before the contribution day.
- Annual IR56B (and where relevant IR56E, IR56F, IR56G) preparation and IRD filing.
- Managing joiners, leavers, final payments, unused annual leave, and notice-period calculations.
- Cover for holidays, absence and staff turnover, so payroll never falls behind.

Outsourcing with Black Mountain

- **Set-up fee (one-off):** A one off fee covering payroll system set-up and MPF scheme linkage, IRD employer authorisation.
- **Fixed monthly fee:** This fee covers core monthly processing and account management.
- **Per-employee fee:** a monthly processing fee, MPF calculations and e-payslips for every employee. Reduced from the 10th employee onwards.
- **Annual service fee:** Annual fee that covers account management, covers all fixed processing costs, joiners and leavers, etc.

Outsourcing usually costs less than one hire.

Most employers find that outsourcing costs a fraction of a full-time in-house payroll hire, while removing compliance risk entirely.



The cost of getting payroll wrong

Payroll mistakes in Hong Kong are more common and more expensive than most employers expect, and enforcement is expanding under the eMPF era.

180

convictions secured against employers, directors and managers in 2024–2025 for MPF related offences.

47%

of workers in Asia-Pacific say they are always or often underpaid, paid late, overpaid.

HK\$200M

of defaulted MPF contributions recovered by MPFA in 2024–2025.

78%

average payroll accuracy rate reported by employers in ADP's global payroll study.

What penalties can look like

Wilful non-payment of wages

Up to HK\$350,000 fine and 3 years' imprisonment.

MPF late remittance

5% surcharge, plus HK\$5,000 or 10% of the arrears (whichever is higher).

Failure to provide MPF records to employees

HK\$10,000 first offence, HK\$20,000 second, HK\$50,000 each subsequent.

Misappropriating deducted MPF contributions

Up to HK\$450,000 fine and 4 years' imprisonment.



Our Hong Kong payroll service

Black Mountain has been helping SMEs and multinationals outsource payroll, HR, employee benefits, and back-office administration since 1996. Our Hong Kong payroll team combines the accuracy of an in-house function with the expertise of a dedicated outsourced specialist, so you can focus on what matters most.

Payroll – Why Black Mountain?

Dedicated Account Manager

Access to a payroll expert who learns your organisation and its way of working, backed by a second administrator to provide cover through holidays or sickness.

Service Level Agreements

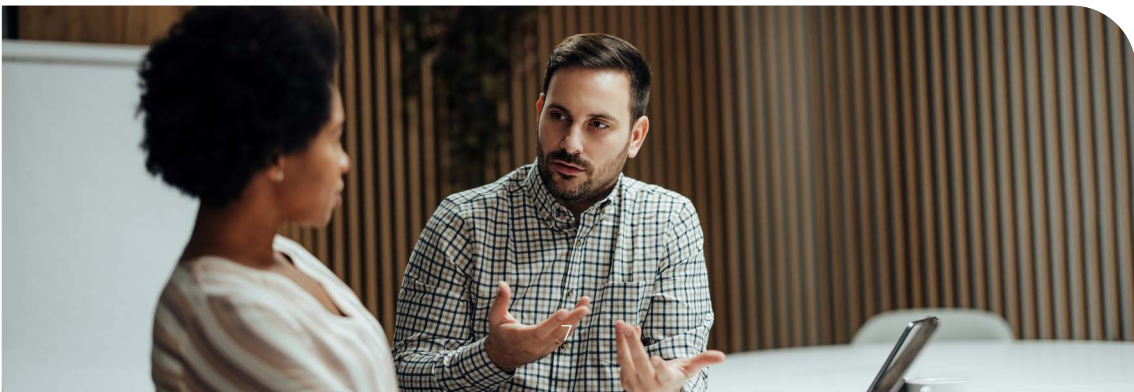
Clear, committed response times built into every engagement, so you always know when you'll hear back and can plan around it.

Client opt-out clause

If an issue isn't resolved within 30 days, you're free to walk away with no obligation, we stand behind the quality of our service.

Competitive Pricing

A local team with genuine Hong Kong payroll expertise, backed by streamlined, proven processes that keep our all-inclusive pricing competitive.



Payroll management: scope of service

Our all-inclusive Hong Kong payroll service covers everything from set-up to statutory compliance, including the ad hoc tasks that inevitably come up with no hidden charges.

Initial set-up

- Gathering employee data and setting up your payroll systems.
- A payroll calendar and monthly processing timetable.
- Auditing existing payroll data for MPF and IRD compliance.

Monthly processing

- Calculating gross-to-net pay, including all statutory deductions.
- Managing joiners, leavers and final payments.
- Filing IR56 forms and coordinating IRD reporting.
- Autopay files or outsourced disbursement to your employees.

MPF & Compliance

- MPF enrolment for eligible employees.
- Managing monthly contribution submissions through the eMPF Platform.
- Acting as your liaison with MPFA and IRD.

Year-round support

- Annual IR56B preparation and IRD filing.
- A named Account Manager for unlimited payroll queries.
- Cloud-based, password-protected e-payslip access for every employee.

Looking for a tailored quote?

Pricing depends on headcount and complexity. Get in touch and we'll put together a scope and quote for your business.



Let's talk about your Hong Kong payroll

Whether you are bringing your first Hong Kong employee onto payroll, expanding headcount, or simply want the peace of mind of an accurate, compliant, fully-managed service – our Hong Kong payroll team is ready to help.



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