

## **Proposed Research Outline**

### **Social Security System in Support of the Elderly in Poverty in Selected Places**

#### **1. Background**

1.1 The Government anticipates that the rapid growth of the local elderly population will escalate public expenditure in social security, because more and more elderly people will find themselves in poverty and will therefore be more dependent on the social security system. In view of the financial challenge posed by the ageing population, the Government is reviewing the current social security system and looking for policy alternatives.

1.2 To facilitate the deliberation of the members of the Panel of Welfare Services on the expected forthcoming policy proposal of the Government, the Research and Library Services Division (RLSD) proposes to conduct a research on the social security systems of selected places in support of the elderly in poverty in general and their experiences of handling the related issue of financial sustainability in particular.

#### **2. Proposed places to be studied**

2.1 In this study, the Canadian, Australian and Singaporean social security systems are selected for analysis, because they involve alternative programmes to support the elderly in poverty.

2.2 In Canada, the social security programme in support of the elderly in poverty is called the "Old Age Security Program", which consists of two components, i.e. Old Age Security Pension and other supplementary benefits. The former is a social allowance programme, and the latter belongs to a public assistance programme. While age and residency requirements are the only eligibility criteria for receiving social allowance, means test, age and residency requirements are the eligibility criteria for receiving public assistance.

2.3 In Australia, the social security programme in support of the elderly in poverty is called "Age Pension", which is a public assistance programme designated for the elderly. Applicants for Age Pension should meet the age and residence requirements and pass income and assets tests. Under the Pension Loans Scheme, an eligible elderly person who needs urgent cash to support his/her living can offer his/her property as security to get a loan which does not exceed the amount of Age Pension.

2.4 Unlike Canada and Australia, Singapore does not have any pension scheme funded by general revenue. The Singaporean government financially supports people in poverty, including the elderly, through the Public Assistance Scheme. The elderly in poverty, same as other people, must go through an investigation process to determine whether or not they are in genuine financial need. In Singapore, the compulsory savings scheme, the "Central Provident Fund", helps prevent the problem of the elderly in poverty.

### **3. Proposed outline**

#### **Part 1 — Introduction**

- (a) Background
- (b) Scope of research
- (c) Methodology

#### **Part 2 — Canada**

- (a) Background
- (b) Old Age Security Program
  - (i) Old Age Security Pension
  - (ii) Supplementary benefits
- (c) Financial sustainability strategies
  - (i) Financial challenge to Old Age Security Program
  - (ii) Proposal on Seniors Benefit Scheme

#### **Part 3 — Australia**

- (a) Background
- (b) Age Pension
  - (i) Age Pension
  - (ii) Pension Loan Scheme

- (c) Financial sustainability strategies
  - (i) Financial challenge to Age Pension
  - (ii) Superannuation Scheme

#### **Part 4 — Singapore**

- (a) Background
- (b) Public Assistance Scheme
  - (i) Monthly grant
  - (ii) Supportive assistance
- (c) Financial sustainability strategies
  - (i) Financial challenge to Public Assistance Scheme
  - (ii) Central Provident Fund

#### **Part 5 — Analysis**

- (a) Social security system in support of elderly in poverty
  - (i) Programmes in support of elderly in poverty
  - (ii) Eligibility criteria
  - (iii) Benefits
- (b) Financial sustainability strategies
  - (i) Financial challenge to social security systems of selected places
  - (ii) Financial sustainability strategies

### **5. Completion date**

- 5.1 RLSD proposes to complete the research project in April 2005.