

# Corporate Commercial Client Alert

## Employment & Pensions

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### After the 2025 Policy Address, what's next for employers?

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We summarized the key employment-related remarks made in the Hong Kong Chief Executive's 2025 Policy Address in [our legal alert](#) on 17 September 2025. What actions could employers take in order to get the most out of the labour support and protection promised by the government in 2025?

Employers across all industries can agree on one thing: a business's growth and development ultimately depend on its people. It therefore goes without saying that we all want to attract, develop, and retain the best talent. The 2025 Policy Address makes it clear that Hong Kong is determined to grow its talent pool to support the development of different industries. However, Hong Kong may not currently have enough local talent to satiate the demand of the talent required. It is therefore important for employers to explore different ways to solve such labour shortage problem.

#### Talents outside Hong Kong

One option will be to look beyond Hong Kong for the right talent. For employees who need valid visas to work in Hong Kong, employers should make sure they have a proper system to keep records of their visa-holding employees' visa information, and help them with the visa renewal process at least four weeks before the visa expires. This can ensure minimum disruption to business continuity and most importantly, both employers and employees may face criminal prosecution if the employees work for the employer in Hong Kong without proper immigration authorisation. In the last few years, we have seen increasing efforts from the Immigration Department in combating illegal employment.

#### New silver pools of talent

Hong Kong is an ageing society, and we are also determined to promote silver employment. The Labour Department launched the three-year Re-employment Allowance Pilot Scheme in July 2024, and has until August this year made more than 27,000 placements. This proves both the need and demand to activate the silver pools of talent.

Whilst Hong Kong does not have a legal retirement age, it does not mean that employers can only take a passive role with regard to retirement. To the contrary, employers have more flexibility in formulating their own retirement policies and succession plans. It is advisable for employers to analyse their employment structures and talent needs, and come up with a long-term staffing plan such that employees understand that their employment will not automatically end when the stereotype "retirement age" is reached. In addition, employees should be aware of the skills /qualities the employers require to develop their business, the different engagement options (full-time/part time, etc.) and the training which may be provided (whether in-house or external) to assist them to adapt to the fast changing working environment and technological landscape. By doing so, not only could employers continue to benefit from their employees' experience and expertise that comes with age and seniority, but employees could also embrace retirement gradually.

#### AI training

It is a major part of the 2025 Policy Address to promote the development of AI in Hong Kong. While the application of AI has been expanding in all industries, it is important to pay special attention on the governance and risk management of AI usage at work.

Employers shall form their own AI policies to regulate their employees' use of AI: for example, are the employees only

limited to use certain approved programs? How should confidentiality issues be dealt with? Are the employees required to check the accuracy of the work produced by AI?

In addition, to fully unlock the potential cost saving efficiencies AI could bring to business, it is essential to provide training to employees. As training (whether internally or externally) is ultimately an investment from the employer, employers may consider whether to enter into “training bonds” with employees under which if the employee completes the course and leaves the employer within a stipulated time period, the employee will have to return an amount equivalent to the training costs to the employer. Employers may also consider it useful to rollout policies stipulating the employees eligible for such company-sponsored training, so as to manage everyone's expectations and avoid unnecessary allegations of discrimination or bullying.

#### Caring for employees' wellbeing

Alongside the growing importance placed on companies' ESG (Environmental, Social and Governance) initiatives, the Government is increasing its focus on caring for the public's mental health and creating supportive environments in workplaces, such as enhancing the After School Care Service Scheme to make it easier for parents to take up jobs, and encouraging more employers to adopt family-friendly employment practices that are conducive to childcare. These measures not only releases manpower from homes, but also retain talent.

In this regard, employers may as part of their talent retention strategy look into implementing flexible working policies, maintaining clear and accessible grievance and anti-bullying/harassment policies, and offering support services like employee assistance programmes.

Policies should be well-drafted and well-publicised so that employees know that the employer cares about their wellbeing, and that if something happens in the workplace, they know what steps to take in order for the employer to help them look into the matter.

#### Protecting digital platform workers

Digital platforms have transformed the way we live and created many job opportunities in Hong Kong. A recent Hong Kong case involving a food delivery digital platform resulted in the platform having to pay hefty compensation for its delivery worker's injury. Whereas this may be the first of many cases to come in light of the Government's efforts to improve the work injury compensation mechanism for digital platform workers through legislation, digital platform employers may want to take this chance to revisit its engagement of workers, whether as an employee or independent contractor, to see if such arrangement is in fact enforceable under Hong Kong law.

We are dedicated and committed to the growth of your business and your workforce – if you need help with any of our pointers above, please do not hesitate to let us know.

### Want to know more?

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