

**For information on  
28 June 2021**

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

**Poverty Situation of Persons Aged 60 to 64**

**Purpose**

This paper briefs Members on the poverty situation of persons aged 60 to 64<sup>1</sup> based on the poverty line analytical framework formulated by the Commission on Poverty (CoP).

**Background**

2. The Government announced the first official poverty line in September 2013 to provide an objective quantitative basis to apprehend the local poverty situation and monitor the effectiveness of the Government's poverty alleviation policies. Since the announcement of the poverty line in 2013, the Government has published eight annual analyses of the poverty situation, covering the period between 2009 and 2019. All annual Hong Kong Poverty Situation Reports have been uploaded to CoP's website ([www.povertyrelief.gov.hk](http://www.povertyrelief.gov.hk)) for public information.

3. Formulated by CoP, the poverty line adopts the concept of 'relative poverty'. With monthly household income before policy intervention (i.e. before taxation and social welfare transfers) as the basis for measurement, the poverty line is set at 50% of the median household income by household size. Households with income below the poverty line are classified as poor and the household members concerned are counted as poor persons. One of the major functions of the poverty line is to assess the poverty alleviation impact of policies by comparing the post-intervention poverty statistics and the purely theoretically assumed pre-intervention poverty statistics.

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<sup>1</sup> Poverty statistics quoted in this paper only cover domestic households (excluding foreign domestic helpers).

## The overall economic and poverty situations in 2019

4. In 2019, the Hong Kong economy, hit by local social incidents and China-US trade tensions, fell into the first recession since the Global Financial Crisis in 2009. The labour market slackened noticeably in the second half. As the local social incidents caused severe disruptions and battered the consumption- and tourism-related sectors that involved substantial lower-skilled jobs, grassroots families were particularly hard-hit. Coupled with an accelerated ageing trend and continued dwindling household size, the poverty indicators were under unprecedented upward pressure.

5. The Government published the *Hong Kong Poverty Situation Report 2019* in December 2020. The poverty line is set at 50% of the median monthly household income before policy intervention by household size. Please refer to **Table 1** for the poverty lines by household size in 2019.

**Table 1: Poverty lines by household size in 2019**

1-person	2-person	3-person	4-person	5-person	6-person+
\$4,500	\$10,000	\$16,600	\$21,400	\$22,100	\$23,000

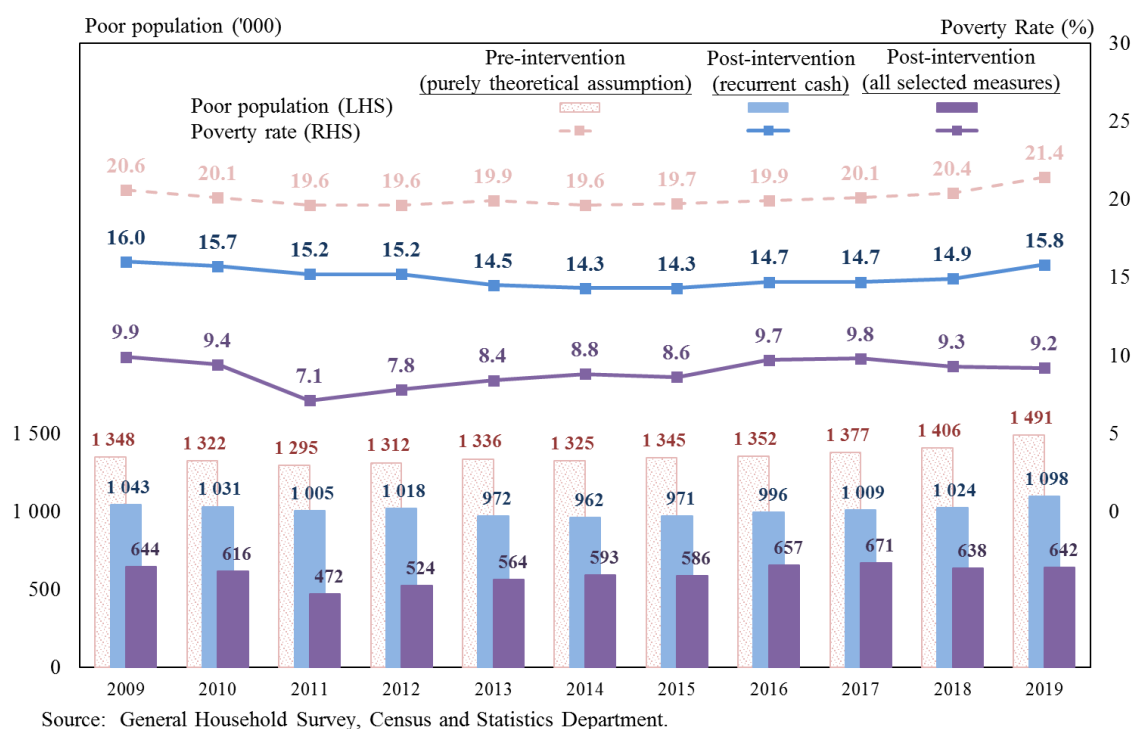
Source: General Household Survey, Census and Statistics Department.

6. The Government has all along been allocating substantial resources to support the disadvantaged, including the introduction of various recurrent and non-recurrent cash measures and means-tested in-kind benefits (all selected measures). From August to December 2019, four rounds of counter-cyclical relief measures were introduced to support enterprises and needy families and individuals.

7. After taking into account all selected measures, the size of overall poor population and poverty rate in 2019 were 641 500 persons and 9.2% respectively. Compared with 2018, the size of poor population increased slightly by 3 500 persons, and the poverty rate edged down by 0.1 percentage point. Compared to the pre-intervention (purely theoretical assumption) poor population and poverty rate (1 490 700 persons and 21.4%), all selected measures lifted 849 100 persons out of poverty and lowered the poverty rate notably by 12.2 percentage points in 2019. These figures were 80 700 persons and 1.1 percentage points higher than the respective reductions in 2018.

8. Under the analysis which only takes into account the impact of recurrent cash measures, the poverty rate in 2019 went up by 0.9 percentage point over 2018 to 15.8%, and the size of poor population increased by 73 500 persons to 1 097 800 persons<sup>2</sup>. The poverty alleviation impact of recurrent cash policies in 2019 was a record high since the publication of the poverty line in 2013, successfully lifting 392 900 persons out of poverty and reduced the poverty rate by 5.6 percentage points (compared to 382 200 persons and 5.5 percentage points respectively in 2018). Please refer to **Figure 1** for the poor population and poverty rate for the period of 2009-2019.

**Figure 1: Poor population and poverty rate, 2009-2019**



## Poverty situation of persons aged 60 to 64

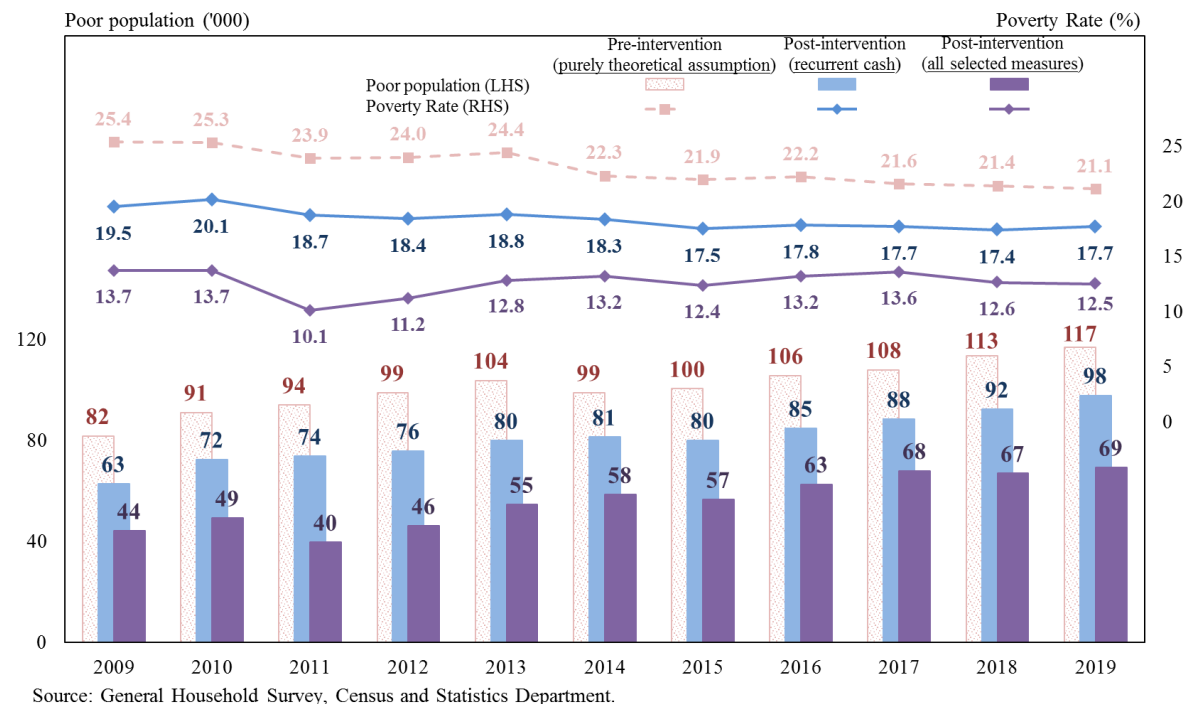
### Poverty trend

9. Regarding the main poverty indicators in 2019 related to persons aged 60 to 64, taking the all-round effects of all selected measures into account, the poverty rate likewise fell by 0.1 percentage point to 12.5%

<sup>2</sup> It should however be noted that the analysis which only takes into account the impact of recurrent cash measures has its limitation. While the measures that benefit the public are not limited to recurrent cash measures, their poverty alleviation impact could not be suitably reflected in such analysis.

over the same period in 2018. The size of poor population rose slightly by 2 300 persons to 69 200 persons. If only considering the poverty alleviation impact of recurrent cash policies, the poverty rate of this cohort increased by 0.3 percentage point to 17.7% (see **Figure 2**). Nevertheless, such increase was notably smaller than the increase of 0.9 percentage point in the overall post-intervention (recurrent cash) poverty rate.

**Figure 2: Poor population and poverty rate of persons aged 60 to 64, 2009-2019**



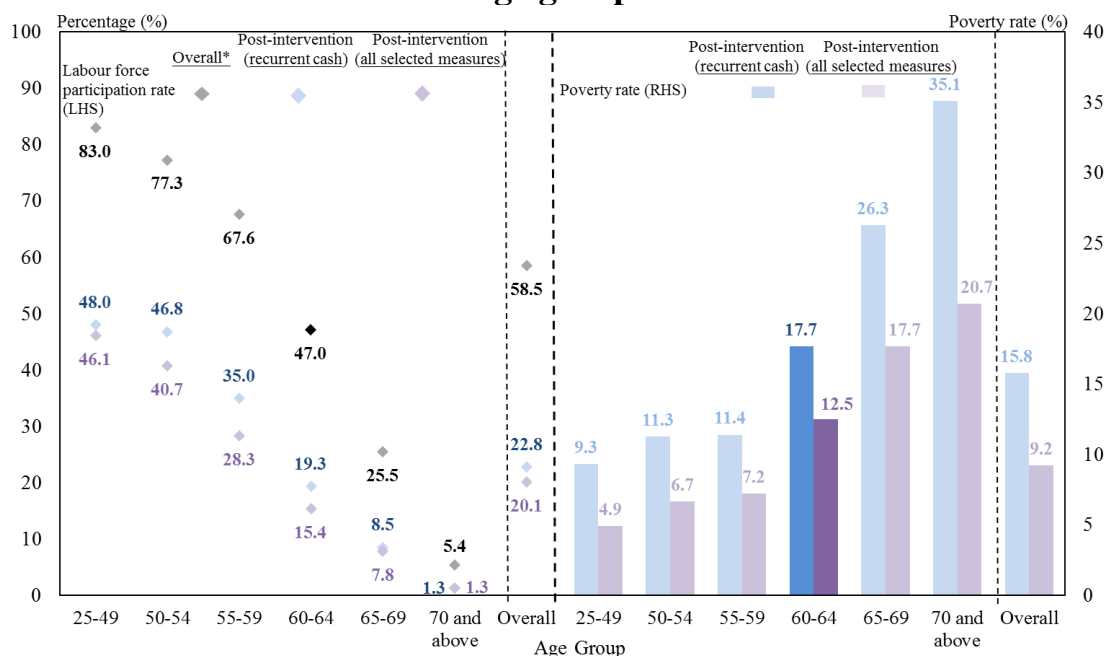
10. From a longer-term perspective, thanks to the generally favourable economic and labour market conditions over the past decade, the labour force participation rate (LFPR)<sup>3</sup> of persons aged 60 to 64 increased<sup>4</sup>. Coupled with the growth in the overall employment earnings and the implementation of various policies by the Government to alleviate poverty and assist the disadvantaged (e.g. Working Family Allowance (WFA)), regardless of whether taking all selected measures or only recurrent cash measures into account, the poverty rates of persons aged 60 to 64 in 2019 went lower as compared to those in 2009 (by 1.2 and 1.8 percentage points respectively). While the size of poor population aged

<sup>3</sup> Refers to the proportion of labour force in the total land-based non-institutional population of that age group. Labour force refers to the land-based non-institutional population aged 15 and over who satisfy the criteria for being classified as employed population or unemployed population. The figures exclude foreign domestic helpers.

<sup>4</sup> The LFPR of the age group 60 to 64 notably increased in the past decade from 34% in 2009 to 47% in 2019.

60 to 64 still saw some increases notwithstanding a general downward trend of the poverty rate, this largely reflected the more prominent ageing trend in Hong Kong over time (see **Figure 2**).

**Figure 3: Labour force participation rate and poverty rate for selected age groups in 2019**



Note: (\*) The labour force used in calculating the overall labour force participation rate refers to the land-based non-institutional population aged 15 and over (excluding foreign domestic helpers) who satisfy the criteria for being classified as employed population or unemployed population.  
Source: General Household Survey, Census and Statistics Department.

11. The poverty rate of persons aged 60 to 64, albeit slightly above the overall poverty rate, was found to be notably below the poverty rate of the elderly aged 65 and above<sup>5</sup>. Under the poverty line analytical framework, poverty is measured solely based on household income. Hence, whether a household member is working and earnings-receiving could have a considerable bearing on the household's poverty risk<sup>6</sup>. In 2019, the LFPR of all persons aged 60 to 64 (47.0%) was relatively much higher than that of the elderly persons aged 65 and above (12.4%) who were mostly retired and left the job market. Yet, such rate was still far lower than those of the younger cohorts. More specifically, the LFPR of persons aged 60 to 64 was lower than that of persons aged 55 to 59 by 20.6 percentage points, and even by 36.0 percentage points if compared to that of persons aged 25 to 49. Meanwhile, the poverty risks of the younger age groups were notably lower than those of the older cohorts. It can be

<sup>5</sup> In 2019, the post-intervention elderly poverty rates after taking into account all selected measures and recurrent cash measures were 19.7% and 32.0% respectively.

<sup>6</sup> In 2019, the poverty rates of working persons aged 60 to 64 after taking into account all selected measures and recurrent cash measures were 3.4% and 6.3% respectively, only slightly higher than the corresponding poverty rates of the overall working population (2.5% and 5.1%).

further observed in **Figure 3** that the LFPRs of the poor population, irrespective of policy intervention categories, were all markedly lower than those of the corresponding age groups in overall population.

*Coverage of various intervention measures and their effectiveness in poverty alleviation*

12. A considerable number of poor households with persons aged 60 to 64 were found to have benefitted from the Government's poverty alleviation policies. In 2019, among the pre-intervention (purely theoretical assumption) poor households with members aged 60 to 64, over seven-tenths (73.1%) received recurrent cash benefits from the Government. Comprehensive Social Security Assistance (CSSA) had the highest coverage (19.7%) among various social welfare measures. Followed by Old Age Living Allowance (OALA), the coverage of which was also rather visible (17.9%), as quite a number of these poor households with persons aged 60 to 64 were with elderly members receiving OALA. The proportion of poor households receiving education benefits and Disability Allowance (DA) were 16.3% and 12.8% respectively. The proportion of poor households receiving WFA and Work Incentive Transport Subsidy (WITS) were relatively low (3.4% and 2.7% respectively). Besides these recurrent cash measures, over four-tenths (42.3%) of the poor households in question benefitted from the provision of public rental housing (PRH). Considering both welfare transfer from PRH provision and recurrent cash benefits, the coverage rate of poor households with members aged 60 to 64 was even higher at 77.4%.

13. Further analysing the poverty alleviation impact of the above policies on persons aged 60 to 64<sup>7</sup>, CSSA was the most effective recurrent cash policy in 2019, lifting 13 800 persons aged 60 to 64 out of poverty and reducing the poverty rate by 2.5 percentage points. The effectiveness of OALA was only second to CSSA, lifting 4 900 persons aged 60 to 64 out of poverty and reducing the poverty rate by 0.9 percentage point. This generally reflects the case that the household as a whole could benefit from the cash measure enjoyed by individual household members residing together, leading to an increase in household income after policy

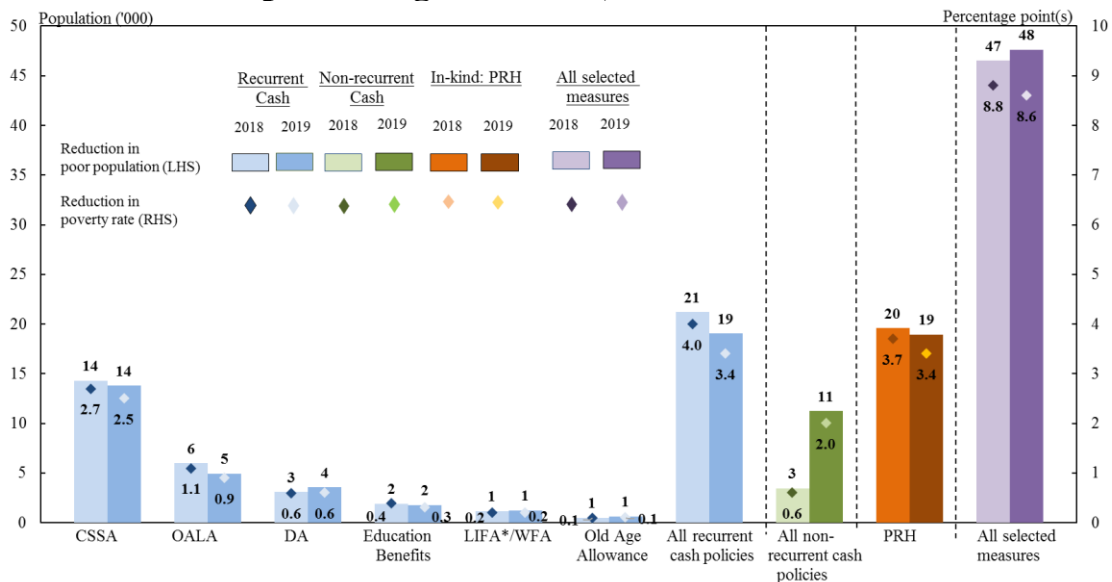
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<sup>7</sup> The Government can fulfil the target of assisting the poor by distributing welfares to members other than the persons aged 60 to 64 in the households with persons aged 60 to 64, for example elders or children. Therefore, persons aged 60 to 64 are not necessarily the persons receiving benefits when one evaluates the effectiveness of poverty alleviation by comparing to the pre-intervention (purely theoretical assumption) situation.

intervention<sup>8</sup> and achieving the outcome of lifting the household out of poverty. If taking into account other recurrent cash policies (such as education benefits and DA, etc.), recurrent cash policies reduced the size of poor population aged 60 to 64 by 19 000 persons and the poverty rate by 3.4 percentage points in 2019 (see **Figure 4**).

14. In addition, the poverty alleviation impact of non-recurrent cash and means-tested in-kind benefits provided by the Government should not be overlooked. Among those, the provision of PRH plays a pivotal role in alleviating poverty and assisting the disadvantaged. In 2019, it reduced the poverty rate of persons aged 60 to 64 by 3.4 percentage points, notably higher than the poverty alleviation impact of individual recurrent cash items. Furthermore, thanks mainly to the ‘Caring and Sharing Scheme’, under which each eligible member of the public would be granted a sum up to \$4,000 in 2019, non-recurrent cash measures could bring down the poverty rate of persons aged 60 to 64 by 2.0 percentage points, significantly higher than the respective reduction of 0.6 percentage point in 2018. After taking into account all selected measures, the poverty alleviation impact in 2019 (47 600 persons aged 60 to 64 lifted out of poverty, equivalent to a reduction in poverty rate of 8.6 percentage points) was broadly the same as that in 2018 (see **Figure 4**).

**Figure 4: Effectiveness of selected measures in poverty alleviation on persons aged 60 to 64, 2018 and 2019**



Notes: (\*) LIFA refers to Low-income Working Family Allowance. WFA was named as LIFA before April 2018. Poverty alleviation effectiveness refers to differences in figures before policy intervention (purely theoretical assumption) and after taking into account an individual selected cash measure or PRH provision.  
Source: General Household Survey, Census and Statistics Department.

<sup>8</sup> Take a household with persons aged 60 to 64 and elders aged 65 or above as an example. OALA can effectively relieve the financial burden of taking care of the elders, thereby indirectly increasing the economic resources of the household.

### *Major socio-economic characteristics*

15. Analysing the socio-economic characteristics of the **post-intervention (recurrent cash)** poor households with members aged 60 to 64 (amounted to 84 300 households in 2019) could yield the following observations (see **Figure 5**):

- **Mostly households with 2 persons and 3 persons:** over seven-tenths (70.9%) were 2-person and 3-person households. The members in the poor households were relatively older in general<sup>9</sup>, with about four-tenths (39.9%) being poor households with elderly and over half (50.7%) being households with all members aged 60 and above;
- **Near six-tenths were non-working households:** About 55% (55.4%) of the poor household group in question did not participate in any economic activities and near 5% (4.9%) were unemployed households. Focusing on the remaining near four-tenths (39.7%) working households in poverty, over eight-tenths (83.9%) had only one working member. Poverty risk could naturally be higher when the household had low or even no employment income;
- **Almost one-third resided in PRH:** Regarding housing characteristics, **near one-third** (32.9%) of the poor households with persons aged 60 to 64 resided in PRH in 2019, thereby enjoying considerable protection in respect of basic housing needs; and
- **Over six-tenths (60.1%) of the poor households resided in owner-occupied housing, among which near nine-tenths were mortgage-free, reflecting that some persons aged 60 to 64 might own certain assets:** the existing poverty line uses household income as the sole indicator for measuring poverty. Not being able to consider the assets owned by households is one of its technical limitations. Yet, based on the General Household Survey of the Census and Statistics Department, persons who are ‘income-poor,

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<sup>9</sup> Among all households with persons aged 60 to 64, 65.1% had at least one younger household member (aged 18 to 54) and 27.7% had at least one elder. The corresponding proportions for poor households with persons aged 60 to 64 after policy intervention (recurrent cash) would become 39.7% and 39.9%.



owning property of certain value'<sup>10</sup> can still be identified, and the related statistics can offer another facet for supplementary analysis for reference. In 2019, 17 000 poor persons aged 60 to 64 could be classified into this category, equivalent to more than one-sixth (17.3%) of the poor population within the age group.

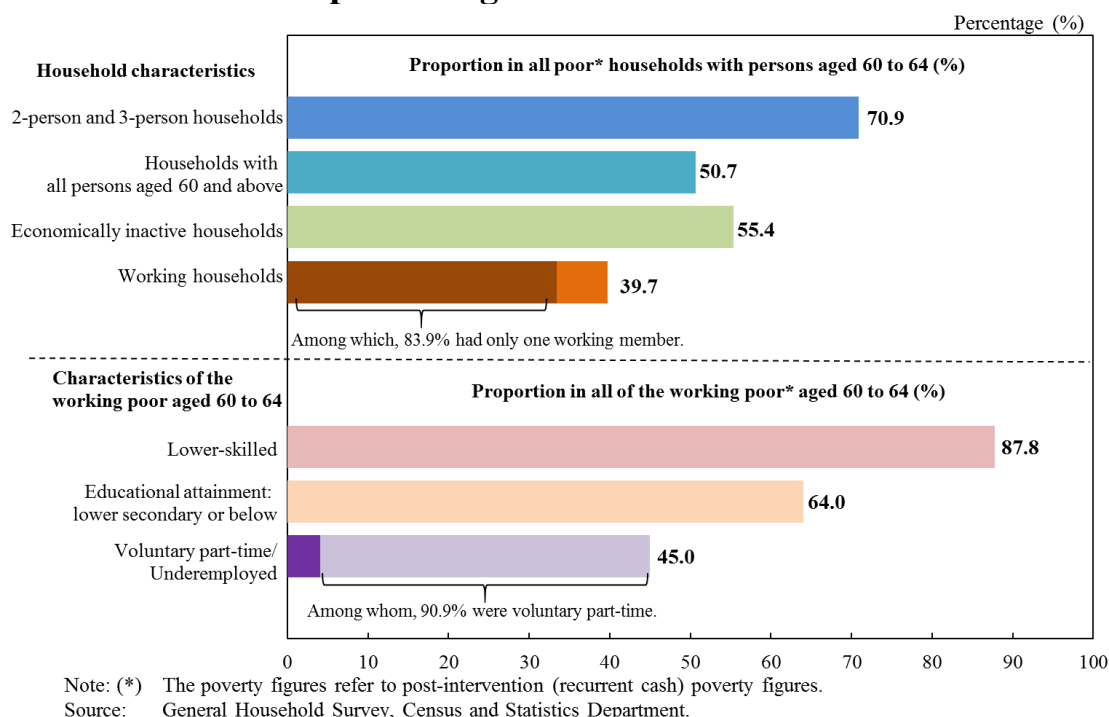
16. Further analysing the socio-economic characteristics of the 15 900 working poor aged 60 to 64 in 2019 (see **Figure 5**):

- **Mostly engaged in lower-skilled jobs:** with the proportion close to nine-tenths (87.8%);
- **Lower educational attainment:** Near 65% (64.0%) had only lower secondary or below education level. Only 7.0% completed post-secondary education; and
- **Relatively high proportions of voluntary part-time or underemployment:** Among the working poor aged 60 to 64, a high proportion of 45.0% were either voluntary part-time or underemployed, with over nine-tenths (90.9%) being the former. Their employment income was rather limited, with the median monthly employment income amounted only to \$7,200.

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<sup>10</sup> The methodology to identify 'income-poor, owning property of certain value' persons is as below: (1) With reference to the eligibility criteria of the Hong Kong Mortgage Corporation Limited's 'Reverse Mortgage Programme' (RMP), we focus on elders residing in poor non-CSSA owner occupier mortgage-free households, and whose members are all aged 55 and above (All members are aged 60 and above if residing in subsidised sale flats with unpaid land premium.); (2) Based on the parameters of the financial model under RMP, the property value of each 'target household' is converted to a monthly receivable life annuity payout; and (3) If the estimated monthly annuity amount receivable by the 'target household' is not lower than the poverty line threshold, the persons resided therein are identified as 'income-poor, owning property of certain value'.

**Figure 5: Socio-economic characteristics of poor households with persons aged 60 to 64 in 2019**



### Labour and welfare measures applicable to persons aged 60 to 64

17. The labour and welfare measures applicable to persons aged 60 to 64 are set out in the paper discussed at the Subcommittee meeting held on 26 February 2021 (at [Annex](#)).

### Conclusion

18. Members are invited to note this paper.

**Labour and Welfare Bureau  
Office of the Government Economist  
Census and Statistics Department  
June 2021**

**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.

## **Labour and Welfare Measures Applicable to Persons aged 60 to 64**

### *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.

Labour and Welfare Bureau  
Social Welfare Department  
Labour Department  
Census and Statistics Department  
February 2021