

**For information on
26 February 2021**

**Legislative Council Panel on Welfare Services
Subcommittee on Issues Relating to the Silver Age Card**

Labour and Welfare Measures Applicable to Persons Aged 60 to 64

Purpose

This paper sets out the labour and welfare measures applicable to persons aged 60 to 64, the enhancements to the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (\$2 Scheme), and background information on the Senior Citizen Card Scheme.

The Trend of Average Life Expectancy of Hong Kong and Changes in Labour Force Participation Rate of Mature Persons

2. According to the Census and Statistics Department, the life expectancy at birth for Hong Kong males in 2019 was 82 years whereas that of females was 88 years. In 2069, the life expectancy of males and females is projected to increase to 88 years and 94 years respectively. By that time, the number of persons aged 65 and over will reach 2.58 million, representing a nearly 90 per cent increase as compared to 1.38 million (provisional figure) in 2020. Furthermore, the number of persons aged 60 and over will increase from 1.97 million (provisional figure) in 2020 to 3.05 million in 2069.

3. With longer average life expectancies and an improvement in the overall health quality in Hong Kong, more and more mature persons are engaged in the labour market. In particular, the labour force participation rate of this age group of 60 to 64 (excluding foreign domestic helpers) has increased significantly over the past decade from 34 per cent in 2009 to 47 per cent in 2019. The number of employed persons (excluding foreign domestic helpers) has substantially increased more than double from about 110 000 in 2009 to 259 000 in 2019, far exceeding the 9 per cent increase in the overall working population during the same period. These figures show that on the one hand, more and more people in this age group are still

active in the labour market and on the other, more and more employers are willing to employ them.

4. The situation in Hong Kong is commensurate with the global trend. The Organization for Economic Cooperation and Development regularly publishes the ‘Average Effective Age at which Older Workers Withdraw from the Labour Force’. According to the statistics in 2018, taking male for example, the relevant age of the United Kingdom was 64.7 whereas that of the United States was 67.9. Such age is even higher in Asian places located close to Hong Kong. For instance, the relevant age of Japan was 70.8 while that of South Korea reached 72.3. With longer average life expectancies, the trend of later retirement is expected to continue in the future.

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Training and Continuing Education for Mature Persons

5. On training for mature persons, the Employees Retraining Board currently offers around 700 training courses covering 28 industry categories and generic skills training for eligible persons aged 15 or above (including those aged 60 to 64) which include dedicated training courses for persons aged 50 or above, with a view to upgrading their employment-related skills. It also launched the ‘Post-50 Internship Programme’ to assist those retired ‘Post-50s’ wishing to re-enter the employment market to participate in short-term internship.

Employment Support Services for Mature Persons

6. The Labour Department (LD) has adopted a series of measures to promote the employment of mature persons continuously, which include staging thematic large-scale job fairs for the elderly and middle-aged and district-based job fairs on part-time employment, setting up special counters at job centres to provide priority registration and job referral services for mature job seekers, organising tailor-made employment briefings for mature persons, setting up a dedicated webpage for mature job seekers on the Interactive Employment Service website and enhancing the functions of the vacancy search terminals to facilitate their access to employment information and search for suitable vacancies.

Encourage Employers to Hire Mature Persons

7. In addition to assisting mature persons in seeking jobs, LD implements the Employment Programme for the Elderly and Middle-aged (EPEM) to encourage employers to hire job seekers aged 60 or above. In view of the deteriorating employment situation, LD raised the ceiling of the on-the-job training (OJT) allowance payable to employers under EPEM in September 2020. The maximum amount of OJT allowance payable to employers engaging job seekers aged 60 or above who are unemployed or have left the workforce is \$60,000 per employee. EPEM covers both full-time and part-time jobs. At the same time, LD launched a pilot scheme to encourage persons aged 60 or above to undergo and complete OJT under EPEM through the provision of a retention allowance, thereby stabilising employment. Depending on the length of the OJT period, the maximum amount of retention allowance that a full-time employee may receive is \$12,000. To encourage more employers to provide suitable vacancies for mature job seekers, LD also strengthens its liaison with employers with recruitment needs to enhance job matching, organises experience sharing sessions on employment of mature persons with employers, etc.

Care Services

8. The Government has been providing appropriate care services for elderly persons with needs or frailty. Currently, the elderly services provided by Social Welfare Department (SWD) accord priority to home care and community care, which are supplemented by residential care. Persons aged 60 or above living in the community when in need may receive community support services from District Elderly Community Centres or Neighbourhood Elderly Centres. In addition, mature persons aged 60 to 64 may also receive community care services and residential care services if there is a proven need.

Cash Assistance

9. The Government's overall expenditure on cash assistance schemes has been on the rise. For instance, the Government's recurrent expenditure on social security (including the Comprehensive Social Security Assistance Scheme and Social Security Allowance Scheme) in 2020-21 reaches about \$58 billion, representing an increase of about 50 per cent compared with the expenditure of \$38.7 billion five years ago in 2015-16. Mature persons in need may apply for social security as appropriate according to their situations and preferences. Meanwhile, the Government has significantly enhanced the Working Family Allowance

(WFA) Scheme in recent years, which include increasing the rates of allowance and relaxing the eligibility criteria of the Scheme, e.g. extending the Scheme to cover singletons. As at end-January 2021, there were about 58 000 active beneficiary households under the WFA Scheme, doubling the number in 2018. The expenditure of the WFA Scheme has significantly increased by nearly two times from \$650 million in 2017-18 to about \$1.8 billion in 2020-21. Eligible mature persons aged 60 to 64 may continue to receive appropriate support under the enhanced WFA Scheme.

The Enhancements to the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities

10. The Government launched the \$2 Scheme in 2012 for elderly persons aged 65 or above and eligible persons with disabilities to travel on designated public transport modes at a concessionary fare of \$2 per trip with a view to achieving the policy objective of building a caring and inclusive society in Hong Kong. The Chief Executive announced in January 2020 that the eligible age of the \$2 Scheme would be lowered from 65 to 60 to benefit some 600 000 persons aged 60 to 64. The Government announced in January 2021 the implementation measures of lowering the eligible age of the \$2 Scheme to 60, including the prerequisite for the new beneficiaries to apply for and use tailor-made Personalised Octopus Cards with photo and age eligibility for benefitting from the concessionary fare. The Government estimates that this enhancement measure to be implemented progressively from the first quarter of 2022.

The Senior Citizen Card Scheme

11. In addition, as background information, SWD launched the 'Senior Citizen Card Scheme' in 1994 to issue Senior Citizen Cards to eligible Hong Kong residents aged 65 or above as a generally recognised proof of age, allowing cardholders to enjoy conveniently the concessions, discounts and priority services offered by government departments, public organisations and private companies. Organisations which are interested in offering concession or discounts to the elderly may apply to participate in the Scheme with SWD. Nevertheless, the Senior Citizen Card does not carry any benefits in itself. Relevant concessions or discounts are offered to cardholders by the participating organisations on a voluntary basis.

Currently there are about 1.35 million holders of the Senior Citizen Card, covering about 90 per cent of overall eligible elderly persons.

Conclusion

12. Members are invited to note this paper.

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Social Welfare Department
Labour Department
Census and Statistics Department
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