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Panel on Welfare Services

Subcommittee on Issues Relating to the Silver Age Card

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for the meeting on 28 June 2021**

**Poverty situation of persons aged 60 to 64 in Hong Kong
and measures to assist these persons**

According to the Administration, poverty alleviation is its policy priority. Its philosophy in this regard is to encourage people capable of working to become self-reliant through employment, while putting in place a reasonable and sustainable social security and welfare system to help those who cannot provide for themselves.

2. The Commission on Poverty ("CoP") was reinstated in December 2012¹ to deliberate on various policies and measures in support of the Government's poverty alleviation work. Chaired by the Chief Secretary for Administration and now in its fourth-term (from 1 July 2020 to 31 December 2022), CoP comprised 20 non-official appointed members and four secretaries of policy bureaux. Together with its two task forces (i.e. the Community Care Fund Task Force and the Social Innovation and Entrepreneurship Development Fund Task Force), CoP has been promoting a tripartite partnership among the community, the business sector and the Government.

3. The setting of a poverty line appropriate to Hong Kong's circumstances was one of the main tasks of CoP. In September 2013, the first-term CoP announced the first official poverty line. It adopted the concept of "relative poverty" as the analytical framework of the poverty line, with monthly household income before policy intervention (i.e. before taxation and social welfare transfers) as the basis for measurement. The poverty line was set at 50% of the median monthly household income by household size. Poverty

¹ The Commission on Poverty ("CoP") which was chaired by the Financial Secretary was set up in 2005 and terminated on 30 June 2007.

statistics for Hong Kong have since then been updated annually under the poverty line analytical framework for ongoing monitoring of the poverty situation in the territory.² To date, the Government has published eight annual analyses of the poverty situation, with statistics covering the period between 2009 and 2019.³

4. Under the current poverty line analysis, poor population in the age range of 60 to 64 years are grouped in the household head of "persons aged 18 to 64". The Panel on Welfare Services and its Subcommittees have not specifically discussed the poverty situation of persons in the age group of 60 to 64.

5. On means-tested recurrent cash assistance for persons aged 60 to 64 living under poverty, needy persons may apply for Comprehensive Social Security Assistance ("CSSA") and Working Family Allowance ("WFA") as appropriate according to their situations and preferences.⁴ As part of the one-off measures to alleviate the impact of the current economic downturn on the public, it was announced in the 2021-2022 Budget that an extra allowance equalling half of a month of the payment or allowance would be provided to eligible recipients of standard rate CSSA payments and households in receipt of WFA. Considering that many grassroots have been suffering from underemployment amid the 2019 coronavirus disease epidemic, a time-limited reduction of the working hour requirements for non-single parent households under the WFA Scheme has been put in place for the claim months of June 2021 to May 2022.⁵

6. As regards labour measures to support employment of mature persons, members of this Subcommittee have, in the context of discussing the latest employment and retirement situation of persons aged 60 to 64 in Hong Kong and the relevant support measures in April 2021, expressed concern that many

² Adopting the analytical framework of the poverty line endorsed by CoP, the Office of the Government Economist in collaboration with the Census and Statistics Department ("C&SD") update and analyse the poverty statistics using data from the General Household Survey by C&SD as the basis.

³ The first Hong Kong Poverty Situation Report was published in 2013 to provide a detailed analysis of the poverty situation in 2012. It also examined the poverty trend between 2009 and 2012. The annual Hong Kong Poverty Situation Reports are available at CoP's website at <https://www.povertyrelief.gov.hk/eng/archives.html>.

⁴ The Comprehensive Social Security Assistance ("CSSA") Scheme has all along been serving its function as a safety net effectively to help those who cannot support themselves financially to meet their basic needs, whereas the Working Family Allowance Scheme is aimed to support lower-income working households which are not on CSSA and have longer working hours (e.g. engaging in full-time employment) by providing different levels of allowance according to the principle of rewarding hard work.

⁵ These include reducing the working hour requirement for Basic Allowance from 144 to 72 hours per month, as well as reducing the working hour requirement for Medium Allowance from 168 to 132 hours per month.

on-the-job training ("OJT") places provided under the Employment Programme for the Elderly and Middle-aged ("EPEM") of the Labour Department⁶ were lower-skilled jobs. Separately, members noted that a three-year pilot scheme was launched on 1 September 2020 to encourage persons aged 60 or above under EPEM to undergo and complete OJT through the provision of a retention allowance, thereby stabilizing employment.⁷ As at March 2021, among the 52 applications received so far, 39 were approved involving a total amount of retention allowance of about \$133,000, four were withdrawn/rejected and the remaining nine were being processed. There was a suggestion that the Administration should provide tax incentive to encourage employers to employ mature persons. As regards the enrollment of the training courses provided by the Employees Retraining Board, members were advised that around 60% of the trainees of the regular training courses and the courses under the Love Upgrading Special Scheme⁸ were above 50 years of age. As at end February 2021, the placement rate of trainees enrolled in the full-time "Vocational Skills" courses under the first tranche of the Love Upgrading Special Scheme was about 80%.

7. It was agreed at the meeting of this Subcommittee on 31 May 2021 that the Administration should brief the Subcommittee on the poverty situation of persons aged 60 to 64 in Hong Kong and measures to assist these persons.

Council Business Division 2
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⁶ The Programme encourages 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. At present, the maximum amount of OJT allowance payable to employers engaging unemployed job seekers aged 60 or above is \$5,000 per month per employee.

⁷ 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.

⁸ The Employees Retraining Board ("ERB") launched the first, second and third tranches of the Love Upgrading Special Scheme in October 2019, July 2020 and January 2021 respectively to support employees affected by economic downturn, enabling participating trainees to receive retraining of their own choices. The maximum amount of monthly allowance per trainee during the training period has increased from \$4,000 to \$5,800 starting from May 2020. ERB will launch the fourth tranche of the Love Upgrading Special Scheme in July 2021 for six months until the end of 2021, enabling an additional 20 000 trainees to receive retraining.