Hong Kong

Exchange rate: US$1.00 equals 7.81 Hong Kong dollars (HK$).

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); and 1995 (mandatory provident funds), implemented in 2000, with 2002 amendment.

Note: Hong Kong does not yet have legislation for social security or 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: Mandatory provident funds in Hong Kong are mandatory occupational funds that are privately run and should not be confused with publicly run national provident funds found in other countries.

Coverage

Universal allowances and comprehensive social security assistance: All residents of Hong Kong.

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

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

Source of Funds

Insured person

Universal allowances and comprehensive social security assistance: None.

Mandatory occupational benefit: A minimum of 5% of monthly earnings (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Voluntary additional contributions are permitted.

The minimum monthly earnings for contribution calculation purposes are HK$5,000.

The maximum monthly earnings for contribution calculation purposes are HK$20,000.

Contributions are tax-deductible up to HK$12,000 a year.

Self-employed person

Universal allowances and comprehensive social security assistance: None.

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

The minimum earnings for contribution calculation purposes are HK$5,000 a month or HK$60,000 a year.

The maximum earnings for contribution calculation purposes are HK$20,000 a month or HK$240,000 a year.

Contributions are tax-deductible up to HK$12,000 a year.

Employer

Universal allowances and comprehensive social security assistance: None.

Mandatory occupational benefit: A minimum of 5% of monthly payroll (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Voluntary additional contributions are permitted.

There are no minimum earnings for contribution calculation purposes.

The maximum monthly earnings for contribution calculation purposes are HK$20,000.

Government

Universal allowances and comprehensive social security assistance: The total cost.

Mandatory occupational benefit: None.

Qualifying Conditions

Old-age pension

Old-age allowance (universal)

Lower-rate allowance: Persons aged 65 to 69 who have resided in Hong Kong for at least 7 years (requirement waived if residency was established before January 1, 2004), including 1 year of continuous 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: Persons aged 70 or older who have resided in Hong Kong for at least 7 years (requirement waived if residency was established before January 1, 2004), including 1 year of continuous residence immediately before claiming the benefit.
**Mandatory occupational benefit (old-age):** 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 (comprehensive social security assistance):** Persons aged 60 or older who have resided in Hong Kong for at least 7 years (requirement waived for persons who became Hong Kong residents before January 1, 2004), including 1 year of continuous 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 eligibility.

**Disability pension**

**Disability allowance (universal)**

Lower-rate allowance: Persons who have resided in Hong Kong for at least 7 years (requirement waived if residency was established before January 1, 2004), including 1 year of continuous residence immediately before claiming the benefit. Must be assessed with a 100% loss of earning capacity or assessed as profoundly deaf by the Director of Health or the Chief Executive of the Hospital Authority (or, in exceptional cases, a registered doctor in a private hospital).

Higher-rate allowance: Persons who have resided in Hong Kong for at least 7 years (requirement waived if residency was established before January 1, 2004), including 1 year of continuous residence immediately before claiming the benefit. There are no requirements for length of residence for Hong Kong residents younger than age 18. Must require constant attendance of another person to perform daily activities, as assessed by the Director of Health or the Chief Executive of the Hospital Authority (or, in exceptional cases, a registered doctor in a private hospital). Must not receive care in a government-owned or subsidized residential institution or Hospital Authority residential medical institution.

**Mandatory occupational benefit (disability):** Must be assessed with a total and permanent incapacity for work by a registered medical practitioner. Must have ceased employment.

**Disability benefit (comprehensive social security assistance):** Disabled persons who have resided in Hong Kong for at least 7 years (requirement waived if residency was established before January 1, 2004), including 1 year of continuous residence immediately before claiming the benefit. There are no requirements for length of residence for disabled Hong Kong residents 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 eligibility.

The disability must be assessed by a public medical officer.

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

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

**Survivor pension**

**Mandatory occupational benefit (survivors):** Paid for the death of the insured before retirement. The benefit is paid to the named survivor.

**Burial grant (comprehensive social security assistance):** Paid if the deceased received comprehensive social security assistance. The lump sum is paid to the person who paid for the funeral.

**Old-Age Benefits**

**Old-age pension**

**Old-age allowance (universal):** The benefit is HK$625 a month (lower rate) or HK$705 a month (higher rate).

**Mandatory occupational benefit (old-age):** A lump sum is paid equal to total employee and employer contributions plus accrued interest.

**Old-age benefit (comprehensive social security assistance):** HK$2,370 to HK$4,040 a month is paid for a person living alone or HK$2,235 to HK$3,705 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 specific individual needs of recipients.

**Permanent Disability Benefits**

**Disability pension**

**Disability allowance (universal):** The benefit is HK$1,170 a month (lower rate) or HK$2,340 a month (higher rate).

**Mandatory occupational benefit (disability):** A lump sum is paid equal to total employee and employer contributions plus accrued interest.

**Disability benefit (comprehensive social security assistance):** HK$2,370 to HK$4,040 a month is paid for a person living alone or HK$2,235 to HK$3,705 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 specific individual needs of recipients.
**Survivor Benefits**

**Mandatory occupational benefit (survivors):** A lump sum is paid equal to total employee and employer contributions plus accrued interest.

**Burial grant (comprehensive social security assistance):** The cost of the funeral, up to HK$10,750.

**Administrative Organization**

**Universal pension and comprehensive social security assistance:** Social Welfare Department (http://www.info.gov.hk/swd) administers the program.

**Mandatory occupational benefits:** Under the direction of an executive director and an advisory committee, the Mandatory Provident Fund Schemes Authority (MPFA) (http://www.mpfa.org.hk) supervises mandatory provident funds. The MPFA is responsible for registering provident funds and ensuring that approved trustees administer the provident funds 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.

**Coverage**

**Employer-liability system:** All employed persons.

**Comprehensive social security assistance:** All residents of Hong Kong.

**Source of Funds**

**Insured person**

**Employer liability:** None.

**Comprehensive social security assistance:** None.

**Self-employed person**

**Employer liability:** Not applicable.

**Comprehensive social security assistance:** None.

**Employer**

**Employer liability:** The total cost through the direct provision of benefits.

**Comprehensive social security assistance:** None.

**Government**

**Employer liability:** None.

**Comprehensive social security assistance:** The total cost.

**Qualifying Conditions**

**Cash sickness benefits (employer liability):** Must have at least 1 month of continuous employment.

The employee must accumulate a sufficient number of paid sickness days. Paid sickness days accumulate at the rate of 2 days for each complete month of employment during the first 12 months of employment and 4 days for each month of employment thereafter, up to 120 days. The sick leave period must last at least 4 consecutive days, and the employee must provide an appropriate medical certificate issued by a registered medical practitioner or dentist.

**Cash maternity benefits (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.

**Comprehensive social security assistance:** Persons aged 15 to 59 who have resided in Hong Kong for at least 7 years (requirement waived if residency was established before January 1, 2004), including 1 year of continuous residence immediately before claiming the benefit. There are no requirements for length of residence for residents of Hong Kong 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 eligibility.

Must be assessed with a limited working capacity or as incapable of work by a public medical officer.

**Sickness and Maternity Benefits**

**Sickness benefit (employer liability):** The benefit is equal to 80% of the employee’s normal earnings and is paid for the number of paid sickness days accumulated by the employee.

**Maternity benefit (employer liability):** The benefit is equal to 80% of the employee’s normal earnings and is paid for 10 weeks. The benefit is paid from 2 to 4 weeks before the expected date of childbirth or from the date of childbirth if it occurs earlier.

**Comprehensive social security assistance:** HK$2,010 a month is paid for a person living alone or HK$1,820 a month if living with other family members; plus special grants to meet the specific individual needs of recipients.
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**Workers’ Medical Benefits**

**Medical benefits (comprehensive social security assistance):** Free medical treatment is provided in public hospitals and clinics.

**Dependents’ Medical Benefits**

**Medical benefits for dependents (comprehensive social security assistance):** Free medical treatment is provided in public hospitals and clinics.

**Administrative Organization**

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

**Comprehensive social security assistance:** 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 2006 amendment.

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

**Coverage**

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

Exclusions: Home-based workers, family helpers, and certain casual employees.

**Source of Funds**

**Insured person:** None.

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

**Employer:** The total cost of the employer-liability program. (The minimum insurance 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**

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

**Temporary Disability Benefits**

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

The employee’s monthly earnings for benefit calculation purposes are the earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

The minimum monthly earnings for benefit calculation purposes are HK$3,490.

There are no maximum monthly earnings for benefit calculation purposes.

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

Benefit adjustment: Employees’ monthly earnings are adjusted according to the average rate of earnings increase 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 a temporary disability benefit receipt.

**Permanent Disability Benefits**

**Permanent disability grant:** If totally disabled (100%), a lump sum is paid equal to 48 months of earnings if aged 56 or older; 72 months of earnings if aged 40 but younger than age 56; or 96 months of earnings if younger than age 40.

The insured’s earnings for benefit calculation purposes are the earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

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

The minimum lump sum for a permanent total disability is HK$21,000, regardless of age.

The maximum lump sum for a permanent total disability 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 younger than age 40.

Partial disability: A percentage of the full benefit is paid according to the assessed degree of disability and the schedule in law.

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

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

**Workers’ Medical Benefits**

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 or outpatient
care, or HK$280 if both types of care are needed during the same day. The maximum limit for appliances is initially HK$33,000, and HK$100,000 for subsequent repair and renewal of the appliance.

**Survivor Benefits**

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

The deceased’s earnings for benefit calculation purposes are earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

The maximum monthly earnings for benefit calculation 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 younger than age 40.

Eligible survivors are 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 accident. The 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 the only survivors are the 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 is paid to the person who incurred the funeral expense, up to HK$35,000.

**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 and current law:** 1977.

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

Note: Hong Kong does not yet have legislation for social security or comprehensive social security assistance programs.

**Coverage**

All residents of Hong Kong.

**Source of Funds**

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

**Qualifying Conditions**

Comprehensive social security assistance (unemployment): Persons between ages 15 and 59 with at least 7 years of residence (requirement waived if residency was established before January 1, 2004), including 1 year of continuous residence immediately before claiming the benefit.

There are no requirements for length of residence for Hong Kong residents 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 eligibility.

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

**Unemployment Benefits**

Comprehensive social security assistance (unemployment): HK$1,675 a month for a person living alone or HK$1,200 to HK$1,490 a month if living with other family members, depending on the number of family members; 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.

**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 legislation for social security or comprehensive social security assistance programs.

**Coverage**

All residents of Hong Kong.

**Source of Funds**

Insured person: None.

Self-employed person: None.
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**Employer:** None.

**Government:** The total cost.

**Qualifying Conditions**

**Comprehensive social security assistance (family):**
Persons who have resided in Hong Kong for at least 7 years (requirement waived if residency was established before January 1, 2004), including 1 year of continuous residence immediately before claiming the benefit. There are no requirements for length of residence for Hong Kong residents 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 eligibility.

**Family Allowance Benefits**

**Comprehensive social security assistance (family):** From HK$1,200 to HK$1,820 a month, depending on the number of family members; 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.