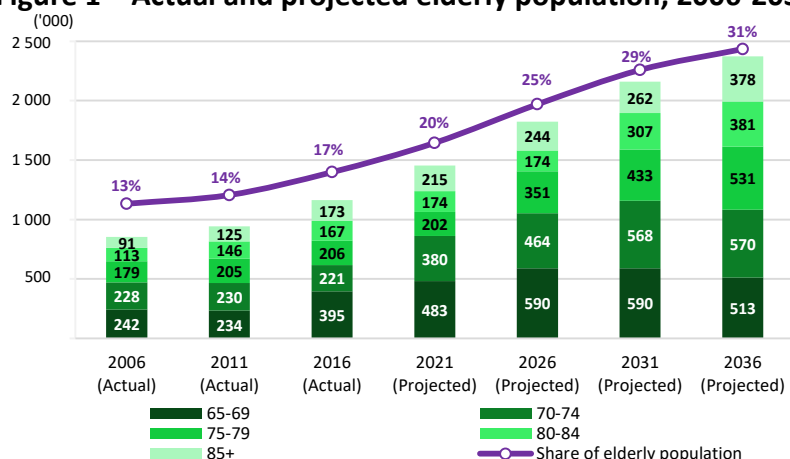




## Social security schemes for the elderly

**Figure 1 – Actual and projected elderly population, 2006-2036**

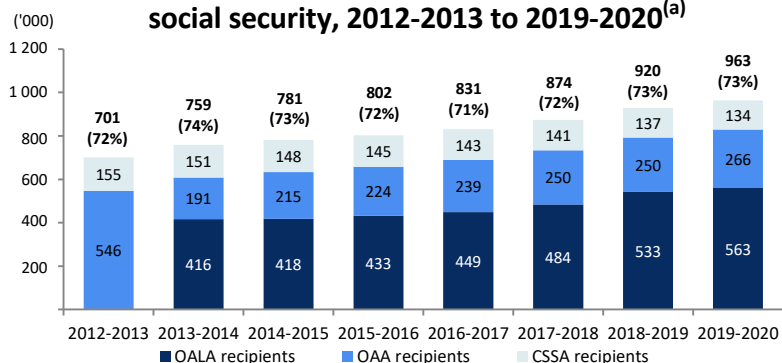


**Figure 2 – Social security schemes for the elderly<sup>(a)</sup>**

	Income limit (HK\$) <sup>(b)</sup>	Asset limit (HK\$) <sup>(b)</sup>	Eligible age	Monthly payment rate (HK\$) <sup>(c)</sup>	Purpose
<b>CSSA for the elderly</b>	Insufficient to meet prescribed monthly needs.	50,000	65	6,718 <sup>(d)</sup>	Provides a safety net for elders unable to support themselves financially.
<b>Higher OALA</b>	7,970 <sup>(e)</sup>	155,000 <sup>(f)</sup>	65	3,585	Supplements the living expenses of elders in need of financial support.
<b>Normal OALA</b>		355,000 <sup>(f)</sup>		2,675	
<b>OAA</b>	Non-means-tested.		70	1,385	Meets special needs arising from old age.

- Notes:
- (a) Elderly persons with disability may also apply for the Disability Allowance.
  - (b) The figures refer to the income and asset limits for **elderly singletons**.
  - (c) Payment rates are as at 1 February 2019.
  - (d) The figure reflects the average monthly payment to elderly singletons without other sources of income.
  - (e) Contribution from family members and payments received under reverse mortgage schemes are not counted as income under OALA.
  - (f) Owner-occupied properties are not counted as asset under OALA.

**Figure 3 – Number and proportion of elders supported by social security, 2012-2013 to 2019-2020<sup>(a)</sup>**



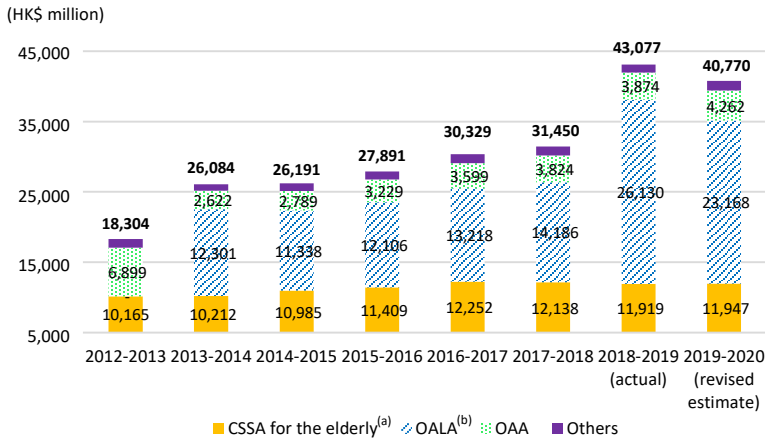
- Note: (a) Figures are accurate as at end-December 2019.

## Highlights

- Hong Kong's population has been ageing fast in recent years. The number of people aged 65 or above rose from 0.85 million in 2006 to 1.16 million in 2016, representing an increasing share of total population from 13% to 17% over the same period (**Figure 1**). The ageing trend is expected to persist and by 2036, about 31% of the population or one in three persons will be an elderly. The ageing population will place a heavier burden on social support for the elderly. Reflecting this, one elder would be supported by just 1.9 persons of working age in 2036, compared to over 4.3 persons in 2016.
- At present, the Government has in place a multi-tier social security system to support the livelihood of elders. This comprises the Comprehensive Social Security Assistance ("CSSA") for the elderly, followed by the less stringent Old Age Living Allowance ("OALA"), and the non-means-tested Old Age Allowance ("OAA") (**Figure 2**). OALA was originally introduced in April 2013 and later revamped into the two-tier Normal and Higher OALA in June 2018 to strengthen support for elderly persons with more financial needs.
- In recent years, the social security schemes have consistently supported around 73% of all elders in Hong Kong. In line with the rising trend of the elderly population, the number of OALA recipients has increased steadily since its inception in 2013-2014, supporting some 43% of all elders in 2019-2020 (**Figure 3**). Yet, the number of elderly CSSA recipients has seen a moderate decrease over the same period. According to the Government, this is in part due to the recent availability of other assistance schemes that are more tailored to their needs and circumstances. For instance, some elders may opt for OALA instead of CSSA because of the former's less stringent means test criteria.

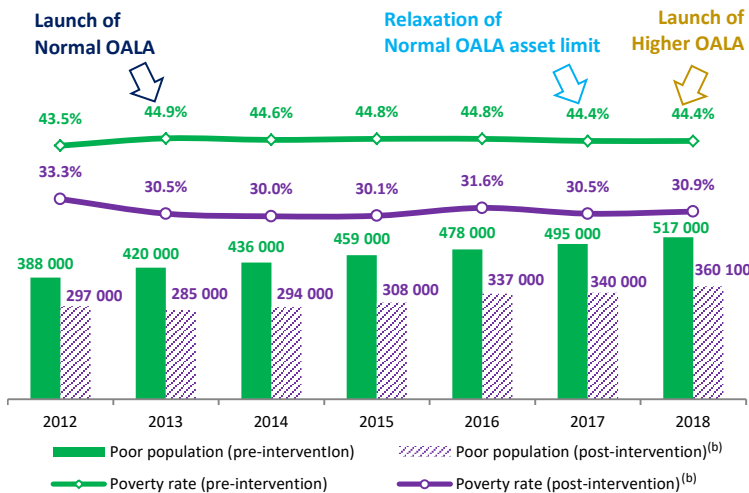
## Social security schemes for the elderly (cont'd)

**Figure 4 – Expenditure of social security schemes for the elderly, 2012-2013 to 2019-2020**



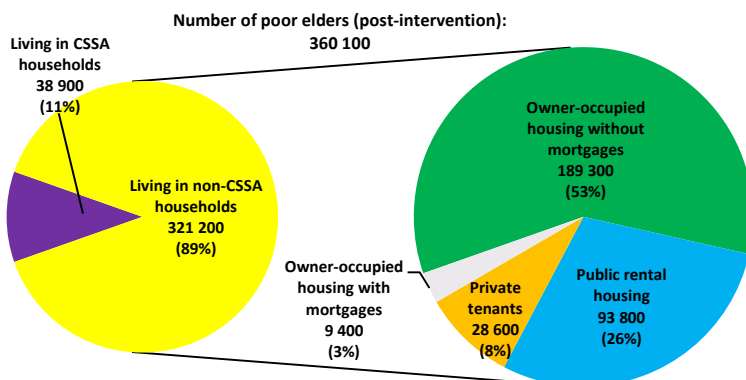
Notes: (a) Figures include the expenditure of CSSA old age cases for those aged 60 or above.  
(b) OALA expenditure in 2018-2019 is higher due to the retrospective payment to eligible Higher OALA recipients dated back to May 2017.

**Figure 5 – Poverty situation<sup>(a)</sup> of elders, 2012 to 2018**



Notes: (a) In 2018, the poverty line for a one-person household was HK\$4,000.  
(b) The figures refer to the poverty rate after recurrent cash benefits.

**Figure 6 – Asset and living situation of poor elders, 2018**



Data sources: Latest figures from Census and Statistics Department, Labour and Welfare Bureau and Social Welfare Department.

## Highlights

- The expanding social security system and ageing population has exerted sizable fiscal pressure on the public coffers. Since the launch of OALA, the amount of expenditure on social security for the elderly more than doubled between 2012-2013 and 2019-2020 (**Figure 4**). It accounted for a rising share of the Government's recurrent operating expenditure from 7.0% to an estimated 9.2% over the same period.
- In January 2020, the Government announced plans to merge Normal and Higher OALA by disbursing a standard payment of HK\$3,585 per month and raising the asset limit to HK\$500,000. This may result in more eligible recipients and higher spending on social security for elders.
- In Hong Kong, the elderly poverty rate is defined as the percentage of people aged 65 or above whose monthly income is below the poverty line threshold of 50% of the median household income according to household size. Amid the increased spending on social security in recent years, the post-intervention elderly poverty rate remained relatively high, at 30.9%, in 2018 (**Figure 5**). This is due to (a) the higher increase in poverty line threshold (due to rising median household income) relative to the upward adjustment in social security payment; and (b) the fact that most of the elderly households are economically inactive without employment earnings.
- Yet, poverty line analysis may not fully reflect the livelihood of elders because it only accounts for income but not assets owned by them. In 2018, 189 300 poor elders (53% of the total) resided in owner-occupied housing without mortgages (**Figure 6**). Among them, 106 400 were identified as "income-poor, owning property of certain value", where the median value of their property was estimated at HK\$5.2 million. This group of elders, accounting for 30% of the total poor elderly, generally reported no financial needs and did not receive CSSA or OALA.

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4 May 2020  
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