

## Hong Kong

Exchange rate: US\$1.00 =  
7.76 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.

**Type of program:** Universal allowances, mandatory occupational benefit, 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

**Old-age and disability allowances (universal) and comprehensive social security (social assistance):** Residents of Hong Kong.

**Mandatory provident fund (occupational):** Employees under contract for 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.

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; and foreign workers in Hong Kong for less than 13 months or covered by another country's retirement system.

#### Source of Funds

##### Insured person

*Old-age and disability allowances and comprehensive social security:* None.

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

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

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

##### Self-employed person

*Old-age and disability allowances and comprehensive social security:* None.

*Mandatory provident fund:* At least 5% of monthly or yearly income. Additional voluntary contributions are permitted.

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

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

##### Employer

*Old-age and disability allowances and comprehensive social security:* None.

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

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

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

##### Government

*Old-age and disability allowances and comprehensive social security:* The total cost.

*Mandatory provident fund:* None.

#### Qualifying Conditions

##### Old-age pension

*Old-age allowance (universal)*

Old-age living allowance (means tested): Aged 65 to 69 and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit. The allowance is income tested (monthly income must not exceed HK\$7,090 if single or HK\$11,360 if married) and asset tested (assets must not exceed HK\$201,000 if single or HK\$305,000 if married).

Old-age allowance: Age 70 and a resident of Hong Kong for at least seven years, including one year of continuous residence immediately before claiming the benefit.

*Mandatory provident fund (occupational):* Age 65.

Early retirement: Age 60 if ceasing employment permanently; at any age if emigrating permanently.

*Comprehensive social security old-age benefit (social assistance):* Age 60 and a resident of Hong Kong for at least one year. The one-year residence does not have to be continuous or 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

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income and assets of all family members are taken into account for determining eligibility.

### Disability pension

#### *Disability allowance (universal)*

Normal-rate allowance: A resident of Hong Kong for at least seven years, including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must be assessed with a 100% loss of earning capacity or as profoundly deaf.

Higher-rate allowance: A resident of Hong Kong for at least seven years, including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must require constant attendance of another person to perform daily activities. Must not receive care in government-subsidized residential institutions, hospitals, or boarding schools.

*Mandatory provident fund (occupational)*: Must be assessed with a total and permanent incapacity for work by a registered medical practitioner.

Employment must cease.

*Comprehensive social security disability benefit (social assistance)*: Must be assessed with a disability by a public medical officer and be a resident of Hong Kong for at least one year (requirement waived for residents younger than age 18). The one-year residence does not have to be continuous or 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.

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

### Survivor pension

*Mandatory provident fund (occupational)*: Paid when the insured dies before retirement. The benefit is paid to the named survivor.

*Burial grant (social assistance)*: Paid to the person who paid for the funeral if the deceased received social assistance.

### Old-Age Benefits

#### Old-age pension

##### *Old-age allowance (universal)*

Old-age living allowance (means tested): HK\$2,285 a month is paid.

Old-age allowance: HK\$1,090 a month is paid.

*Mandatory provident fund (occupational)*: A lump sum of the account balance is paid.

*Comprehensive social security old-age benefit (social assistance)*: HK\$3,055 to HK\$5,205 a month is paid for a person living alone or HK\$2,880 to HK\$4,775 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 pension

##### *Disability allowance (universal)*

Normal-rate allowance: HK\$1,510 a month is paid.

Higher-rate allowance: HK\$3,020 a month is paid.

*Mandatory provident fund (occupational)*: A lump sum of the account balance is paid.

*Comprehensive social security disability benefit (social assistance)*: HK\$3,055 to HK\$5,580 a month is paid for a person living alone or HK\$2,880 to HK\$5,155 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

**Mandatory provident fund (occupational)**: A lump sum of the account balance is paid.

**Comprehensive social security burial grant (social assistance)**: A lump sum equal to the cost of the funeral is paid, up to HK\$13,200.

### Administrative Organization

**Universal allowances and social assistance**: Social Welfare Department (<http://www.swd.gov.hk>) administers the programs.

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

### Sickness and Maternity

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#### Regulatory Framework

**First and current laws**: 1968 (employment ordinance) and 1971 (social assistance).

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

#### Coverage

**Cash sickness and maternity benefits (employer liability)**: Employed persons.

Exclusions: Self-employed persons.

**Medical benefits (social assistance):** Residents of Hong Kong.

### Source of Funds

#### Insured person

*Cash sickness and maternity benefits:* None.

*Medical benefits:* None.

#### Self-employed person

*Cash sickness and maternity benefits:* Not applicable.

*Medical benefits:* None.

#### Employer

*Cash sickness and maternity benefits:* The total cost; provides benefits directly to employees.

*Medical benefits:* None.

#### Government

*Cash sickness and maternity benefits:* None.

*Medical benefits:* The total cost.

### Qualifying Conditions

**Cash sickness benefits (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 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.

**Medical benefits (social assistance):** Aged 15 to 59, in ill health, and a resident of Hong Kong for at one year. The one-year residence does not have to be continuous or immediately before claiming the benefit. 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):** 80% of the employee's normal earnings is paid for the number of paid sick days accumulated by the employee.

**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 it occurs earlier.

**Medical benefits (social assistance):** HK\$3,055 a month is paid for a person living alone or HK\$2,880 a month if living with other family members; plus special grants to meet the beneficiary's other needs.

### Workers' Medical Benefits

**Medical benefits (social assistance):** Free medical treatment is provided in public hospitals and clinics through the Comprehensive Social Security Assistance program.

### Dependents' Medical Benefits

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

### Administrative Organization

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

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

### Work Injury

#### Regulatory Framework

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

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

#### Coverage

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

Exclusions: Home-based workers, family helpers, certain casual workers, and self-employed persons.

#### 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**

**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 accident is paid for up to 36 months, after which a disability is considered permanent.

The employee's monthly earnings used to calculate benefits 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.

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

**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, if there are no such employees, according to the rate of increase in the consumer price index at the end of each 12-month period that the worker receives a temporary disability benefit.

### **Permanent Disability Benefits**

**Permanent disability grant:** For a total disability (100%), 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 insured's earnings used to calculate benefits 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 used to calculate benefits are HK\$23,580 (2012).

The minimum lump sum for a permanent total disability is HK\$386,110 (2012), regardless of age.

The maximum lump sum for a permanent total disability is HK\$1,131,840 if aged 56 or older; HK\$1,697,760 if aged 40 to 55; or HK\$2,263,680 if younger than age 40 (2012).

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

**Constant-attendance supplement:** The actual cost of constant attendance, up to HK\$462,890 (2012), is paid as a lump sum or as periodic payments for up to two years.

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 limits on employers' liability for treatment costs are HK\$200 a day for inpatient 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\$33,460; HK\$101,390 for subsequent repair and renewal of the appliance (2012).

### **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 deceased's earnings used to calculate benefits 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 used to calculate benefits are HK\$23,580 (as of July 21, 2012).

The minimum lump sum is HK\$340,040 (as of July 21, 2012), regardless of age.

The maximum lump sum is HK\$848,880 if the deceased was aged 56 or older; HK\$1,414,800 if aged 40 to 55; or HK\$1,980,720 if younger than age 40 (as of July 21, 2012).

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 accident. 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 major share 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 is paid to the person who paid for the funeral, up to HK\$70,000.

### **Administrative Organization**

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

Employers purchase insurance policies with private insurance carriers.

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### **Unemployment**

#### **Regulatory Framework**

**First and current law:** 1977.

**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**

**Comprehensive social security unemployment benefit (social assistance):** Aged 15 to 59 with at least one year of residence (requirement waived if a resident is younger than age 18) before claiming the benefit. The one-year residence does not have to be continuous or immediately before claiming the benefit. 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 capable of work, actively seeking full-time work, and participating in the Support for Self-reliance Scheme of the Social Welfare Department.

**Unemployment Benefits**

**Comprehensive social security unemployment benefit (social assistance):** HK\$2,155 a month is paid for a person living alone or HK\$1,545 to HK\$1,920 a month if living with other family members, depending on the number of family members; 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 and current law:** 1971 (social 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**

**Comprehensive social security family benefit (social assistance):** A resident of Hong Kong for at least one year (residency requirement waived if a resident is younger than age 18) before claiming the benefit. The one-year residence does not have to be continuous or immediately before claiming the benefit. 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 family benefit (social assistance):** From HK\$1,545 to HK\$2,340 a month is paid, depending on the number of family members; plus special grants to meet the recipient's needs.

**Administrative Organization**

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