

Hong Kong

Exchange rate: US\$1.00 =
7.85 Hong Kong dollars (HK\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1971 (social assistance); 1973 (universal old-age and disability allowance); 1988 (universal higher-rate disability allowance); 1993 (comprehensive social security assistance, social security allowance); and 1995 (mandatory provident fund), implemented in 2000.

Type of program: Universal, mandatory occupational pension, and social assistance system.

Note: Mandatory provident funds in Hong Kong are privately run mandatory occupational funds and should not be confused with publicly run national provident funds found in other countries.

Coverage

Universal (old-age and disability allowances): Residents of Hong Kong.

Mandatory occupational pension (provident fund): Employees under contract for at least 60 days (shorter periods for employees in the catering and construction industries) and most categories of self-employed persons.

Exclusions: Self-employed hawkers; household workers; persons covered by statutory pension plans or provident funds, including civil servants and teachers; members of occupational retirement plans who are granted exemption certificates; and foreign workers in Hong Kong for less than 13 months or covered by another country's retirement system.

Social assistance (Comprehensive Social Security Assistance): Residents of Hong Kong.

Source of Funds

Insured person

Universal (old-age and disability allowances): None.

Mandatory occupational pension (provident fund): At least 5% of monthly earnings (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are HK\$7,100.

The maximum monthly earnings used to calculate contributions are HK\$30,000.

Social assistance (Comprehensive Social Security Assistance): None.

Self-employed person

Universal (old-age and disability allowances): None.

Mandatory occupational pension (provident fund): At least 5% of monthly or annual income. Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are HK\$7,100.

The maximum monthly earnings used to calculate contributions are HK\$30,000.

Social assistance (Comprehensive Social Security Assistance): None.

Employer

Universal (old-age and disability allowances): None.

Mandatory occupational pension (provident fund): At least 5% of monthly payroll (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are possible.

The minimum monthly earnings used to calculate contributions are HK\$7,100.

The maximum monthly earnings used to calculate contributions are HK\$30,000.

Social assistance (Comprehensive Social Security Assistance): None.

Government

Universal (old-age and disability allowances): The total cost.

Mandatory occupational pension (provident fund): None.

Social assistance (Comprehensive Social Security Assistance): The total cost.

Qualifying Conditions

Old-age allowance (Old Age Living Allowance [OALA], universal, means tested): Age 65 with at least seven years of residency in Hong Kong, including one year of continuous residency immediately before the claim is made.

Means test: Monthly income must not exceed HK\$7,820 (if single) or HK\$12,770 (if married). In addition, assets must not exceed HK\$334,000 (if single) or HK\$506,000 (if married) for a normal-rate allowance; HK\$146,000 (if single) or HK\$221,000 (if married) for a higher-rate allowance.

Old-age allowance (universal, not means tested):

Age 70 with at least seven years of residency in Hong Kong, including one year of continuous residency immediately before the claim is made.

Old-age benefit (mandatory occupational pension, provident fund): Age 65.

Early withdrawal: Age 60 if ceasing employment permanently; at any age if emigrating permanently, if the account balance is less than HK\$5,000, or if diagnosed with a terminal illness with a life expectancy of one year or less.

Old-age allowance (Comprehensive Social Security Assistance, social assistance, asset tested): Age 60 with at least one year of residency in Hong Kong. (The one year of residency does not have to be continuous or immediately before the claim is made.)

Asset test: If the beneficiary is living alone, assets must not exceed HK\$47,500; if the beneficiary is living with one or more family members, assets must not exceed a limit that varies depending on the family's composition.

Disability allowance (universal): Must have at least seven years of residency in Hong Kong, including one year of continuous residency immediately before the claim is made. Both residency requirements are waived for beneficiaries younger than age 18.

For the normal-rate allowance, must be assessed with a 100% loss of earning capacity or as profoundly deaf.

For the higher-rate allowance, must be assessed with a 100% loss of earning capacity or as profoundly deaf, require the constant attendance of another person to perform daily activities, and not receive care in a government-subsidized residential institution, hospital, or boarding school.

Disability benefit (mandatory occupational pension, provident fund): Must be assessed with a total and permanent incapacity for work.

Employment must cease.

A registered medical practitioner assesses the loss of work capacity.

Disability allowance (Comprehensive Social Security Assistance, social assistance, asset tested): Must be assessed with a total (100%) disability and have at least one year of residency in Hong Kong. (The one year of residency does not have to be continuous or immediately before the claim is made; the residency requirement is waived if the beneficiary is younger than age 18.)

Partial disability: Paid for an assessed degree of disability of at least 50% and at least a 50% but less than 100% loss of earning capacity.

Asset test: If the beneficiary is living alone, assets must not exceed HK\$47,500; if the beneficiary is living with one or more family members, assets must not exceed a limit that varies depending on the family's composition.

A public medical officer assesses the degree of disability.

Survivor benefit (mandatory occupational pension, provident fund): Paid to a named survivor if a fund member dies before withdrawing the full account balance.

Burial grant (Comprehensive Social Security Assistance, social assistance, asset tested): Paid to the person who paid for the funeral if the deceased received social assistance.

Asset test: If the beneficiary is living alone, assets must not exceed HK\$47,500; if the beneficiary is living with one or more family members, assets must not exceed a limit that varies depending on the family's composition.

Old-Age Benefits

Old-age allowance (Old Age Living Allowance [OALA], universal, means tested): HK\$2,600 (normal-rate allowance) or HK\$3,485 (higher-rate allowance) a month is paid.

Old-age allowance (universal, not means tested): HK\$1,345 a month is paid.

Old-age benefit (mandatory occupational pension, provident fund): The balance of total employee and employer contributions plus accrued interest is paid as a lump sum or periodic payments.

Old-age allowance (Comprehensive Social Security Assistance, social assistance, asset tested): HK\$3,485 to HK\$5,930 a month is paid for a person living alone or HK\$3,285 to HK\$5,440 a month if living with other family members, depending on the recipient's health and need for constant attendance; plus special grants to meet the recipient's needs.

Permanent Disability Benefits

Disability allowance (universal): HK\$1,720 (normal-rate allowance) or HK\$3,440 (higher-rate allowance) a month is paid.

Disability benefit (mandatory occupational pension, provident fund): A lump sum of the total employee and employer contributions plus accrued interest is paid.

Disability allowance (Comprehensive Social Security Assistance, social assistance, asset tested): HK\$3,485 to HK\$6,355 a month is paid for a person living alone or HK\$3,285 to HK\$5,870 a month if living with other family members, depending on the recipient's age, the assessed degree of disability, and the need for constant attendance; plus special grants to meet the recipient's needs.

Survivor Benefits

Survivor benefit (mandatory occupational pension, provident fund): A lump sum of the account balance is paid.

Burial grant (Comprehensive Social Security Assistance, social assistance, asset tested): A lump sum of up to HK\$15,130 for the cost of the funeral is paid.

Administrative Organization

Social Welfare Department (<https://www.swd.gov.hk/>) administers the universal and social assistance programs.

Mandatory Provident Fund Schemes Authority (MPFA) (<http://www.mpfa.org.hk/>), under an executive director and an advisory committee, supervises mandatory occupational pensions. The MPFA licenses provident funds and oversees management of the funds by trustees.

Provident fund trustees operate the mandatory occupational pensions and collect contributions.

Sickness and Maternity

Regulatory Framework

First and current laws: 1968 (employment ordinance), 1971 (social assistance), and 1993 (medical benefits).

Type of program: Employer-liability (cash benefits) and social assistance (cash and medical benefits) system.

Coverage

Employer liability (cash benefits): Employed persons.

Exclusions: Self-employed persons.

Social assistance (cash and medical benefits): Residents of Hong Kong.

Source of Funds

Insured person

Employer liability (cash benefits): None.

Social assistance (cash and medical benefits): None.

Self-employed person

Employer liability (cash benefits): Not applicable.

Social assistance (cash and medical benefits): None.

Employer

Employer liability (cash benefits): The total cost; provides benefits directly to employees.

Social assistance (cash and medical benefits): None.

Government

Employer liability (cash benefits): None; contributes as an employer.

Social assistance (cash and medical benefits): The total cost.

Qualifying Conditions

Cash sickness benefit (employer liability): Must have at least one month of continuous employment.

The employee must accumulate a sufficient number of paid sick days to cover the leave period. Paid sick days

accumulate at the rate of two days for each complete month of employment during the first 12 months of employment and four days for each month of employment thereafter, up to 120 days. The sick leave period must last at least four consecutive days, and the employee must provide an appropriate medical certificate issued by a registered medical practitioner or dentist.

Cash sickness benefit (Comprehensive Social Security Assistance, social assistance, asset tested): Must be aged 15 to 59, in ill health, assessed with limited or no work capacity, and have at least one year of residency in Hong Kong before the claim is made. (The one year of residency does not have to be continuous or immediately before the claim is made; the residency requirement is waived if the beneficiary is younger than age 18.)

Asset test: If the beneficiary is living alone, assets must not exceed HK\$47,500; if the beneficiary is living with one or more family members, assets must not exceed a limit that varies depending on the family's composition.

A public medical officer assesses the loss of work capacity.

Cash maternity benefit (employer liability): Must have at least 40 weeks of continuous employment. The employee must provide notice to the employer of her intention to take maternity leave after the pregnancy has been confirmed by a registered medical practitioner.

Cash paternity benefit (employer liability): Must have at least 40 weeks of continuous employment. The employee must provide notice to the employer of his intention to take paternity leave.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 80% of the employee's normal earnings is paid for the number of paid sick days accumulated by the employee.

Sickness benefit (Comprehensive Social Security Assistance, social assistance, asset tested): HK\$3,485 (if living alone) or HK\$3,285 (if living with other family members) a month is paid; plus special grants to meet the beneficiary's other needs.

Maternity benefit (employer liability): 80% of the employee's normal earnings is paid for 10 weeks from two to four weeks before the expected date of childbirth or from the date of childbirth, if earlier.

Paternity benefit (employer liability): 80% of the employee's normal earnings is paid for three days from up to four weeks before the expected date of childbirth to 10 weeks after the date of childbirth.

Workers' Medical Benefits

Medical benefits (Comprehensive Social Security Assistance, social assistance, asset tested): Free medical treatment is provided in public hospitals and clinics.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Labour Department (<http://www.labour.gov.hk/>) administers the employer-liability program.

Social Welfare Department (<http://www.swd.gov.hk/>) administers the social assistance program.

Work Injury

Regulatory Framework

First and current law: 1953 (employee's compensation ordinance).

Type of program: Employer-liability system through private carriers.

Coverage

Employed persons, including household workers, agricultural employees, and crew members of Hong Kong ships.

Exclusions: Self-employed persons, home-based workers, family labor, and certain casual workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost. (The minimum coverage is HK\$100 million for employers with up to 200 employees or HK\$200 million for employers with more than 200 employees.)

Government: None.

Qualifying Conditions

Must be assessed with a work injury.

Temporary Disability Benefits

80% of the difference between the insured's monthly earnings before and after the accident is paid for up to 36 months, after which the disability is considered permanent.

The earnings used to calculate benefits are the insured's earnings in the month immediately before the accident or the average monthly earnings in the last 12 months before the accident, whichever is greater.

A registered medical practitioner or an Employees' Compensation Assessment Board appointed by the Commissioner for Labour assesses the loss of work capacity.

Benefit adjustment: The insured's monthly earnings are adjusted based on the average rate of earnings increases for

employees in similar employment with the same employer or, if there are no such employees, based on the rate of increase in the consumer price index at the end of each 12-month period that the disability benefit is received.

Permanent Disability Benefits

Permanent disability grant: For a total (100%) disability, a lump sum of 48 months of the insured's earnings is paid if aged 56 or older; 72 months if aged 40 to 55; or 96 months if younger than age 40.

The earnings used to calculate benefits are the insured's earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is greater.

The minimum monthly earnings used to calculate benefits are HK\$4,090.

The maximum monthly earnings used to calculate benefits are HK\$28,360.

The minimum lump sum for a permanent total disability is HK\$464,360, regardless of age.

The maximum lump sum for a permanent total disability is HK\$1,361,280 if aged 56 or older; HK\$2,041,920 if aged 40 to 55; or HK\$2,722,560 if younger than age 40.

Partial disability: A percentage of the full permanent disability grant is paid based on the assessed degree of disability and a schedule in law.

Constant-attendance supplement: A lump sum for the actual cost of constant attendance, up to HK\$556,700, is paid. An Employees' Compensation Assessment Board appointed by the Commissioner for Labor assesses the degree of disability.

Workers' Medical Benefits

Medical benefits include examination and treatment by a registered medical practitioner, dental care, physical therapy, chiropractic services, and appliances.

The maximum limit on employers' liability for treatment costs is HK\$300 a day for inpatient care or outpatient care, or HK\$370 if both types of care are needed during the same day. The maximum limit for appliances is initially HK\$40,010; HK\$121,230 for subsequent repair and renewal of the appliance.

Survivor Benefits

Survivor grant: A lump sum of 36 months of the deceased's earnings is paid if the deceased was aged 56 or older; 60 months if aged 40 to 55; or 84 months if younger than age 40.

The earnings used to calculate benefits are the deceased's earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is greater.

The maximum monthly earnings used to calculate benefits are HK\$28,360.

The minimum lump sum is HK\$408,960, regardless of age.

The maximum lump sum is HK\$1,361,280 if the deceased was aged 56 or older; HK\$2,041,920 if aged 40 to 55; or HK\$2,722,560 if younger than age 40.

Eligible survivors include the deceased's spouse, children, parents, grandparents, and other family members who had been living with the deceased for at least 24 months immediately before the disability began. The grant is split among eligible survivors. The amount paid to each survivor depends on the number and type of eligible survivors (with the spouse and children receiving the largest shares of the benefit in all cases). If the only survivors are the spouse and children, 50% of the grant is paid to the spouse, and 50% is split equally among the children.

Funeral grant: A lump sum of up to HK\$83,700 is paid to the person who paid for the funeral.

Administrative Organization

Labour Department (<http://www.labour.gov.hk/>) administers the employer-liability program.

Employers purchase insurance policies with private insurance carriers.

Unemployment

Regulatory Framework

First law: 1977.

Current law: 1993 (comprehensive social security assistance).

Type of program: Social assistance system.

Coverage

Residents of Hong Kong.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Unemployment assistance (Comprehensive Social Security Assistance, social assistance, asset tested): Must be aged 15 to 59 with at least one year of residency in Hong Kong. (The one year of residency does not have to be continuous or immediately before the claim is made; the residency requirement is waived if the beneficiary is younger than age 18.)

Must be capable of, and actively seeking, full-time work, and participating in the Support for Self-reliance Scheme of the Social Welfare Department.

Asset test: If the beneficiary is living alone, assets must not exceed HK\$31,000 (HK\$47,500 if younger than age 21 and in a full-time education, or if disabled); if the beneficiary is living with one or more family members, assets must not exceed a limit that varies depending on the family's composition.

Unemployment Benefits

Unemployment assistance (Comprehensive Social Security Assistance, social assistance, asset tested):

HK\$2,455 a month (if living alone) or HK\$1,760 to HK\$2,190 a month (if living with other family members), depending on the number of family members, is paid; plus special grants to meet the beneficiary's other needs.

Administrative Organization

Social Welfare Department (<http://www.swd.gov.hk/>) administers the program.

Family Allowances

Regulatory Framework

First law: 1971 (social assistance).

Current law: 1993 (comprehensive social security assistance).

Type of program: Social assistance system.

Coverage

Residents of Hong Kong.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Family allowance (Comprehensive Social Security Assistance, social assistance, asset tested): Must have at least one year of residency in Hong Kong before the claim is made. (The one year of residency does not have to be continuous or immediately before the claim is made; the residency requirement is waived if the beneficiary is younger than age 18.)

Asset test: If the beneficiary is living alone, assets must not exceed HK\$31,000 (HK\$47,500 for if younger than age 15 [age 21 if in full-time education], if aged 60 or older, or if disabled); if the beneficiary is living with one or more

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family members, assets must not exceed a limit that varies depending on the family's composition.

Single parent supplement: Paid to single parents living with a child younger than age 18 (age 21 if a full-time student).

Family Allowance Benefits

Family allowance (Comprehensive Social Security Assistance, social assistance, asset tested): HK\$1,760 to HK\$2,665 a month is paid, depending on the number of family members; plus special grants to meet the beneficiary's needs.

Single parent supplement: HK\$345 a month is paid.

Administrative Organization

Social Welfare Department (<http://www.swd.gov.hk/>) administers the program.