Hong Kong

Exchange rate: US$1.00 equals 7.79 Hong Kong dollars (HK$).

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 schemes), implemented in 2000, with 2002 amendment.

Note: Hong Kong does not yet have social security legislation for the old-age allowance, disability allowance, and comprehensive social security assistance programs.

Type of program: Universal old-age and disability pension, mandatory occupational benefit (mandatory provident fund schemes), and social assistance (comprehensive social security assistance) system.

Note: The mandatory occupational schemes operating under the name of mandatory provident fund schemes are privately run and should not be confused with publicly run national provident funds found in other countries.

Coverage

Universal old-age and disability pension and social assistance system: Residents.

Mandatory occupational system: All employees holding a contract of 60 days or more (employees in the catering and construction industry who are employed for periods shorter than 60 days or are covered on a daily basis) and the self-employed between ages 18 and 65.

Exclusions: Self-employed hawkers; domestic employees; persons covered by statutory pension or provident fund schemes, such as civil servants or teachers; members of occupational retirement schemes who are granted exemption certificates; and foreign citizens working in Hong Kong for less than 13 months or covered by another country’s retirement system.

Source of Funds

Insured person

Universal old-age and disability pension and social assistance system: None.

Mandatory occupational system: A minimum of 5% of monthly earnings. Voluntary additional contributions are permitted.

The minimum and maximum earnings levels for contribution purposes are HK$5,000 a month and HK$20,000 a month, respectively. Contributions are tax-deductible up to HK$12,000 a year.

Self-employed person

Universal old-age and disability pension and social assistance system: None.

Mandatory occupational system: A minimum of 5% of monthly or yearly income. Voluntary additional contributions are permitted.

The minimum and maximum earnings levels for contribution purposes are HK$5,000 a month or HK$60,000 a year and HK$20,000 a month or HK$240,000 a year, respectively. Contributions are tax-deductible up to HK$12,000 a year.

Employer

Universal old-age and disability pension and social assistance system: None.

Mandatory occupational system: A minimum of 5% of monthly payroll. Voluntary additional contributions are permitted.

There is no minimum earnings level for contribution purposes.

The maximum earnings for contribution purposes are HK$20,000 a month.

Government

Universal old-age and disability pension and social assistance system: Total cost.

Mandatory occupational system: None.

Qualifying Conditions

Old-age pension

Old-age allowance (universal system)

Lower-rate allowance: Residents aged 65 to 69 with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. The allowance is income-tested (monthly income must not exceed HK$5,910 if single or HK$9,740 if married) and asset-tested (assets must not exceed HK$169,000 if single or HK$254,000 if married).

Higher-rate allowance: Residents aged 70 or older with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit.

Mandatory occupational old-age benefit: Age 65 (men and women).

Early retirement: Age 60 (men and women) if ceasing employment permanently. (Funds may be withdrawn before retirement if the member leaves Hong Kong permanently.)

Old-age benefit (social assistance): Residents aged 60 or older with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. The benefit is income-tested and asset-tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining the family’s eligibility.
Disability pension

Disability allowance (universal system)
Lower-rate allowance: Residents with 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for resident claimants younger than age 18. Certified by the Director of Health or the Chief Executive of the Hospital Authority (or in exceptional cases, a registered hospital doctor) to have a 100% loss of earning capacity or to be profoundly deaf.

Higher-rate allowance: Same as for lower-rate disability allowance, above. In addition, certified by the Director of Health or the Chief Executive of the Hospital Authority (or, in exceptional cases, a registered hospital doctor) to need constant attendance by others for carrying out daily living activities, and not residing in a government-owned (or government-subsidized) residential institution.

Mandatory occupational disability benefit: Total and permanent incapacity for work certified by a registered medical practitioner and termination of former employment.

Disability benefit (social assistance): Disabled residents between ages 15 and 59 with at least 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for disabled resident claimants younger than age 18. The benefit is income-tested and asset-tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining the family’s eligibility.

The disability must be certified by a registered hospital doctor.

Partial disability: The benefit is paid for an assessed degree of disability of 50% or more, involving the loss of 50% of earning capacity but less than 100%, or to a person assessed by the Director of Health or the Chief Executive of the Hospital Authority as having a degree of disability equivalent to a 50% loss in earning capacity.

The benefit is also payable for a work-related disability.

Survivor pension

Mandatory occupational survivor benefit: A lump sum equal to total employee and employer contributions plus accrued interest.

Old-age benefit (social assistance): HK$2,400 to HK$4,095 a month for a person living alone or HK$2,265 to HK$3,750 a month if living with other family members, subject to the recipient’s health and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

Permanent Disability Benefits

Disability pension

Disability allowance (universal system): HK$1,120 a month (lower rate) or HK$2,240 a month (higher rate).

Mandatory occupational disability benefit: A lump sum equal to total employee and employer contributions plus accrued interest.

Disability benefit (social assistance): HK$2,030 to HK$4,390 a month for a person living alone or HK$1,845 to HK$4,055 a month if living with other family members, subject to the recipient’s age, the assessed degree of disability, and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

Survivor Benefits

Mandatory occupational survivor benefit: A lump sum equal to total employee and employer contributions plus accrued interest.

Funeral grant (social assistance): The cost of the funeral, up to HK$10,310.

Administrative Organization


Mandatory occupational system: Under the direction of an executive director and an advisory committee, the Mandatory Provident Fund Schemes Authority (http://www.mpfahk.org) supervises mandatory provident fund schemes. The MPFSA is responsible for registering schemes and ensuring that approved trustees administer the schemes in a prudent manner.

Sickness and Maternity

Regulatory Framework

First and current laws: 1968 (employment ordinance), with 1997 amendment; and 1971 (social assistance).

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

Note: Hong Kong does not yet have social security legislation for the comprehensive social security assistance program.
Hong Kong

Coverage

**Employer-liability system:** All employees, except family helpers.

**Social assistance system:** All residents.

Source of Funds

**Insured person**

**Employer-liability system:** None.

**Social assistance system:** None.

**Self-employed person**

**Employer-liability system:** Not applicable.

**Social assistance system:** None.

**Employer**

**Employer-liability system:** Total cost through the direct provision of benefits.

**Social assistance system:** None.

**Government**

**Employer-liability system:** None.

**Social assistance system:** Total cost.

Qualifying Conditions

**Cash sickness benefits (employer liability):** One month of continuous employment.

For the first 36 days of sickness, the employee must obtain a certificate issued by a registered medical practitioner. To be eligible for an additional 84 days of sick pay, the employee must obtain a certificate issued by a registered hospital doctor, including a brief record of the examination and treatment prescribed.

**Cash maternity benefits (employer liability):** Forty weeks of continuous employment. A medical certificate issued by a registered medical practitioner confirming the pregnancy and stating the expected date of confinement is necessary.

**Social assistance:** Residents aged 15 to 59 with at least 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for disabled resident claimants younger than age 18. Benefits are income-tested and asset-tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining the family’s eligibility.

Certified by a registered hospital doctor to have limited working capacity.

The benefit is also payable for a work-related temporary incapacity.

Sickness and Maternity Benefits

**Sickness benefit (employer liability):** 80% of the employee’s wage in the last month before the onset of sickness is payable for the number of paid sick days accumulated by the employee (paid sick days are accumulated at the rate of 2 days for each completed month of employment during the first 12 months of employment and 4 days for each month of employment thereafter), up to a maximum of 120 days. The benefit is payable after a 3-day waiting period.

**Maternity benefit (employer liability):** 80% of the employee’s wage in the last month before beginning maternity leave is payable for 10 weeks. The benefit is payable from 2 to 4 weeks before the expected date of childbirth or from the date of childbirth if it occurs earlier.

**Social assistance:** HK$2,030 to HK$3,720 a month for a person living alone or HK$1,845 to HK$3,375 a month if living with other family members, subject to the assessed degree of reduced working capacity and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

Workers’ Medical Benefits

**Medical benefits (social assistance):** Free medical care in public hospitals for recipients of social assistance cash benefits.

Dependents’ Medical Benefits

**Medical benefits for dependents (social assistance):** Free medical care in public hospitals for recipients of social assistance cash benefits.

Administrative Organization

**Employer-liability system:** Labor Department (http://www.labour.gov.hk) administers the program.

**Social assistance system:** Social Welfare Department (http://www.info.gov.hk/swd) administers the program.

Work Injury

Regulatory Framework

**First and current law:** 1953 (employee’s compensation ordinance), with 2000 amendment.

**Type of program:** Employer-liability system with compulsory insurance with private carriers.

Coverage

Employees, including domestic workers, agricultural employees, and crew members of Hong Kong ships.

Exclusions: Certain types of contract workers, family helpers, and certain casual employees.
Source of Funds

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** Total cost of the employer-liability program. (The minimum insurance coverage must be at least HK$100 million for employers with up to 200 employees or at least HK$200 million for employers with more than 200 employees.)

**Government:** None.

Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period.

Temporary Disability Benefits

80% of the difference between the employee’s monthly earnings before and after the onset of disability. The benefit is payable for up to 36 months, after which a disability is considered to be permanent.

The employee’s monthly earnings for calculating the temporary disability benefit are the earnings in the month immediately preceding the onset of disability or the average monthly earnings in the last 12 months before the onset of disability, whichever is higher.

The minimum and maximum monthly earnings for benefit calculation purposes are HK$3,490 and HK$21,000, respectively.

Incapacity for work must be certified by a registered medical practitioner or an Employees’ Compensation Assessment Board appointed by the Commissioner of Labor.

Benefit adjustment: Employees monthly earnings are adjusted according to the average rate of increase of earnings of employees in similar employment with the same employer or, in the absence of such employees, according to the rate of increase in the consumer price index at the end of each 12-month period of receipt of a temporary disability benefit.

Permanent Disability Benefits

**Permanent disability grant:** If totally disabled (100% of assessed disability), a lump sum equal to 48 months’ times the insured’s earnings if aged 56 or older, 72 months’ earnings if aged 40 but younger than age 56, or 96 months’ earnings if under age 40.

The insured’s earnings for calculating the permanent disability grant are the earnings in the month immediately preceding the onset of disability or the average monthly earnings in the last 12 months before the onset of disability, whichever is higher.

The maximum monthly earnings for benefit purposes are HK$21,000.

The minimum lump sum is HK$344,000, regardless of age.

The maximum lump sum is HK$1,008,000 if aged 56 or older, HK$1,512,000 if aged 40 but younger than age 56, or HK$2,016,000 if under age 40.

Constant-attendance supplement: The actual cost of constant attendance, up to HK$412,000. The supplement is payable as a lump sum or as periodic payments for up to 2 years.

Partial disability: A percentage of the full benefit in proportion to the assessed degree of disability, according to the schedule.

The degree of disability is assessed by an Employees’ Compensation Assessment Board appointed by the Commissioner of Labor.

Workers’ Medical Benefits

Medical examination and treatment by a registered medical practitioner including dental care, physiotherapy and chiropractic services, and appliances.

The maximum limits on employers’ liability for treatment costs are HK$200 a day for in-patient care, HK$200 a day for outpatient care, and HK$280 if both types of care are needed during the same day. The maximum limits on costs for appliances are initially HK$33,000 per appliance and HK$100,000 for subsequent repair and renewal of the appliance.

Survivor Benefits

**Survivor grant:** A lump sum equal to 36 months of the deceased’s earnings, if the deceased was aged 56 or older, 60 months’ earnings if aged 40 but younger than age 56, or 84 months’ earnings if under age 40.

The deceased’s earnings for the purpose of calculating the survivor grant are earnings in the month immediately preceding the death or average monthly earnings in the last 12 months before death, whichever is higher.

The maximum monthly earnings for benefit purposes are HK$21,000.

The minimum lump sum is HK$303,000, regardless of age.

The maximum lump sum is HK$756,000 if the deceased was aged 56 or older, HK$1,260,000 if aged 40 but younger than age 56, or HK$1,764,000 if under age 40.

The grant is payable to the deceased’s spouse, children, parents, grandparents, and other family members who have been living with the deceased as a member of the same household for not less than 24 months immediately preceding the death. The survivor grant is split depending on the number and type of eligible survivors (with spouse and children receiving the major share of the benefit in all cases). If there are only a spouse and children, the spouse receives 50% of the grant and the children share the remaining 50% in equal amounts.

**Funeral grant:** A lump sum of HK$35,000 is payable to the person who incurred the funeral expense.
**Administrative Organization**

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

Employers take out insurance policies with private insurance carriers.

**Unemployment**

**Regulatory Framework**

First and current law: 1977.

**Type of program**: Social assistance (comprehensive social security assistance) system.

Note: Hong Kong does not yet have social security legislation for the comprehensive social security assistance program.

**Coverage**

Residents.

**Source of Funds**

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Total cost.

**Qualifying Conditions**

Unemployment assistance: Residents between ages 15 and 59 with at least 7 years of residence (requirement waived for persons who became Hong Kong residents before January 1, 2004) and 1 year of residence immediately before claiming the benefit. There are no requirements for length of residence for resident claimants younger than age 18. Benefits are income-tested and asset-tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining the family’s eligibility.

Recipients must actively seek paid employment and have joined the Support for Self Reliance scheme of the Social Welfare Department.

**Unemployment Benefits**

Unemployment assistance: HK$1,605 a month for a person living alone or HK$1,145 to HK$1,745 a month if living with other family members, subject to the number of family members and whether the person is a single parent; plus special grants to meet the specific individual needs of recipients.

**Family Allowances**

**Regulatory Framework**

First and current law: 1971 (social assistance).

**Type of program**: Social assistance (comprehensive social security assistance) system.

Note: Hong Kong does not yet have social security legislation for the comprehensive social security assistance program.

**Coverage**

Residents.

**Source of Funds**

Insured person: None.

Self-employed person: None.

Employer: None.

Government: Total cost.

**Qualifying Conditions**

Family assistance: Resident when claiming the benefit (1 year of residence immediately before claiming the benefit if the child is aged 18 or older). The benefit is payable for children younger than age 15 (ages 15 to 21 if a full-time education). Benefits are income-tested and asset-tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining the family’s eligibility.

**Family Allowance Benefits**

Family assistance: HK$1,920 a month for a person living alone or from HK$1,275 to HK$1,595 a month if living with other family members, subject to the number of family members; plus special grants to meet the specific individual needs of recipients.

If the child is disabled, the benefit is between HK$2,705 and HK$4,390 a month for a person living alone or from HK$2,360 and HK$4,055 a month if living with other family members, subject to the assessed degree of disability and whether constant attendance is needed; plus special grants to meet the specific individual needs of recipients.

**Administrative Organization**

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