SUBCOMMITTEE TO STUDY THE SUBJECT OF COMBATING POVERTY

REPORT ON ELDERLY IN POVERTY

Legislative Council of the Hong Kong Special Administrative Region

June 2007
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## Appendices

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Chapter 1 – Introduction

Background

1.1 The Second World Assembly on Ageing took place in Madrid from 8 to 12 April 2002. The participating countries adopted two key documents: a Political Declaration and the Madrid International Plan of Action on Ageing, 2002. Both documents included commitments from Governments to devise and implement measures to address the challenges posed by ageing. The documents also put forward over 100 recommendations for action based on three priority themes: older persons and development; advancing health and well-being into old age; and ensuring enabling and supportive environments. The Assembly gave the United Nations regional commissions the responsibility for translating the International Plan of Action on Ageing into regional action plans reflecting, inter alia, the demographic, economic and cultural specificities of each region and serving as a basis for implementing the recommendations.

1.2 Hong Kong’s population is ageing. The rapidly growing number of older people will inevitably induce major socio-economic changes to the society and impact on the distribution of public resources. Ageing is a problem if people are unhealthy and unable to be self-reliant, and would result in dependence on public resources support. One of the recommendations of the Report of the Task Force on Population Policy\(^1\) published in 2003 also calls for revisiting and redefining the notion of retirement and old age.

1.3 Having regard to the fact that people in general could now live a longer, healthier and more productive life with improving health care, persons aged 65 or above are generally referred to as elderly persons by the community. Age 65 or above has increasingly become the notion of old age in many overseas jurisdictions. In Hong Kong, the Government refers elderly to those persons aged 65 or above for the purpose of obtaining and compiling demographic information. In this report, elderly refers to persons of age 65 or above.

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\(^1\) The Task Force on Population Policy, which was chaired by the Chief Secretary for the Administration with members from all relevant Bureaux and Departments, was set up in 1992 to (i) identify the major challenges to Hong Kong arising from its demographic trends and characteristics, (ii) set the objective of a population policy, and (iii) recommend a set of coherent policy initiatives which the Administration could explore in the short and medicum term.
1.4 Issues relating to poverty and elderly straddle several policy areas, and discussions had been held in different forums. Various committees of the Legislative Council (LegCo) had discussed different aspects of problems faced by the elderly. A motion on "Taking forward the issues of concern to the elderly" was passed at the LegCo meeting on 23 February 2005, while another motion on "Policy on care for the elderly" was passed at the LegCo meeting on 28 June 2006.

1.5 The Subcommittee to Study the Subject of Combating Poverty (the Subcommittee) was formed under the House Committee on 14 November 2004. The membership list of the Subcommittee is in Appendix I. The Subcommittee completed its studies on "Working Poverty" and "Women in Poverty" and presented the reports to the House Committee in February and June 2006 respectively.

1.6 The Subcommittee has conducted a study on another subject of "Elderly in Poverty" and has now completed its work. In the course of the study, the Subcommittee has discussed with the Administration and gauged the views of non-governmental organisations (NGOs) on the situation of elderly in Hong Kong, the causes of elderly in poverty, and the measures to address the problems faced by the elderly. A list of organisations which have presented views and bureaux/departments which have provided information to the Subcommittee is in Appendix II.

1.7 To assist the Subcommittee in its work, the LegCo Secretariat has conducted research studies on the social security system for retirement protection in selected places (RP09/04-05). At the request of the Panel on Welfare Services, the LegCo Secretariat has also conducted research studies on the social security system in support of elderly in poverty in selected places (RP06/04-05). The executive summary of these research reports are in Appendices III and IV respectively.

1.8 This report summarises the Subcommittee's discussions and recommendations on the subject of elderly in poverty. The Subcommittee will forward the report to the House Committee and the Administration for consideration.
Chapter 2 – Statistics on elderly in Hong Kong

General

2.1 As at July of 2006, Hong Kong has a population of about 6.86 million, of which 0.85 million (12.4%) are aged 65 and above and the median age is 39. Life expectancy is 85.6 for women and almost 79.5 for men.

Demographic Trend

2.2 According to the projections made by the Census and Statistics Department (C&SD), the population is projected to increase at an average annual rate of 0.7% to 8.38 million in 2033, and the expectancy of life will continue to increase to 88 for women and 82.5 for men. It is also projected that among every four Hong Kong people, there will be one person who is aged 65 or above in 2033, and the median age is 49. The elderly dependency ratio\(^2\) will increase from 164 in 2005 to 428 in 2033. The overall dependency ratio\(^3\) will rise to 598 in 2033 due to the significant increase in the elderly dependency ratio.

2.3 The distribution of the elderly population by districts in 2004 is as follows –

<table>
<thead>
<tr>
<th>District</th>
<th>Elderly population</th>
<th>As a percentage of total elderly population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kwun Tong</td>
<td>88 900</td>
<td>10.9%</td>
</tr>
<tr>
<td>Eastern</td>
<td>79 700</td>
<td>9.7%</td>
</tr>
<tr>
<td>Wong Tai Sin</td>
<td>73 600</td>
<td>9.0%</td>
</tr>
<tr>
<td>Kwai Tsing</td>
<td>62 700</td>
<td>7.7%</td>
</tr>
<tr>
<td>Sha Tin</td>
<td>62 000</td>
<td>7.6%</td>
</tr>
<tr>
<td>Sham Shui Po</td>
<td>59 000</td>
<td>7.2%</td>
</tr>
</tbody>
</table>

\(^2\) Elderly dependency ratio refers to the number of persons aged 65 and over per 1 000 persons aged between 15 and 64.

\(^3\) Overall dependency ratio refers to the sum of child and elderly dependency ratios. Child dependency ratio refer to the number of persons aged under 15 per 1 000 persons aged between 15 and 64.
Chapter 2 - Statistics on elderly in Hong Kong

<table>
<thead>
<tr>
<th>District</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kowloon City</td>
<td>53,700</td>
<td>6.6%</td>
</tr>
<tr>
<td>Yuen Long</td>
<td>45,300</td>
<td>5.5%</td>
</tr>
<tr>
<td>Yau Tsim Mong</td>
<td>39,900</td>
<td>4.9%</td>
</tr>
<tr>
<td>Tuen Mun</td>
<td>38,400</td>
<td>4.7%</td>
</tr>
<tr>
<td>Southern</td>
<td>36,400</td>
<td>4.4%</td>
</tr>
<tr>
<td>Sai Kung</td>
<td>30,600</td>
<td>3.7%</td>
</tr>
<tr>
<td>Tsuen Wan</td>
<td>30,100</td>
<td>3.7%</td>
</tr>
<tr>
<td>North</td>
<td>29,400</td>
<td>3.6%</td>
</tr>
<tr>
<td>Central and Western</td>
<td>29,100</td>
<td>3.6%</td>
</tr>
<tr>
<td>Tai Po</td>
<td>27,800</td>
<td>3.4%</td>
</tr>
<tr>
<td>Wan Chai</td>
<td>21,500</td>
<td>2.6%</td>
</tr>
<tr>
<td>Islands</td>
<td>10,500</td>
<td>1.3%</td>
</tr>
<tr>
<td>Residents dwelling on the sea</td>
<td>300</td>
<td>0.04%</td>
</tr>
<tr>
<td>Total</td>
<td>818,800</td>
<td>100%</td>
</tr>
</tbody>
</table>

Note: The figures have been rounded up.

2.4 There are about 111,400 singleton elders aged 65 or above in Hong Kong in the first quarter of 2006, accounting for about 13.9% of the total elderly population. The distribution of the singleton elderly population by districts is similar to that of the elderly population by districts.

2.5 As of June 2006, about 163,800 elders aged 65 or above (19% of the population in this age group) are receiving Comprehensive Social Security Assistance (CSSA), and about 460,900 elders aged 65 or above (54% of the population in this age group) are on Old Age Allowance (OAA) under the Social Security Allowance (SSA) Scheme. The standard payment rates under the CSSA Scheme for persons aged 60 or above range from $2,150 to $3,885 per month. They are entitled to other special grants to meet their special needs, such as glasses, dentures, removal expenses, travelling expenses to hospital/clinic, and medically recommended diets and appliances. As for OAA, a monthly allowance of $625 is payable to elders aged 65 to 69 while those aged 70 or above receive a monthly allowance of $705.
2.6 A breakdown of the number of CSSA/SSA recipients aged 65 or above by category in March and June 2006 is given below.

<table>
<thead>
<tr>
<th>Month/ year</th>
<th>No. of CSSA recipients aged 65 or above</th>
<th>OAA cases</th>
<th>Disability Allowance cases for recipients aged 65 or above</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 2006</td>
<td>163,873</td>
<td>461,024</td>
<td>52,486</td>
</tr>
<tr>
<td>June 2006</td>
<td>163,807</td>
<td>460,886</td>
<td>52,923</td>
</tr>
</tbody>
</table>

2.7 Since the implementation of the Portable CSSA Scheme in 1997, the elderly CSSA recipients are provided with an option to take up permanent residence in Guangdong. This has been extended to the Fujian Province in 2005. The number of recipients for the Portable CSSA Scheme stands at around 2,500 to 3,000 each year. The average monthly payment for the Portable CSSA recipients ranges from $2,400 to $4,000, depending on the categories of standard rates the elders are receiving.

**Elderly under Government subsidies**

2.8 At present, about 60% of elders are living in subsidised housing including public rental housing and purchased flats under the Home Ownership Scheme. The number of households with elderly members on the waiting list for public rental housing is around 6,800, and the average waiting time for single elders applying for public housing is 1.2 years.

2.9 As regards hospitalisation, 49% of bed days in public hospitals are taken up by elders aged 65 or above. About 80% of the elders residing in residential care homes for the elderly (RCHEs) are receiving Government subsidy. In March 2006, 22,400 elders aged 65 or above were living in institutions subvented by the Social Welfare Department. Another 16,000 elders are receiving subsidised home care services, including personal nursing care, physiotherapy, meal delivery, home making and escort.
Educational attainment

2.10 According to the General Household Survey compiled by C&SD in the first quarter of 2006, the educational attainment of elders aged 65 or above is as follows –

<table>
<thead>
<tr>
<th>Educational attainment</th>
<th>No. of elders aged 65 or above</th>
<th>As a percentage of total elderly population</th>
</tr>
</thead>
<tbody>
<tr>
<td>No schooling/Kindergarten</td>
<td>273 000</td>
<td>34.3%</td>
</tr>
<tr>
<td>Primary</td>
<td>332 300</td>
<td>41.7%</td>
</tr>
<tr>
<td>Secondary/Matriculation (Including craft courses)</td>
<td>139 500</td>
<td>17.5%</td>
</tr>
<tr>
<td>Tertiary : non-degree</td>
<td>17 200</td>
<td>2.2%</td>
</tr>
<tr>
<td>Tertiary : degree</td>
<td>34 600</td>
<td>4.3%</td>
</tr>
<tr>
<td>Total</td>
<td>796 900</td>
<td>100%</td>
</tr>
</tbody>
</table>

Notes: The figures have been rounded up.

Employment earnings

2.11 According to the "Population and Household Statistics Analysed by District Council district 2005" published by C&SD in March 2006, the monthly household income of 197 100 elders aged 65 or above, representing 24.6% of the total number of such elders, was less than $5,000. In 2005, the labour participation rate of persons aged 65 or above was 5.4%.

2.12 According to the publication by the Hong Kong Council of Social Service on "Poverty situation in Hong Kong", the proportion of persons aged 65 and above in low-income households rose from 26.9% (169 300) in 1996 to 31.5% (257 000) in 2005. Low-income households refers to those domestic households with monthly household income which is less than or equal to half of the median monthly domestic household income of the corresponding household size.
2.13 According to the paper of the Commission on Strategic Development Committee on Economic Development and Economic Cooperation with the Mainland, the number of low-income households with monthly income less than $4,000 has increased from 85,300 in Q3 1996 to 187,100 in Q3 2006. As a proportion of all households in Hong Kong, they increased from 4.5% to 8.1%. But on further analysis, it is found that over 60% of the increase in these low-income households over the past decade was attributable to the rapid rise in the number of elderly, retired households (with all members aged 60 or above who have retired and hence are not seeking work in the labour market).
Chapter 3 – Causes of elderly in poverty and problems faced by elders

General

3.1 The Subcommittee is of the view that the phenomenon of elderly in poverty is the result of many social, cultural and institutional factors. The following are some major causes of elderly in poverty –

(a) insufficient social security assistance for the elderly;

(b) insufficient retirement protection;

(c) heavy financial burden of medical and healthcare expenses;

(d) insufficient long-term residential care and support services for the elderly; and

(e) socio-economic factors.

Insufficient social security assistance for the elderly

3.2 The Subcommittee notes that the CSSA Scheme is regarded by the Administration as a safety net for those who cannot support themselves financially, including the elderly. This is supplemented by the Disability Allowance (DA) and OAA under the SSA Scheme which provide a monthly allowance to those who are severely disabled or who are 65 years of age or above to meet their special needs arising from disability or old age.

3.3 The Subcommittee notes that there is a requirement for applicants for CSSA to have to pass both an income and asset tests. If an applicant is living with any other family members, the application has to be made on a household basis. On the other hand, OAA is a largely non-means-tested scheme, and

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4 Prior to the introduction of the Mandatory Provident Fund Schemes in 2000, there was no retirement protection for the older persons.
applicants aged 70 or above are not subject to means test; applicants aged between 65 to 69 are required to have an income and assets below the prescribed limits.

3.4 The Subcommittee has expressed concern that the requirement for applications for CSSA to be made on a household basis might have affected the eligibility of some needy elderly. For instance, elders cannot apply for CSSA on their own if their family members decline to make the statement on non-provision of financial support or provide documents to prove that their income is unable to support their parents even though they are living under the same roof.

3.5 The asset limit for applying for CSSA has also kept those elders who possess savings slightly exceeding the asset limit, of $34,000 for singleton elderly and $51,000 for elderly couple, away from social security assistance. The Subcommittee is of the view that such levels of savings can barely meet the living expenses in old age if the elders do not receive CSSA payments.

3.6 The Subcommittee recognises that some elders may choose to reside outside Hong Kong, notably in the Mainland, for lengthy periods on account of a lower cost of living or for family reasons. Although elderly CSSA recipients who take up permanent residence in Guangdong and Fujian can be eligible for Portable CSSA, they are entitled only to the monthly standard rate and the annual long-term supplement. No special grant or other payment (such as rent allowance, special diet allowance, travelling expenses) will be made to them. Furthermore, elders will not be eligible for OAA and DA under the SSA Scheme if they are absent from Hong Kong for more than 240 days in a year. In order to comply with the absence limit, the elders might need to maintain accommodations both in and outside Hong Kong and meet the rental expenses in both places, thus putting themselves in undue financial hardship.

Insufficient retirement protection

3.7 The Subcommittee recognises that the Hong Kong model of financial security for the elderly draws reference from the three-pillar approach on retirement protection advocated by the World Bank: mandatory savings on a
contributory basis for the working population (i.e. the Mandatory Provident Funds (MPF) Schemes); a social safety net for the needy elders; and voluntary private savings.

3.8 Some members point out that before the introduction of the MPF Schemes in 2000, there was no retirement protection for most workers. Moreover, the MPF Schemes were far from adequate in providing retirement protection for older persons. The Schemes could not benefit the current generation of elders as they had not participated in the Schemes. For those elders who cannot accumulate adequate savings for their twilight years when they were young, they will face great financial hardship in old age.

3.9 The Subcommittee notes that any persons who are home-makers or are in precarious employment or earning a monthly income below $5,000 are not covered by the MPF Schemes, and hence do not have any retirement protection. It is difficult for those with a meagre employment income to lift themselves out of poverty or to save for their old age. As a result, home-makers and low-income earners have to rely on their children or other family members for financial support in old age. They will lose their financial support in case of illness or unemployment of their children or family members.

3.10 Some members have expressed concern that the problem of elders with little or no financial means in their old age will aggravate with the ageing of the population. Given that the "conventional" retirement age is 60 to 65, and the average life expectancy being 79.5 for males and 85.6 for females, the older population will live a long retirement life of 20 years or more. The lack of adequate financial means for them to meet the basic requirements of their long retirement life will present a major problem. The Subcommittee considers that the Government should take precautionary measures to prevent the elderly population from falling into poverty.

**Heavy financial burden of medical and healthcare expenses**

3.11 As some elderly are frail and many are suffering from chronic illnesses, they require regular follow-up consultation and medical treatment. The medical expenses and fees for hospitalisation, as well as accident and emergency services, exert a heavy financial burden on them. The current fees
and charges for Hong Kong residents receiving public health services are as follows –

<table>
<thead>
<tr>
<th>Service</th>
<th>Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accident &amp; Emergency</td>
<td>$100 per attendance</td>
</tr>
<tr>
<td>In-patient (general acute beds)</td>
<td>$50 admission fee for the 1st day, $100 per day</td>
</tr>
<tr>
<td>In-patient (convalescent, rehabilitation, infirmary &amp; psychiatric beds)</td>
<td>$68 per day</td>
</tr>
<tr>
<td>Specialist out-patient (including allied health services)</td>
<td>$100 for the 1st attendance, $60 per attendance thereafter, $10 per drug item</td>
</tr>
<tr>
<td>General out-patient</td>
<td>$45 per attendance</td>
</tr>
<tr>
<td>Dressing &amp; injection</td>
<td>$17 per attendance</td>
</tr>
<tr>
<td>Geriatric, Psychiatric &amp; Rehabilitation day hospital</td>
<td>$55 per attendance</td>
</tr>
<tr>
<td>Community nursing (general)</td>
<td>$80 per visit</td>
</tr>
<tr>
<td>Community nursing (psychiatric)</td>
<td>Free</td>
</tr>
<tr>
<td>Community allied health services (general)</td>
<td>$64 per treatment</td>
</tr>
<tr>
<td>Community allied health services (psychiatric)</td>
<td>Free</td>
</tr>
</tbody>
</table>

3.12 Some members have pointed out that, although patients who are on CSSA receive free medical treatment at public hospitals and clinics, the application procedures for fee waiver are too complicated for the elders. On the other hand, non-CSSA patients who have difficulties in paying the medical fees have to apply for a one-off waiver. The complex application procedures and the long processing time have deterred elders from making the applications and deprived them of timely treatment.

3.13 Some deputations who have presented views to the Subcommittee are concerned that upon the introduction of a Standard Drug Formulary by the Hospital Authority (HA), the financial burden of medical fees and charges to be borne by the elderly would be further increased.

3.14 These apart, some members and deputations have stressed that most elders prefer Chinese medicine treatment. Given that only nine public
Chinese Medicine Clinics are currently in operation, the provision of Chinese medicine service is far from adequate to meet the demand. As a result, many elders have to consult private Chinese medicine practitioners and bear the medicine expenses from their meagre income or savings.

**Insufficient long-term residential care and support services for the elderly**

3.15 Only some 16,000 elders are receiving home care services including meal delivery, home making and escort. Given such inadequate degree of support from the community, many of the dependent elderly family members or parents are forced to be accommodated in residential institutions, as their family members who have to work are unable to take care of them. This is a costly option for the society and is inconsistent with the objective of promoting Chinese family virtues.

3.16 As at 28 February 2007, there were a total of 22,924 applicants being waitlisted for various types of subsidised RCHE places in the Central Waiting List for subsidised long term care services. Details of the waiting list and the waiting time for different types of subsidised RCHE places are as follows:

<table>
<thead>
<tr>
<th>Subsidised services</th>
<th>No. of applicants</th>
<th>Average waiting time (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homes for the aged</td>
<td>406</td>
<td>36</td>
</tr>
<tr>
<td>Care and attention homes</td>
<td>16,403</td>
<td>32</td>
</tr>
<tr>
<td>Subvented homes and contract homes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private homes participating in the Enhanced Bought Place Scheme</td>
<td></td>
<td>9</td>
</tr>
<tr>
<td>Overall average waiting time</td>
<td></td>
<td>22</td>
</tr>
<tr>
<td>Nursing homes</td>
<td>6,115</td>
<td>38</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>22,924</strong></td>
<td></td>
</tr>
</tbody>
</table>
3.17 As at 28 February 2007, the turn for placement offer for cases applying for residential care services is as follows –

<table>
<thead>
<tr>
<th>Subsidised service</th>
<th>Turn for placement offer for cases without preference (Month/Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Female</td>
</tr>
<tr>
<td>Homes for the aged</td>
<td>12/2002</td>
</tr>
<tr>
<td>Care and attention homes</td>
<td></td>
</tr>
<tr>
<td>Nursing homes</td>
<td>1/2002</td>
</tr>
</tbody>
</table>

3.18 Some members are of the view that the waiting time for subsidised RCHEs should be shortened. The long waiting time has resulted in some needy elders having to live in dilapidated private housing units with poor living conditions or private RCHEs with varying service standards. Some deputations have also highlighted the problem of elderly abuse in private RCHEs.

**Socio-economic factors**

3.19 The Subcommittee is concerned that with the proliferation of nuclear families and families without child, the number of "single-elderly person" households is multiplying and the traditional extended-family social support is weakening. As a result, the future older population would find it increasingly difficult to seek financial and other support from their adult children and family.

3.20 Some members are of the view that the Government's housing policy, such as offsprings of public housing tenants having to move out upon marriage, also attribute to the increasing number of singleton elders.
Chapter 4 – Measures to assist elderly in poverty

General

4.1 The Subcommittee considers that the Government should make greater efforts to address problems associated with the ageing population and formulate concrete policies and effective measures in this respect.

4.2 The Subcommittee has discussed the following proposed measures to alleviate the difficulties faced by elderly in poverty –

(a) enhancing financial assistance for the needy elderly;
(b) strengthening medical services for the elderly;
(c) enhancing care and support services for the elderly;
(d) enhancing residential care services for the elderly;
(e) providing housing assistance for the elderly;
(f) providing retirement protection for the elderly;
(g) promoting financial security for the elderly; and
(h) promoting positive ageing in the community.

The details of the Subcommittee's discussions are given in the following paragraphs.

Enhancing financial assistance for the needy elderly

4.3 Noting that as many as 73% of elderly have to rely on CSSA and/or OAA for a living and the last comprehensive review of the CSSA Scheme was conducted in 1996, some members strongly urge the Government to conduct a comprehensive review of the CSSA and SSA Schemes to ensure that the
monthly allowance is adequate for the recipients to meet their basic living requirements.

4.4 Given that many elders choose to reside in the Mainland for a lower cost of living and family reasons, some members take the view that the Government should further relax the permissible limit of absence for OAA from 240 days to 360 days, and extend the Portable CSSA Scheme to all places outside Hong Kong, instead of confining its applicability only to the Guangdong and Fujian provinces. This will provide more options and flexibility for elders who wish to take up permanent residence outside Hong Kong.

4.5 In the absence of a retirement protection scheme, some members consider that the Government should abolish the income and asset limits for OAA recipients aged between 65 and 69, increase the amount of OAA, and raise the asset limit for applying for CSSA currently set at $34,000 for singleton elderly and $51,000 for elderly couple. These measures will encourage elders who are living on meagre savings to make use of social security assistance as a means to lift themselves out of poverty.

4.6 Some members are of the view that as an alternative to asking their family members to declare the non-provision of financial support, the Government should consider introducing a requirement for the applicants to make self-declaration of lacking family support and holding them legally liable for the declaration. Furthermore, in order to provide practical assistance for elderly in poverty, some members urge the Government to allow the needy elderly to apply for CSSA on an individual basis irrespective of whether they are living with other family members.

**Strengthening medical services for the elderly**

4.7 To ensure that the elderly receive timely and affordable medical treatment, some members take the view that the application procedures for medical fee waiver should be streamlined. Instead of requiring non-CSSA elderly patients seeking frequent medical consultation to make applications for fee waiver on each and every occasion, they should be granted waiver valid for at least one year. To further protect the health of the elders, some members also urge the Government to consider seriously the provision of free medical
treatment to all elderly.

4.8 Given that most elders prefer Chinese medicine treatment, some members urge the Government to expedite the setting up of public Chinese Medicine Clinics in all the 18 districts in Hong Kong, with priority being given to those districts with a higher proportion of elderly population. In the meantime, the Government should consider providing subsidies to the elderly for receiving treatment from registered private Chinese medicine practitioners. These members also advocate the extension to all needy elderly of the waiver of Chinese medicine consultation and medication charges currently available for CSSA recipients.

Enhancing care and support services for the elderly

4.9 Some members consider that the Government has not yet made preparations to cater for the growing need for care and support services of an ageing population. These members strongly urge the Government to formulate a comprehensive long-term care policy, and establish a mechanism for the planning of long-term care services for the elderly. In devising the policy, the Government should take into account the psycho-social and development needs of the elders and their carers.

4.10 Noting that nearly half of the bed days in public hospitals (49%) are taken up by elderly aged 65 or above, some members are of the view that the Government should consider developing community-based healthcare services for the elderly at district level so as to reduce the burden of the elderly occupying public hospital bed spaces over a long period of time. In addition, the Government should consider seriously drawing up measures to address the shortage of nursing staff in the welfare sector to ensure the professional standard of long-term care services.

4.11 Some members take the view that apart from relying on the Government in the provision of care and support services for the elderly, families with elderly members should be encouraged to take care of the older ones since most elders like to live with their family members. To this end, the Government should provide more tax incentives such as by raising the Dependant Parent/Grandparent Allowance currently fixed at $30,000 per
Chapter 4 – Measures to assist elderly in poverty

eligible parent/grandparent aged 60 or above, and the Additional Parent/Grandparent Allowance currently fixed at $30,000 for each dependant parent/grandparent aged 60 or above living together with the claimant in a taxable year. In addition, the Government should provide more day care support services for the elderly, such as meal delivery, home making and escort services. Above all, the Government should consider providing direct subsidies in the form of "vouchers" for the elderly to choose the types of care and support services which best suit their specific needs.

Enhancing residential care services for the elderly

4.12 Members of the Subcommittee are generally of the view that the Government should draw up practical measures to shorten the waiting time for subsidised RCHEs. Apart from allocating more resources for the provision of additional subvented RCHE places, the Government should consider providing direct subsidies to the elderly who in turn can make their own choice of residential institutions which best suit their needs, irrespective of whether the institutions are run by subvented or private organisations.

4.13 Some members consider that the Government should increase the amount of subsidy for private RCHEs so as to shorten the waiting list for subsidised RCHEs. However, having regard to the varying service standards of private RCHEs, these members are of the view that the Government should set the service standards for private RCHEs and enhance the monitoring of their service standards.

Providing housing assistance for the elderly

4.14 The Subcommittee notes that the Housing Department (HD) has put in place a number of schemes under which public housing is provided for the elderly on a priority basis. Eligible applicants under the schemes can have their waiting time shortened or enjoy special allocation arrangements. Some members point out that under the Special Scheme for Families with Elderly Persons, young families are allowed to apply together with their elderly parents or dependent relatives for two separate flats under one or two tenancies in the same public housing estate in new towns. However, the allocation of flats to
such families will be arranged in the same way as that for ordinary families. These members consider that the Government should review this arrangement and accord priority to families with elderly members so that the younger family members can take care of the elder ones in the same public housing estate.

4.15 Some members urge the Government to construct more small, self-contained public housing units, and not on a sharing basis, for the needy elderly to meet their housing needs. The private sector could also be involved in providing residential places for the elderly. To this end, the Government should consider providing incentives to private developers to provide residential estates for the elderly at concessionary rates.

4.16 Noting that the number of reported elder abuse cases has increased from 329 cases in 2004 to 528 cases in 2005, some members consider that HD should adopt more flexibility in providing immediate housing assistance for victims of elder abuse cases. For those elderly who are facing extreme difficulty in continuing to stay in the same public housing unit with their family members, HD should arrange for household splitting as appropriate according to the need of the concerned elders. For non-public housing tenant elders, HD should allocate public rental housing units to these elders under the compassionate rehousing arrangement.

Providing retirement protection for the elderly

4.17 Some members have pointed out that the MPF Schemes cannot benefit the current generation of needy elderly. They have not participated in the Schemes and could hardly accumulate adequate savings for their twilight years when they were young. Moreover, the Schemes are not entirely satisfactory since an employer can offset the long service payment or severance payment as required under the Employment Ordinance by the accrued benefits derived from the contribution of the employer made to his/her employees in the MPF Schemes. To better protect the income of elders after retirement, these members urge the Government to consider seriously reviewing the offsetting arrangement.

4.18 Some members and deputations are concerned about the lack of retirement protection for the aged. They strongly urge the Government to
establish a universal retirement protection scheme without further delay, and also consider the universal retirement protection plan proposed by the Joint Alliance for Universal Retirement Protection\(^5\) under which a monthly old-age pension payment of $2,500 or $3,000 would be paid to all elderly in Hong Kong.

**Promoting financial security for the elderly**

4.19 As a token of recognition of the contribution made by the elderly when they were young, the Subcommittee considers that the Government should make efforts to promote financial security in old age. To this end, some members suggest that the Government should consider relaxing the eligibility criteria for public rental housing so that elderly owner-occupiers of old buildings can apply for public housing. With the relaxation, these elders can put their properties under the trusteeship of NGOs, and use the rental income to pay for their living expenses and thereby maintain financial security.

4.20 The proposal of "reverse mortgage", which has long been adopted in the United States, European Union countries and Singapore, has also been put forward as a long-term means to support the living expenses of the elderly. Reverse mortgage is a financial arrangement for retired elders under which their property is converted into a specified amount of disposable cash. The property owner will mortgage the net asset value of his property to either a bank or an insurance company, and receive a monthly sum to meet his living expenses until the mortgaged value of his property is reached.

4.21 Some members consider it important to educate the general population about the importance of financial planning for retirement as early as possible. This will be useful in particular to housewives who normally have a relatively long life expectancy but have little retirement protection coverage.

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\(^5\) The proposal put forward by the Joint Alliance for Universal Retirement Protection was discussed by the Subcommittee at the meeting on 21 July 2005 (LC Paper No. CB(2) 2297/04-05(01)).
Promoting positive ageing in the community

4.22 The Subcommittee notes that over 34.3% and 41.7% respectively of the elderly receive no schooling and primary education. The large number of persons reaching old age with minimal literacy and numeracy would limit their capacity to earn a livelihood and affect their enjoyment of health and well-being. These elders also experience alienation in the era of rapid technological change. They do not have access to information technology skills and knowledge, and gradually become less capable of participating in a society that is increasingly technology-driven. Members generally consider that the Government should promote lifelong learning and "university for elderly" so as to enable the elderly to integrate into the community and to enhance their psychological health. To this end, members urge the Government to take measures to bridge the "digital gap" and technical difficulties faced by the elderly by providing training and affordable access to information technology for them.

4.23 Some members take the view that the Government should consider providing transport subsidy to encourage the "hidden elderly" to participate in activities in the community. While concessionary transport fares are offered to the elders by some public transport operators, some members are of the view that transport subsidy should be provided by the Government to the needy elders from a welfare perspective to encourage them, in particular the hidden and singleton elders, to participate in activities in the community and lead a normal social life. They point out that the experience of the United Kingdom (UK) provides useful reference in this respect. In UK, public transport services are commercially run but the operators receive reimbursement from Government on the revenue forgone as a result of concessionary fares being provided for the elderly.

4.24 Some deputations suggest that older persons should be afforded the opportunity to continue with income-generating work for as long as they want and for as long as they are able to do so. They are of the view that the Government should consider taking measures to increase the employment opportunities for the elderly so that they can lead a self-reliant and dignified life in old age. This could be done, for example, by providing tax concession to business organisations for employing elders and providing training and retraining programmes for the elders. They also suggest the enactment of
legislation against age discrimination to ensure that elderly with the capacity and desire can continue to work. Some members, however, consider that the elderly should enjoy a retirement life with adequate retirement protection. They are concerned that the taking up of employment by the elderly would affect the employment opportunities of the younger population.

4.25 One member has pointed out that elderly groups may model on the overseas experience of forming a coalition of "grey power" to negotiate with and exert due influence on the Government for implementing specific policies to promote the interests and welfare of elderly.
Chapter 5 – Recommendations

5.1 The Subcommittee is of the view that the Government should take proactive steps to prevent elders from falling into poverty and to alleviate the problems faced by elderly in poverty. The Subcommittee recommends that the Government should –

Financial assistance for the elderly

(a) conduct a comprehensive review of the adequacy of monthly allowances payable under the CSSA and the SSA Schemes to ensure that they meet the basic living requirements of the elderly recipients;

(b) review the eligibility criteria for OAA under the SSA Scheme including extending the permissible annual absence limit and raising the asset limit;

(c) extend the Portable CSSA Scheme to all places outside Hong Kong;

(d) review and relax the requirement for elders to apply for CSSA on a household basis;

Medical services for the elderly

(e) streamline the application procedures for medical fee waiver, and extend the waiver to Chinese medicine consultation and medication charges;

(f) consider providing medical treatment at public hospitals and clinics to all elderly at half-price;

6 In paragraph 5.1(e) to (i), elderly refers to elders who are eligible for the medical fee waiver mechanism.
(g) expedite the setting up of public Chinese Medicine Clinics (CMCs) and dental clinics in all 18 districts in Hong Kong, particularly in those districts with a high proportion of elderly population;

(h) consider providing subsidies for elderly for receiving treatment from registered private Chinese medicine practitioners and dentists, prior to setting up CMCs and dental clinics in all 18 districts in Hong Kong;

(i) review the public healthcare services (including the provision of a manually operated telephone booking system and the allocation of a number of consultation slots for walk-in elderly patients in addition to the implementation of an automated phone booking system) to ensure that elderly patients can receive timely treatment;

Care and support services for the elderly

(j) formulate a comprehensive long-term care policy, establish a mechanism for the planning of long-term care services for the elderly and review the Standardised Care Need Assessment Mechanism for Elderly Services;

(k) develop community-based healthcare services for the elderly at district level;

(l) provide more tax incentives to families for taking care of elderly family members;

(m) strengthen the provision of day care support services for the elderly and provide direct subsidies to the elderly;

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7 In paragraph 5.1(j) to (o), elderly refers to elders who satisfy the eligibility screening for applications for long term care services under the Standardised Care Need Assessment Mechanism for Elderly Services.
Residential care services for the elderly

(n) expedite the provision of subsidised RCHE places to shorten the waiting time to less than one year and increase the amount of subsidy for private RCHE places, pending the completion of the review of the Standardised Care Need Assessment Mechanism for Elderly Services;

(o) provide direct subsidies to the elderly and allow them to choose the types of residential institutions which best suit their needs;

Housing needs of the elderly

(p) provide public housing units for victims of elder abuse cases according to their needs;

(q) review the housing allocation arrangement under the Special Scheme for Families with Elderly Persons and accord priority to families with elderly members;

(r) construct more public housing units specifically for the needy elderly;

(s) offer incentives to private developers to build residential estates for the elderly;

Retirement protection for the elderly

(t) review the arrangement for offsetting the long service payment or severance payment by the accrued benefits derived from the contribution of the employers made to his/her employees in the MPF Schemes;

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8 In paragraph 5.1(p) to (s), elderly refers to elders who meet the eligibility criteria for special housing allocation arrangements for elderly persons adopted by the Housing Department.
Financial security for the elderly

(u) consider providing a universal retirement protection for the elderly;

(v) draw up measures to promote financial security in old age, including relaxing the eligibility for elderly owner-occupiers of old buildings for applying for public housing and studying the viability of "reverse mortgage";

Promoting positive ageing in the community

(w) step up public education on the concept of "ageing in the community" and life-long education;

(x) provide transport subsidy for the needy elders to encourage them to participate in activities in the community; and

(y) draw up specific measures to enhance the capability of the elderly to integrate into the community and to address the technical difficulties faced by the elderly in using information technology including making the operation of automatic teller machines more user-friendly.

5.2 Of the above recommendations, members belonging to the Liberal Party do not agree with items (d), (t) and (u) and have reservations on items (b), (h), (o) and (x). On item (f), members belonging to the Liberal Party consider that public medical treatment should be provided to needy elderly free of charge or at half-price. As regards item (g), members belonging to the Liberal Party consider that public CMCs and dental services should be provided in those districts with a high proportion of elderly population.

5.3 The Subcommittee agrees that the report should be provided to the House Committee for information, and to the Administration for consideration and response.
Membership of
Subcommittee to Study the Subject of Combating Poverty

Chairman
Hon Frederick FUNG Kin-kee, JP

Deputy Chairman
Hon James TIEN Pei-chun, GBS, JP

Members
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP (until 17.1.2006)
Hon Margaret NG
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon LAU Chin-shek, JP (until 14.10.2005)
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo (until 10.10.2005)
Hon TAM Yiu-chung, GBS, JP
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, BBS, JP
Hon WONG Kwok-hing, MH (until 26.9.2005)
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon Ronny TONG Ka-wah, SC
Hon Albert Jinghan CHENG
Hon KWONG Chi-kin (until 26.9.2005)

(Total : 17 Members)

Clerk
Miss Betty MA

Legal adviser
Mr LEE Yu-sung

Date
14 October 2006
Appendix II

List of non-governmental organizations (NGOs) which have presented views and bureaux/departments which have provided information on the subject of elderly in poverty to the Subcommittee to Study the Subject on Combating Poverty

NGOs

1. Elderly Power
2. The Hong Kong Council of Social Service
3. Democratic Alliance for the Betterment and Progress of Hong Kong
4. The Hong Kong Society for the Aged
5. Joint Alliance for Universal Retirement Protection
6. Grassroots Development Centre
7. Labour Rights Commune
8. The Chinese Grey Power
9. Hong Kong Federation of Trade Unions Social Affairs Committee
10. Concerning CSSA Review Alliance
11. Society for Community Organization
12. Elderly Rights League
13. 爭取長者福利聯合行動組
* 14. The Against Elderly Abuse of Hong Kong

(* Written submission only)
Bureaux/departments

Health, Welfare and Food Bureau
Housing, Planning and Lands Bureau
Census and Statistics Department
Secretariat of the Commission on Poverty
Secretariat to the Commission on Strategic Development
1. This research introduces and compares the social security systems for retirement protection in Canada, Japan and Singapore. The Canada Pension Plan in Canada and the Central Provident Fund in Singapore were established in 1966 and 1955 respectively. Japan has a two-tier system - the Employees' Pension Insurance Scheme, an employment-related pension scheme, was introduced in 1944 and the National Pension Scheme, a universal pension scheme, was introduced in 1985.

2. In both Canada and Japan, the primary objective of the social security systems for retirement protection is to provide financial security for the participants when they retire or become disabled, or for their survivors upon their death. In Singapore, the social security system for retirement protection is used to fulfil not only a similar objective but also other objectives, including homeownership, investment, healthcare, insurance and education.

3. The Canadian and Japanese retirement protection systems are administered by government departments, whereas the Singaporean system is administered by a statutory body. In Canada, Social Development Canada and the Revenue Agency are responsible for the general administration of and the collection of contributions respectively for the Canada Pension Plan. In Japan, the Social Insurance Agency is fully responsible for the operation of both the Employees' Pension Insurance Scheme and the National Pension Scheme. The Central Provident Fund Board is also fully responsible for the operation of the Central Provident Fund in Singapore.
4. Although each of the selected places has an employment-related retirement protection scheme, the coverage of these schemes is different. With respect to the treatment of the self-employed, they are required to join the Canada Pension Plan. In Japan, they are not covered by the Employees' Pension Insurance Scheme but by the universal National Pension Scheme. In Singapore, they are required to contribute to the Medisave Account but it is optional for them to fully participate in the Central Provident Fund.

5. Among the selected places, only Japan has a universal retirement protection scheme, i.e. the National Pension Scheme. The Scheme covers people aged 20 to 59 who legally live, work and study in Japan. As such, housewives, the self-employed, unemployed, students are all covered by the scheme. For employees, they are required to join both the employment-related and universal retirement protection schemes.

6. The employment-related retirement protection schemes in the selected places all require employers and employees to make contribution to the schemes. For the Canada Pension Plan in Canada and the Employees' Pension Insurance Scheme in Japan, employers and employees share equally the contribution rate, with the contributions collected being pooled together. In Singapore, the contribution rate is inversely proportional to an employee's age and employees bear a larger share of contribution than employers. The contributions collected are credited into each employee's Ordinary, Special and Medisave Accounts.

7. For the selected employment-related schemes, contributions are determined based on the portion of an individual's monthly/annual earnings above a specified minimum level and up to a specified maximum level. On the other hand, the contribution for all participants of the National Pension Scheme in Japan is a flat rate.

8. Among the selected places, the Japanese and Singaporean governments provide funding for the social security systems for retirement protection. The Japanese government bears the administration cost of the National Pension Scheme and the Employees' Pension Insurance Scheme. In addition, it subsidizes some one-third of the total benefit payments of the National Pension Scheme and the amount is scheduled to cover half of the total benefit payments in 2009. The Singaporean government does not bear any recurrent cost of the Central Provident Fund. Nevertheless, the government occasionally offers cash grant to selected groups of participants via the Central Provident Fund Board.
9. Investment of the fund in the Canada Pension Plan is made by the Canada Pension Plan Investment Board, a statutory body. In Japan, the Ministry of Health, Labour and Welfare entrusts the Government Pension Investment Fund to make investment for the Employees' Pension Insurance Scheme and the National Pension Scheme. In Singapore, both the Central Provident Fund Board and participants of Central Provident Fund are allowed to make investment for the Fund.

10. Although the social security systems for retirement protection in the selected places all offer retirement, disability and death benefits, there are different operational arrangements. In both Canada and Japan, the retirement age of 65 is used as a benchmark to calculate the amount of benefit payments. Participants are allowed to enjoy retirement benefits as early as 60 years old or defer retirement benefits at the latest of 70 years old. For participants withdrawing pension before (after) the age of 65, the benefit rate is adjusted downward (upward) accordingly.

11. In Singapore, the official retirement age is 62. The Central Provident Fund Act allows participants to withdraw their savings from the Fund at the age of 55. However, they are required to set aside the Minimum Sum from the savings in the Special and Ordinary Accounts and deposit it in the Retirement Account. The savings in the Retirement Account are required to be invested in approved investment instruments and to be used only at the age of 62 onward. In addition, they are required to set aside the required amount in the Medisave Account to cover the medical expenses during retirement as well.

12. In Canada and Japan, disability benefits are offered to not only participants but also their family members. The Canada Pension Plan provides benefit to the participants and also their dependent children. In Japan, the Disability Basic Pension under the National Pension Scheme provides benefits to participants and their dependent children, and the Disability Employees' Pension under the Employees' Pension Insurance Scheme provides benefits to participants and their spouses. In Singapore, participants can withdraw their savings in the Central Provident Fund when they become permanently disabled.
13. In both Canada and Japan, survivor's benefits comprise a monthly pension payment and a lump-sum benefit which is mainly used for matters upon a participant's death, e.g. funeral expenses. In Canada, the Survivor's Pension is granted to the eligible spouse or partner of the deceased pensioner, regardless of the pensioner's gender. In Japan, the Survivors' Basic Pension and the Widow's Pension under the National Pension Scheme are granted to the wife of a deceased participant only. Although the Survivors' Employees' Pension under the Employees' Pension Insurance Scheme provides benefits to husbands, they are granted the pension only when they turn 60. In Singapore, family members of a participant of the Central Provident Fund can withdraw his/her savings in the Fund when he/she dies.

14. The social security systems for retirement protection in the selected places are all experiencing challenges generated by the ageing population as a result of the increasing life expectancy and the declining birth rate. In view of the challenges, reform measures, e.g. raising the contribution rate and the age for pension benefits, have been introduced in Canada and Japan. In Singapore, the government has introduced various reform measures to meet the challenge of inadequacy of income to support retirement for the elderly, e.g. increasing the Minimum Sum and requiring the allocation of a required amount of savings in the Medisave Account.
Executive summary of the research report on
Social Security System in Support of the Elderly
in Poverty in Selected Place
prepared by the Research and Library Services Division
of the Legislative Council Secretariat [RP06/04-05]

1. The social security system in support of the elderly in poverty of Canada, Australia and Singapore were established in 1927, 1908 and 1949 respectively. This research introduces and compares these social security systems and their experience in maintaining the fiscal sustainability of the systems.

2. The design of the social security systems in support of the elderly in poverty in the selected places has the following similarities and differences. The systems in Canada and Australia are tailor-made for the elderly, but this is not the case in Singapore. In any event, the number of elderly recipients under Singapore's Public Assistance Scheme accounts for as much as 80% of all recipients. In addition, in all three selected places, the beneficiaries were screened by income and/or assets tests when the systems were initially launched. Nevertheless, the Canadian system has adopted the principle of universality since 1952. In other words, elderly people in Canada are not required to go through either income or assets test to be eligible for receiving the Old Age Security Pension.

3. The composition of the social security schemes in support of the elderly in poverty in the selected places varies. Canada's system consists of the Old Age Security Pension, which embraces the principle of universality, and various forms of income-tested supplementary benefits. The Australian system comprises the Age Pension and various kinds of living allowances for the needy (inclusive of the elderly), all of them requiring both assets and income tests. In Singapore, the elderly in poverty rely on the Public Assistance Scheme, which serves all people in poverty. To be eligible for Public Assistance, the elderly in poverty are required to not only go through both income and assets tests but also demonstrate that they have no family members to depend on.
4. One or more of the following factors determine the eligibility for the social security programmes in support of the elderly in poverty in the selected places: age, residence status, number of years of residence in the selected places, assets and/or income test, and having no family members to depend on.

5. Two approaches are used to calculate the benefit rates under the social security schemes in support of the elderly in poverty in the selected places. The first approach employs a flat rate for each type of allowance. For example, in Singapore, Public Assistance households with identical number of members receive the same level of allowances. Under the second approach, benefit rates are not standardized. For example, the level of payment under the Old Age Security Pension in Canada depends on an applicant's length of residence in Canada at the time of application.

6. Under the social security programmes in support of the elderly in poverty in the selected places, the allowances are payable to recipients residing in the corresponding places only, except for the beneficiaries of the Old Age Security Pension in Canada and those of the Age Pension in Australia, who may also receive pension benefits continuously while living abroad.

7. Concerning the taxation arrangements, payments received through the Old Age Security Pension in Canada and the Age Pension in Australia are taxable income. Since recipients of the Age Pension must pass assets and income tests, only low-income elderly are eligible. Therefore, it is unlikely that the Age Pension recipients are required to pay income tax. On the other hand, since recipients of the Old Age Security Pension are not income-tested, elderly high-income earners may also receive the Pension. Hence, it is possible that some or even all of the Old Age Security Pension payments received may return to public coffers in the form of income tax.

8. From the 1980s to the 1990s, the fiscal challenge faced by Canada's social security system became relatively significant since both the number of beneficiaries and the percentage of social security expenditures against its Gross Domestic Product had increased. Offering assistance only to those elderly who are in financial need, the fiscal pressure on Australia is relatively small. However, with an ageing population, the Australian government anticipates that the fiscal challenge will gradually grow. In Singapore, the number of Public...
Assistance recipients consistently account for less than 0.07% of the population, and the fiscal sustainability of its Public Assistance system faces a lesser challenge.

9. In view of the fiscal challenge posed by the ageing population to the social security systems, the governments of the selected places have adopted two different strategies to cope with the challenge, namely, increasing fiscal resources and containing social security expenditures. In respect of increasing fiscal resources, Canada has reformed its pension system to share out the fiscal pressure on social security. Australia has expanded the occupational superannuation scheme so that both employers and employees contribute to the financial resources required for maintaining the post-retirement lives of employees, instead of resorting to the Age Pension alone. Singapore uses the income generated by the ComCare Fund to finance programmes in support of the poor, which is another way of increasing fiscal resources.

10. In respect of containing social security expenditures, Canada focuses on restructuring the Old Age Security Pension system through tax reform, including treating Old Age Security Pension payments as taxable income to discourage middle- and high-income earners from applying for pension benefits. In addition, Canada has adopted the policy of levying Withholding Tax to reduce the expenditure on granting Old Age Security Pension benefits to those beneficiaries residing continuously abroad. If the income-tested Seniors Benefit Scheme proposed by the government to replace the Old Age Security Pension had been implemented, social security expenditures would have been contained by making some elderly ineligible for benefits.

11. As a strategy to contain social security expenditures, the Australian government gradually raises the age of eligibility for women applying for the Age Pension, thereby standardizing the age criterion for both genders. In addition, the introduction of the measure of granting only partial payments of the Age Pension to those overseas beneficiaries who have resided in Australia for less than 25 years after adulthood can also reduce costs.

12. Since the Singaporean government's strategy focuses on exploring resources at personal, family and community levels to support the elderly in poverty, public assistance has become a social safety net of the last resort. This approach is also a means to contain social security expenditures.
13. There are various views on the policy reforms in the social security systems in support of the elderly in poverty in the selected places. In Canada, although the social security system for retirement protection is expected to face fiscal pressure for the foreseeable future, it will encounter fewer problems as to ensuring pensioners' economic well-being and protecting vulnerable groups. In Australia, the expansion of the occupational superannuation scheme not only diversifies the social security system, but also reduces the expenditure on the Age Pension in the long run. In Singapore, owing to the support of the Central Provident Fund, the Public Assistance Scheme only serves as the last resort of the social safety net for the less fortunate.