

**立法會**  
***Legislative Council***

LC Paper No. CB(2)491/13-14(03)

Ref : CB2/PL/MP

**Panel on Manpower**

**Background brief prepared by the Legislative Council Secretariat  
for the meeting on 17 December 2013**

**Middle-aged employment and extension of working life**

**Purpose**

This paper summarizes the major concerns raised on middle-aged employment and retirement age at meetings of the Legislative Council ("LegCo") and its committees.

**Background**

2. According to the Administration, while there is no statutory retirement age in Hong Kong, many local firms set their retirement age between 55 and 65. According to the findings of the Thematic Survey on Importance of Age Factor in Employment ("the thematic survey"), which was included in the Thematic Household Survey Report No. 42, published by the Census and Statistics Department on 30 November 2009, the great majority of the community did not consider age an important factor in employment.

3. On 24 October 2013, the Steering Committee on Population Policy ("SCPP") released a consultation paper on population policy entitled "Thoughts for Hong Kong" and launched a four-month public engagement exercise to run until 23 February 2014. SCPP proposed to tackle the demographic challenges arising from the ageing population and the lowering of labour force participation rate through five policy strategies. One of the strategies was to explore effective measures to increase the quantity of labour force by encouraging more people to work or to work

longer by, say, extending the worklife of early retirees. According to the consultation document, the labour force participation rate of 58.8% in 2012 was comparable to that of other Asian economies. Yet, there remains 1.6 million economically inactive people aged 15 to 64, of which early retirees are one of the prime groups.

## **Members' deliberations and concerns**

### Employment support for the middle-aged

4. Members had all along been concerned about the employment support for job seekers with employment difficulties, including middle-aged employees. According to the Administration, the Labour Department ("LD") operated a wide range of employment services and programmes so as to provide customized employment support to job seekers with different needs. To meet the employment needs of middle-aged people with low educational attainment and skills, members were advised that LD implemented the Employment Programme for the Middle-aged ("EPM") to provide them with appropriate employment support services. EPM offered employers financial incentive for employing unemployed job seekers aged 40 or above in full-time jobs and providing them with on-the-job training. According to the Administration, since its inception in May 2003 and up to 31 December 2012, there were 55 782 middle-aged job seekers placed into employment under EPM.

5. To encourage employers to offer more openings to the middle-aged and provide them with on-the-job training for enhancing their employability and employment opportunities, members were advised that LD had increased the allowance payable to employers under EPM with effect from 1 June 2013. Specifically, the training allowance payable to the employers who engaged middle-aged persons aged 40 or above with employment difficulties according to the programme requirements and provide them with on-the-job training<sup>1</sup> would be increased from \$2,000 per month to \$3,000 per month for each employee engaged.

6. Some members considered that the major barrier encountered by the middle-aged in seeking employment was age discrimination. In these

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<sup>1</sup> The salary of the concerned post should meet the statutory minimum wage requirement and is not less than \$6,000 per month. Should the working hours of the post be shorter such that the monthly salary is less than \$6,000 per month, the on-the-job training allowance payable to the employer will remain at \$2,000 per month.

members' view, the most effective way to achieve the effect would be the introduction of legislation on age discrimination in employment.

7. The Administration advised that the Labour Advisory Board ("LAB") had discussed the issue of legislation against age discrimination in employment for a number of years. Members of LAB noted that the findings of the thematic survey that age was not a major factor in employment. They also noted the practical difficulties associated with legislation and enforcement. The Administration further advised that in considering whether legislation should be introduced, it had to critically examine whether the introduction of legislation would be the most effective way to achieve the intended purpose, and whether the Administration would be able to enforce the legislation effectively. Given the practical difficulties associated with legislation and enforcement, the Administration considered it more appropriate to focus on public education and publicity in tackling age discrimination in employment. It would monitor the situation closely and in the event that public education and publicity were found to be ineffective, the legislative alternative might be considered.

#### Extension of retirement age

8. In its reply to two written questions raised at the Council meetings of 3 May 2006 and 16 April 2008 concerning extension of retirement age, the Administration advised that there was no mandatory retirement age in Hong Kong. Employees and employers were free to negotiate on a mutually agreed basis for a suitable retirement age, same as other terms and conditions of employment, when they entered into an employment contract. Employers were also free to recruit or continue to employ elderly people. In the view of the Administration, the present arrangement allowed flexibility and suited the needs of different employers and employees having regard to the market situation and it had no plan to change it.

9. According to the Administration, it is taking the lead in looking at the retirement age issue for its employees. The normal retirement age for Hong Kong civil servants ranges between 55 and 60. The Government is conducting a study to examine its succession or operational needs and look at possible options for extending the service of civil servants who have reached retirement age and applying a higher retirement age to new recruits. The study is expected to be completed by early 2014.

**Relevant papers**

10. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2  
Legislative Council Secretariat  
11 December 2013

## Appendix

### Relevant papers on middle-aged employment and extension of retirement age

Committee	Date of meeting	Paper
Panel on Manpower	14.12.2009 (Item III)	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	21.1.2010 (Item IV)	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	20.10.2011 (Item II)	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	15.3.2012 (Item V)	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	3.12.2012 (Item I)	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	25.1.2013 (Item V)	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	18.6.2013 (Item V)	<a href="#"><u>Agenda</u></a> <a href="#"><u>Minutes</u></a>
	Council meeting	3.5.2006
16.4.2008		<a href="#"><u>Official Record of Proceedings</u></a> <a href="#"><u>(Question 4)</u></a>