

Hidden Costs

Engaging an employment agency to hire a migrant domestic worker in Hong Kong can involve many 'hidden costs' to both the employer and employee. Here are the most common problems you should look out for and tips on how to avoid them.

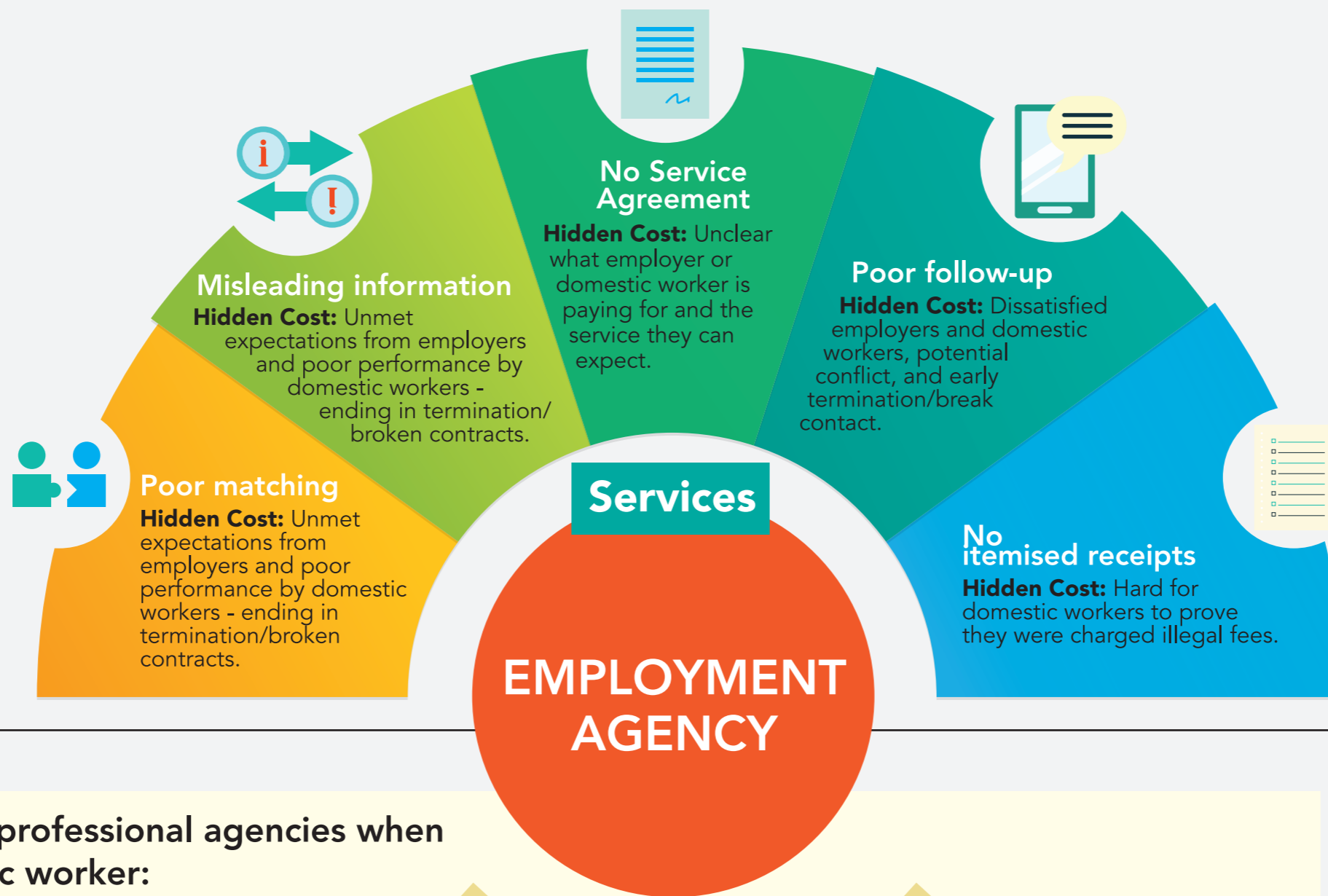
Licensing

Unlicensed operation

Hidden Cost: Agency is not registered and so operating illegally, making recourse for bad service difficult.

Not accredited

Hidden Cost: Agency not accredited to the relevant consulates, requiring them to illegally 'borrow' the chop of an accredited agency. This makes legal redress by the employer or domestic worker difficult.



Fees

Overcharging commission to job seekers

Hidden Cost: Large debts that cause them financial hardship and stress.

Average fees are:

Philippines:
Legal limit: No commission can be charged to the worker.
Reality: HKD 4785-9570 paid for training.

Indonesia:
Legal limit: No commission or training fees from July 2021.
Reality: HKD 10-20,000 for commission or training.

Hong Kong:
Legal limit: 10% of the first month's salary.
Reality: Between HKD 3-10,000 paid in Hong Kong.

Loans

Some MDWs are made to take out a loan in Hong Kong in order to pay back money they owe to agencies at home. These loans can be illegal as the domestic worker never receives any money.

Debt

Unmanageable debt can become detrimental to the work performance and mental health of domestic workers. It can force them to stay with abusive employers.

Confiscation of personal documents

Passports, ATM cards and HKID cards are taken illegally by agencies as collateral to ensure domestic workers pay back loans or fees, which themselves can be illegal.



Tips to avoid unprofessional agencies when hiring a domestic worker:

Pre-hiring

- **Check** the recruitment agency is licensed.
- The list of licensed recruitment agencies can be found here: www.eaa.labour.gov.hk/en/search.html
- The list of all POLO-HK accredited agencies can be found here: polo-hongkong.com/search_agency_hk.php
- Make sure the agency provides a **list of all services and expenses** they will charge you.

- Standard services fees that employers need to pay are:



- For first-time hires, break, and terminated contracts, standard fees are:
 - **Mandatory insurance** in home country
 - **Flight from home country**
 - **Partner agency fee** in home country
 - Travel allowance of **HKD100**
- Ask what the agency charges to the worker.
- Agencies in Hong Kong are allowed to charge up to 10% of the first-month's salary.

During hiring

- Ensure the agency **understands your living situation and needs.**
- Ensure the agency **provides a standard service agreement.**
- Ensure the agency **takes you through the employment contract that will be signed with the domestic worker.**
- Ensure the agency **arranges an interview with the domestic worker ahead of signing the contract.**
- Ask the agency if **it has a mechanism to manage grievances.**
- Ensure the agency **provides an itemised receipt.**

Post-hiring

- Ensure your domestic worker has a **contract in a language that they can understand.**
- Ensure your worker has their **own identity documents.**
- Ask your domestic worker **how much the agency charged them, were they given receipts, and are the fees and charges within the legal limits.**
- Ask your domestic worker if **the agency informed them about the nature of the job, the living and working arrangements and number of household members.**