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Panel on Welfare Services

Subcommittee on Issues Relating to the Silver Age Card

**Information note prepared by the Legislative Council Secretariat
for the meeting on 13 April 2021**

**The latest employment and retirement situation of persons aged 60 to 64
in Hong Kong and the relevant support measures**

According to the Census and Statistics Department, there were some 583 600 persons aged 60 to 64 in Hong Kong as at end-2019, equivalent to 7.8% of the population. The labour force participation rate of this age group was 47.4%. This information note outlines the respective measures of the Administration to support employment of mature persons and encourage mature persons to actively participate in the community.

Measures to support employment of mature persons

2. To assist mature persons in seeking jobs, the Labour Department ("LD") has staged thematic large-scale job fairs in different locations and district-based job fairs on part-time employment at its recruitment centres and job centres, set up special counters at its job centres to provide priority registration and job referral services for mature job seekers, organized employment briefings to help mature job seekers better understand the latest local labour market situation and improve job search skills, set up a dedicated webpage on the Interactive Employment Service website (www.jobs.gov.hk) for mature job seekers, and enhanced the functions of the vacancy search terminals in all job centres to facilitate their search for suitable vacancies.

3. To promote the employment of mature persons, LD implements the Employment Programme for the Elderly and Middle-aged ("EPEM") to

encourage employers to, among others, engage unemployed job seekers aged 60 or above in full-time or part-time (i.e. working 18 hours to less than 30 hours per week) long-term jobs and provide them with six to 12-month on-the-job training ("OJT") through the provision of training allowance to employers. According to the Administration, there were 2 260 placements eligible for joining EPEM in 2020. In view of the deteriorating employment situation, LD implemented enhancement measures to EPEM in September 2020. The maximum amount of OJT allowance payable to employers engaging unemployed job seekers aged 60 or above was increased from \$4,000 to \$5,000 per month per employee. This apart, a three-year pilot scheme was launched to encourage persons aged 60 or above under EPEM to undergo and complete OJT through the provision of a retention allowance, thereby stabilizing employment. These employees are offered a retention allowance of \$1,000 per month if they have stayed in their full-time posts for three months or above during the OJT period. For part-time posts, the amount payable is halved. Each eligible employee can receive retention allowance for a maximum of 12 months under the scheme.

4. On training opportunities for mature persons, the Employees Retraining Board currently offers around 700 training courses straddling 28 industry categories and generic skills training for eligible persons aged 15 or above, with "Post-50" as one of its priority targets. A "Post-50 Internship Programme" is in place to assist those retired "Post-50s" wishing to re-enter the employment market to participate in short-term internship.

Measures to encourage mature persons to actively participate in the community

5. The Social Welfare Department ("SWD") provides community support services for persons aged 60 to 64 living in the community via the subvented district elderly community centres ("DECCs"), neighbourhood elderly centres ("NECs") and social centre for the elderly ("SE"). As at January 2021, there were 41 DECCs, 169 NECs and one SE across the territory. DECCs and NECs provide these persons with a comprehensive package of support services and their carers so as to enable the former to remain in the community and to lead a healthy, respectful and dignified life, whereas SE mainly organizes social and recreational activities for these persons. These centres do not have specific service quota. The number of persons served under DECCs, NECs and SE were 68 144, 149 388 and 1 743 in 2019-2020 (as at end-December 2019).

6. The Opportunities for the Elderly Project implemented by SWD subsidizes social services organizations, local and educational bodies, etc. to hold a variety of activities to promote community involvement of elderly

persons in various aspects and encourages them to unleash their potentials to contribute to the community and cultivate a sense of self-worth. The theme in 2020-2022 is "Promoting well-being through active ageing, enhancing inter-generational harmony with love and respect".

7. To promote continuous learning for elderly persons, active-ageing and inter-generational harmony, the Elder Academy ("EA") Scheme encourages the setting up of EAs in primary schools, secondary schools and post-secondary institutions through collaboration of school sponsoring bodies and elderly service units. EAs are mainly targeted for persons aged 60 or above and the curricular of which largely depend on the interests and needs of residents in the district. Programmes offered by EAs include academic course, interest class, healthcare-related programmes, etc. In the 2019-2020 academic year, there were about 180 EAs throughout the territory.

Relevant questions raised at Council meetings

8. Two written questions concerning the employment and welfare of persons aged 60 to 64 were raised at the Council meeting of 27 February 2019 and 16 December 2020 respectively. The questions and the Administration's replies are in **Appendices I and II**.

Subcommittee meeting on 13 April 2021

9. The Administration will brief the Subcommittee on the latest employment and retirement situation of persons aged 60 to 64 in Hong Kong and the relevant support measures at the meeting on 13 April 2021.

Appendix I**Press Releases**

LCQ9: Assisting persons aged between 60 and 64 in securing employment

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-king, in the Legislative Council today (February 27):

Question:

Given that the eligible age for elderly Comprehensive Social Security Assistance (CSSA) has been raised, since the 1st of this month, from 60 to 65, able-bodied persons aged between 60 and 64 may no longer apply for elderly CSSA and they may only apply for CSSA for the unemployed (CSSA-U). On the other hand, CSSA-U recipients are required to participate in the Support for Self-reliance (SFS) Scheme, in the hope that they can move towards paid employment and self-reliance as early as possible. In this connection, will the Government inform this Council:

(1) Of (i) the number of participants in the SFS Scheme, (ii) the employment rate of the participants and (iii) the percentage of participants who left the CSSA net, in each of the past five years, with a breakdown by the age group (i.e. aged 15 to 25, 26 to 35, 36 to 45, 46 to 55, 56 to 59) to which the participants belonged;

(2) Whether it knows, in respect of those persons who successfully secured employment and left the CSSA net as mentioned in (1), (i) the types of the industries which they joined, and (ii) the distribution of their average number of working hours per month and average monthly wage in the past five years; if no such information has been kept, how the Social Welfare Department (SWD) evaluates and follows up the employment situation of the participants, and whether it will compile the relevant statistics in future;

(3) Of the targeted measures, taken by SWD under the SFS Scheme since the 1st of this month, to assist CSSA-U recipients aged between 60 and 64 in finding jobs, and whether prior consultation with various stakeholders has been conducted on such measures; whether it has increased the estimates of expenditure and manpower for the SFS Scheme to cope with the additional workload generated by the increase in the number of participants;

(4) Whether the Labour Department has compiled statistics on the current number of job vacancies in the labour market that are open for application by persons aged between 60 and 64; if so, of the details; if not, the reasons for that;

(5) Of the new measures (e.g. provision of financial incentives) taken to encourage employers to hire persons aged between 60 and 64, and whether it will enhance the protection of the labour rights and interests of such persons; and

(6) Whether it will consider expeditiously enacting legislation against age discrimination in the employment field, so as to ensure that the relatively older persons are given fair treatment and protected from exploitation?

Reply:

President,

In view of the improved life expectancy of the population of Hong Kong and the trend of extending the retirement age to 65, the Government announced in the Policy Address in January 2017 that the eligible age for elderly Comprehensive Social Security Assistance (CSSA) would be adjusted from 60 to 65. The Government has implemented the relevant arrangements on February 1, 2019. Persons aged between 60 and 64 who have received elderly CSSA before February 1, 2019 are "grandfathered" and will not be affected by the new arrangements. The CSSA payments of persons with disabilities or persons in ill health will not be affected either. They will, regardless of age, continue to receive CSSA payments which are higher than those applicable to able-bodied adults. It is also worth noting that around 70 per cent of the existing CSSA recipients aged between 55 and 59 are with disabilities or in ill-health.

As for the able-bodied recipients aged between 60 and 64 under the new arrangements, they will continue to be entitled to CSSA as able-bodied adults, and are eligible for the standard rates and special grants applicable to able-bodied adults. In addition, the Government has, since February 1, 2019, provided the Employment Support Supplement (ESS) to these able-bodied adults under the CSSA Scheme. At present, each eligible CSSA recipient will receive ESS at a fixed rate of \$1,060 per month (i.e. the difference between the CSSA standard rates applicable to elderly singleton and able-bodied adult singleton). This supplement seeks to encourage able-bodied adult recipients aged 60 to 64 to join the labour market. It is also applicable to employed able-bodied adult recipients in this age group to support them to remain in employment.

In addition, CSSA recipients may also benefit from the disregarded earnings arrangement with its maximum amount at \$2,500 per month. The Social Welfare Department (SWD) also provides employment support that suits the circumstances and needs of able-bodied adult recipients through the Integrated Employment Assistance Programme for Self-reliance (IEAPS).

My reply to the question raised by the Member is as follows:

(1) As individual IEAPS participants may leave or re-join the programme owing to short-term paid employment or change in their personal circumstances (such as their health conditions), SWD does not maintain statistics on the number of IEAPS participants including breakdowns as mentioned in the question.

SWD has compiled the cumulative number of IEAPS participants in person-times. From January 2013 to end-November 2018, there were 95 774 person-times participated in the IEAPS. The statistics of participating person-times broken down by age is as follows:

Age group	Person-times
15 to 19	6 853
20 to 29	11 358
30 to 39	15 149
40 to 49	29 798

50 to 59	32 616
Total	95 774

Out of the 95 774 person-times participated in IEAPS, 20 365 of them (comprising 21.3 per cent of the total number of participating person-times) successfully secured employment or returned to mainstream schooling. Amongst the 20 365, 4 317 left the CSSA net after participated in the IEAPS (comprising 4.5 per cent of the total number of participating person-times).

(2) Given the reason explained in part (1) of the reply, SWD does not maintain statistics as mentioned in the question.

(3) Following the Government's arrangements to adjust the eligible age for elderly CSSA from 60 to 65 on February 1, 2019, SWD will invite able-bodied adult CSSA recipients aged 60 to 64 to participate in IEAPS. Through participating in the IEAPS operated by non-governmental organisations, these recipients may obtain up-to-date labour market information, benefit from job placements, and receive personalised and focused employment services according to their needs. To this end, the Government has announced the extension of the service period of IEAPS with its current service mode to end-March 2020.

Apart from the above arrangements, the Government will strengthen the collaboration among SWD, the Labour Department (LD), the Employees Retraining Board and the non-governmental organisations, so as to provide more comprehensive employment and retraining services to able-bodied adult CSSA recipients. SWD will continue to listen to stakeholders' views with a view to further encouraging and assisting CSSA recipients to seek and stay in employment.

Of note, the total CSSA caseload as at end-December 2018 was 226 437, which was the lowest since 2000. In particular, the unemployment case was the lowest since 1996, and was 80 per cent lower than the historical peak.

(4) LD has not conducted any statistical survey on job vacancies in the labour market that are opened to job seekers aged 60 to 64. Generally speaking, LD does not agree that job vacancies in general should carry age restrictions. LD requires employers using its recruitment services not to impose any discriminatory entry requirements (including age) on their job vacancies submitted, and does not generally accept job vacancies with age restrictions. Therefore, the vast majority of vacancies published by LD are suitable for job seekers of different ages to apply. Job seekers with different backgrounds (including mature persons) may choose vacancies which suit their personal circumstances, interests and needs, and apply directly to employers or through LD's employment services.

(5) The Government is committed to promoting employment of mature persons. On the basis of its Employment Programme for the Middle-aged, LD has enhanced the programme and renamed it as the Employment Programme for the Elderly and Middle-aged (EPEM) on September 1, 2018, so as to further encourage employers to hire job seekers aged 60 or above and provide them with on-the-job training at the initial stage of employment. Employers engaging job seekers aged 60 or above who are unemployed or have left the workforce are offered a monthly on-the-job training allowance up to \$4,000 per employee for a period of six to 12 months under EPEM. As for employers engaging each unemployed job seeker aged 40 to 59, the maximum amount of on-the-job training allowance

remains at \$3,000 per month for a period of three to six months. EPEM covers both full-time and part-time jobs.

LD also implements various measures to support the employment of mature job seekers, such as staging large-scale job fairs for mature persons and the middle-aged, setting up special counters and organising district-based job fairs on part-time employment as well as employment briefings for them in its job centres, establishing a dedicated webpage for them on the Interactive Employment Service website, etc. to facilitate their access to updated employment information and search for suitable job vacancies.

Furthermore, LD has all along been actively encouraging employers, having regard to the individual circumstances of their enterprises, to adopt friendly employment practices for mature persons, and extend the working life of their employees so that mature persons who wish to work may stay in employment. LD will continue to promote a friendly working environment for mature persons through various publicity activities, such as publishing feature articles in newspapers, publicising relevant messages through different employers networks, etc.

LD will also continue to protect the statutory rights of all employees irrespective of their age.

(6) The Government is committed to eliminating any concepts and acts of discrimination through various measures. For employment matters, we encourage employers to "Count on Talent, Not Age in Employment" and use consistent selection criteria to assess the abilities of job seekers and employees. LD has issued the Practical Guidelines for Employers on Eliminating Age Discrimination in Employment since January 2006, setting forth the best practices for eliminating age discrimination in recruitment and workplace. To enhance public awareness and the importance of eliminating age discrimination in employment, the Government has been promoting equal employment through various measures, such as broadcasting announcements of public interest in the digital media and distributing the Practical Guidelines and leaflets to the public and employers.

To eliminate age discrimination in employment through legislation involves very complex issues, and needs to take into account carefully the impact on the socio-economic situation and the labour market in Hong Kong, etc. The Government currently does not have any plan to legislate against age discrimination in employment. We will continue to publicise the message of equal employment, promote and safeguard equal employment opportunities, and enhance the employability of different age groups through strengthening training and re-training.

Ends/Wednesday, February 27, 2019
Issued at HKT 14:53

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Appendix II

Press Releases

LCQ19: Welfare and employment for the elderly

Following is a question by the Hon Elizabeth Quat and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (December 16):

Question:

In January this year, the Government announced that it would expand the "Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities" (the Concession Scheme) by lowering the eligible age from 65 to 60, and it would amend the Old Age Living Allowance (OALA) Scheme. Quite a number of members of the public have relayed that the Government, apart from improving the welfare for the elderly, should also encourage the elderly (especially persons aged 60 to 64 who are commonly known as "silver-age persons") to seek employment and participate in community services. In this connection, will the Government inform this Council:

(1) as the Government indicated last month that it would include the funding needed for expanding the Concession Scheme in the Budget for the next financial year with a view to implementing the measure progressively, of the specific date for implementing the expanded Concession Scheme;

(2) as the Government indicated that it would study issuing to persons aged 60 or above a personalised Octopus Card embodied with the functions of a Senior Citizen Card issued by the Social Welfare Department, of the progress of the study and the implementation date of the relevant initiative;

(3) as the Government indicated that it would (i) combine the Normal OALA (currently at \$2,770 per month) and the Higher OALA (currently at \$3,715 per month), (ii) standardise the monthly allowance at the Higher OALA rate, and (iii) raise the asset limits for applying for the allowance (to \$500,000 for a single elderly person and \$750,000 for a married elderly couple), of the implementation date(s) of these initiatives;

(4) whether the Government will consider reducing by half the salaries tax rate for working people aged 60 or above, so as to encourage the elderly to continue working; if so, of the details; if not, the reasons for that;

(5) given that quite a number of persons who are required to retire from their current positions upon reaching the age of 60 wish to take up employment again, engage in part-time work or even start their own businesses, whether the Government will (i) enact legislation relating to re-employment after retirement and rationalise the relevant arrangements of the Mandatory Provident Fund system, and (ii) introduce measures to encourage employers to offer more positions suitable for the elderly; if so, of the details; if not, the reasons for that; and

(6) of the new measures in place to encourage silver-age persons to actively participate in neighbourhood mutual help, volunteer services as well as social affairs in the community?

Reply:

President,

With longer average life expectancies and an improvement in the overall health quality in Hong Kong, more and more elderly persons are engaged in the labour market. In particular, the labour force participation rate of this age group of 60 to 64 has increased significantly over the past decade from 34 per cent in 2009 to 47 per cent in 2019. The number of employed persons 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.

The Government has all along provided elderly persons with suitable support according to their different physical and financial conditions, covering areas such as employment, cash assistance and more. In fact, the Government has all along adopted a multi-pronged strategy to strengthen training for elderly persons to meet their training and employment needs on the one hand, and provide diversified support services for job seekers, encourage employers to hire elderly persons and step up efforts in promoting friendly employment practices for elderly persons on the other.

Apart from encouraging elderly persons with the ability to work to join the labour market, the Government also attaches great importance to elderly persons who lack the means to make ends meet and those who are physically frail. The Government have endeavoured to render them tailor-made support in terms of cash assistance, as well as services in other relevant areas. Certainly, in view of the rapidly ageing population, the Government must exercise prudence in utilising public coffers and provide pertinent support on the principle that it is rightly targeted.

In respect of Member's detailed questions, having consulted the Financial Services and the Treasury Bureau and the Home Affairs Bureau, my reply is as follows:

(1) and (2) As the Chief Executive (CE) stated earlier, the livelihood initiatives announced by her in early 2020, including lowering the eligible age of the Government Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the \$2 Scheme) from 65 to 60 and studying the possibility of issuing a personalised Octopus Card that may also serve as the Senior Citizen Card to all elderly persons who are eligible under the \$2 Scheme, were proposed on the premise that they would be fiscally affordable by the Government. CE also made it clear that the implementation timetable for the initiative would be announced upon completion of the comprehensive review of the \$2 Scheme. The comprehensive review of the \$2 Scheme conducted by the Government covered assessments of the effectiveness and fiscal sustainability of the \$2 Scheme, and detailed analysis with regard to the ageing demographic trend in Hong Kong, operation of public transport, effectiveness of anti-abuse measures, public aspirations and the Government's overall fiscal affordability, etc. It is necessary for the Government to consider carefully the feasibility, detailed arrangements, timing of implementation, financial assessment and so on of the proposed improvement measures. CE mentioned in her Policy Address

announced on November 25, 2020 that the Government has largely completed the internal assessment, and on the premise of being able to combat and prevent abuse effectively, the Government will include the required funding in the 2021-22 Budget with a view to progressive implementation within that financial year.

(3) The Government announced in January 2020 the enhancements to the Old Age Living Allowance. As mentioned in the 2020 Policy Address Supplement announced by CE, in light of the financial implications of the enhancements, the timing of implementation will be reassessed. The Government will announce the arrangements at an appropriate juncture.

(4) Generally speaking, the career choices of those who are employed or have the intention to enter the job market may be determined by a variety of factors. In terms of salaries tax, the Government taxes income at progressive rates, while offering generous allowances and deductions. In the year of assessment 2018/19, the overall average effective salaries tax rate was just 8 per cent before factoring in the one-off tax reductions. This represents a very light tax burden when compared with that imposed by other economies around the world and helps create a favourable employment environment for the entire labour force.

(5) The Employment Ordinance is applicable to employees of different age groups. Through various publicity activities, the Labour Department (LD) has all along been actively encouraging employers, having regard to the circumstances of their enterprises and staff, to adopt friendly employment practices for elderly persons and allow staff to extend their working life so that elderly persons who wish to work may stay in employment. As for pro-employment measures, LD implements the Employment Programme for the Elderly and Middle-aged (EPEM) to encourage employers to hire the elderly and middle-aged and provide them with on-the-job training (OJT) through provision of OJT allowance. In view of the deteriorating employment situation, LD raised the ceiling of the 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. Subject to 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 elderly job seekers, LD implements various measures, such as staging thematic large-scale job fairs for the elderly and middle-aged and district-based job fairs on part-time employment, strengthening its liaison with employers with recruitment needs to enhance job matching, organising experience sharing sessions on employment of elderly persons with employers and establishing a dedicated webpage on the Interactive Employment Service website, etc.

In respect of training, the Employees Retraining Board currently offers some 700 training courses covering "Vocational Skills", "Generic Skills" and "Innovation and Technology" of 28 trades, and provides training courses which gear towards the employment needs of persons aged 50 or above (such as "Tailor-made Course for Part-timers") and placement follow-up services, with a view to supporting mature persons with training and employment needs.

As regards Mandatory Provident Fund (MPF) arrangements for retired persons who re-join the labour market, the Mandatory Provident Fund Schemes Ordinance (Cap 485) requires employers to enrol their employees who are at least 18 but under 65 years of age (except for exempted persons) in a MPF scheme and make mandatory contributions for them. The protection under MPF system for those aged 60 to 64, who have withdrawn MPF contributions on the ground of early retirement but subsequently re-joined the labour force, would not be affected. In addition to mandatory contributions, both employers and employees can also consider making additional voluntary contributions to increase retirement savings for employees, including those who are aged 65 or above. Starting from April 1, 2019, eligible persons (Note 1) may also open a tax-deductible voluntary contribution (TVC) account to make TVC and enjoy tax deduction, which is subject to a deduction cap at \$60,000 (Note 2) per year. There is no age limit for applying tax deductions under TVC.

(6) The Government has introduced different types of community development services to encourage individuals to interact with others and promote self-reliance and mutual help in solving local issues. Through a wide range of group and community work activities, community development services also promote social relationship and cohesion among people of all ages in the community, and encourage their participation in solving local issues for the betterment of the community.

The Government has spared no effort in promoting volunteer services in different sectors of society, including students and youth, elderly and disabled as well as working persons, to manifest mutual love and respect and fulfil civic responsibility towards the common goal of developing a caring and harmonic community. Community organisations, schools, corporations and government departments etc. often arrange activities and volunteer service projects to encourage elderly's participation. Some of them have also established a system to recognise contributions of volunteers and encourage them to maintain active participation in voluntary work.

Note 1: It refers to members with contribution accounts or personal accounts of MPF schemes, or members of MPF Exempted Occupational Retirement Schemes.

Note 2: This is an aggregate limit for both qualifying deferred annuity premiums and TVC.

Ends/Wednesday, December 16, 2020

Issued at HKT 16:23

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