

“Five-in-One Social Security Scheme”
proposed by the Hong Kong Social Security Society

At the meeting of the LegCo Panel on Welfare Services on 11 December 2000, Members discussed the Administration’s response to the “Five-in-One Social Security Scheme” proposed by the Hong Kong Social Security Society (HKSSS). The HKSSS then put forward a second submission at the meeting outlining their views on the Administration’s response. Members asked the Administration to provide a response to the second submission made by the HKSSS.

2. The Administration has carefully examined the HKSSS’ submission and has the following comments -

(a) The Administration was asked to compare the merits between the Mandatory Provident Fund (MPF) Scheme and the Old Age Pension Scheme (OPS). We would like to point out that the MPF scheme and the OPS had been extensively deliberated by the Legislative Council and the public before a decision was eventually taken to implement the MPF scheme. The MPF scheme was successfully implemented in December 2000, with high enrollment rates. Therefore, the request had been overtaken by events and we do not consider it necessary to repeat the debate on the two schemes in this reply.

(b) The Administration was asked to provide a long-term projection of

government expenditure on older persons in a number of areas, such as the Comprehensive Social Security Assistance (CSSA) Scheme, the Old Age Allowance (OAA) Scheme, medical services, and long term care; and an estimated expenditure of a contributory social security scheme covering retirement protection, long term care, employment retraining, and central work injury compensation. Given the complexity of the issues, the many variables and factors involved, the different working assumptions that may affect the accuracy of such a long term forecast, and the different approach the Government has been working in providing financial support for older persons, we do not consider it useful to work on such projections in this context.

3. That said, the Administration wishes to reiterate that the HKSSS' proposal has presented some interesting and useful concepts about providing an integrated system for the purpose of social security. However, the nature and approach of the HKSSS' proposal is fundamentally different from what the Government has been working in providing financial support for older persons. The Administration will continue to review and pursue various policy initiatives to improve financial security and care for elders, retirement protection for the working population and other types of assistance to those in need in the society.