

Hong Kong

US\$1.00 = 7.76 Hong Kong dollars (HK\$).

Old Age, Disability, and Survivors

Regulatory Framework

First and current laws: 1971 (social assistance); 1973 (universal old-age and disability allowance); 1988 (universal higher-rate disability allowance); 1993 (comprehensive social security assistance); and 1995 (mandatory provident funds), implemented in 2000.

Type of program: Universal old-age and disability allowances, mandatory occupational benefit (mandatory provident fund schemes), and social assistance (comprehensive social security assistance) system.

Note: Mandatory provident funds in Hong Kong are privately run mandatory occupational funds and should not be confused with publicly run national provident funds found in other countries.

Coverage

Universal allowances and social assistance: All residents of Hong Kong.

Mandatory occupational benefit: All employees under contract for 60 days or more (employees in the catering and construction industries who are employed for periods shorter than 60 days or are covered on a daily basis) and self-employed persons.

Exclusions: Self-employed hawkers; household workers; persons covered by statutory pension plans or provident funds, such as civil servants or teachers; members of occupational retirement plans who are granted exemption certificates; and foreign workers in Hong Kong for less than 13 months or covered by another country's retirement system.

Source of Funds

Insured person

Universal allowances and social assistance: None.

Mandatory occupational benefit: At least 5% of monthly earnings (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are permitted.

The minimum earnings used to calculate contributions are HK\$6,500 a month.

The maximum earnings used to calculate contributions are HK\$25,000 a month.

Self-employed person

Universal allowances and social assistance: None.

Mandatory occupational benefit: At least 5% of monthly or yearly income. Additional voluntary contributions are permitted.

The minimum earnings used to calculate contributions are HK\$6,500 a month.

The maximum earnings used to calculate contributions are HK\$25,000 a month.

Employer

Universal allowances and social assistance: None.

Mandatory occupational benefit: At least 5% of monthly payroll (salary, leave pay, commissions, gratuities, bonuses, and housing allowances). Additional voluntary contributions are permitted.

There are no minimum earnings used to calculate contributions.

The maximum earnings used to calculate contributions are HK\$25,000 a month.

Government

Universal allowances and social assistance: The total cost.

Mandatory occupational benefit: None.

Qualifying Conditions

Old-age pension

Old-age allowance (universal)

Normal-rate allowance: Aged 65 to 69 and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit. The allowance is income tested (monthly income must not exceed HK\$6,660 if single or HK\$10,520 if married) and asset tested (assets must not exceed HK\$186,000 if single or HK\$281,000 if married).

Higher-rate allowance: Age 70 and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit.

Mandatory occupational benefit (old age): Age 65 (men and women).

Early retirement: Age 60 (men and women) if ceasing employment permanently. (Funds may be withdrawn before retirement if permanently emigrating.)

Old-age benefit (social assistance): Age 60 and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004). The benefit is income tested and asset tested on an individual basis if living alone; if living with other family members,

the total income and assets of all family members are taken into account for determining eligibility.

Disability pension

Disability allowance (universal)

Normal-rate allowance: A resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must be assessed with a 100% loss of earning capacity or as profoundly deaf.

Higher-rate allowance: A resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004), including one year of continuous residence immediately before claiming the benefit. Both residency requirements are waived for residents younger than age 18. Must require constant attendance of another person to perform daily activities. Must not receive care or be institutionalized.

Mandatory occupational benefit (disability): Must be assessed with a total and permanent incapacity for work by a registered medical practitioner. Employment must cease.

Disability benefit (social assistance): Must be assessed with a disability by a public medical officer and be a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18). The benefit is income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Partial disability: Paid for an assessed degree of disability of 50% or more and the loss of at least 50% but less than 100% of earning capacity.

The benefit is also paid for a work-related disability.

Survivor pension

Mandatory occupational benefit (survivors): Paid when the insured dies before retirement. The benefit is paid to the named survivor.

Burial grant (social assistance): Paid to the person who paid for the funeral if the deceased received social assistance.

Old-Age Benefits

Old-age pension

Old-age allowance (universal): HK\$1,090 a month is paid.

Mandatory occupational benefit (old age): A lump sum of total employee and employer contributions plus accrued interest is paid.

Old-age benefit (social assistance): HK\$2,820 to HK\$4,810 a month is paid for a person living alone or HK\$2,660 to

HK\$4,410 a month if living with other family members, depending on the recipient's health and need for constant attendance; plus special grants to meet the recipient's needs.

Permanent Disability Benefits

Disability pension

Disability allowance (universal): HK\$1,395 a month (normal rate) or HK\$2,790 a month (higher rate) is paid.

Mandatory occupational benefit (disability): A lump sum of total employee and employer contributions plus accrued interest is paid.

Disability benefit (social assistance): HK\$2,820 to HK\$5,155 a month is paid for a person living alone or HK\$2,660 to HK\$4,760 a month if living with other family members, depending on the recipient's age, the assessed degree of disability, and the need for constant attendance; plus special grants to meet the recipient's needs.

Survivor Benefits

Mandatory occupational benefit (survivors): A lump sum of total employee and employer contributions plus accrued interest is paid.

Burial grant (social assistance): A lump sum equal to the cost of the funeral is paid, up to HK\$12,120.

Administrative Organization

Universal allowances and social assistance: Social Welfare Department (<http://www.swd.gov.hk>) administers the programs.

Mandatory occupational benefits: Mandatory Provident Fund Schemes Authority (MPFA) (<http://www.mpfa.org.hk>), under an executive director and an advisory committee, supervises mandatory provident funds. The MPFA licenses provident funds and oversees management of the funds by trustees.

Sickness and Maternity

Regulatory Framework

First and current laws: 1968 (employment ordinance) and 1971 (social assistance).

Type of program: Employer-liability (cash benefits only) and social assistance (comprehensive social security assistance) system.

Coverage

Employer-liability system: All employed persons.

Exclusions: Self-employed persons.

Social assistance: All residents of Hong Kong.

Source of Funds

Insured person

Employer liability: None.

Social assistance: None.

Self-employed person

Employer liability: Not applicable.

Social assistance: None.

Employer

Employer liability: The total cost; provides benefits directly to employees.

Social assistance: None.

Government

Employer liability: None.

Social assistance: The total cost.

Qualifying Conditions

Cash sickness benefits (employer liability): Must have at least one month of continuous employment.

The employee must accumulate a sufficient number of paid sick days. Paid sick days accumulate at the rate of two days for each complete month of employment during the first 12 months of employment and four days for each month of employment thereafter, up to 120 days. The sick leave period must last at least four consecutive days, and the employee must provide an appropriate medical certificate issued by a registered medical practitioner or dentist.

Cash maternity benefits (employer liability): Must have at least 40 weeks of continuous employment. The employee must provide notice to the employer of her intention to take maternity leave after the pregnancy has been confirmed by a registered medical practitioner.

Social assistance: Aged 15 to 59, in ill health, and a resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18) immediately before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Must be assessed with a limited working capacity or as incapable of work by a public medical officer.

Sickness and Maternity Benefits

Sickness benefit (employer liability): 80% of the employee's normal earnings is paid for the number of paid sick days accumulated by the employee.

Maternity benefit (employer liability): 80% of the employee's normal earnings is paid for 10 weeks from two to four weeks before the expected date of childbirth or from the date of childbirth if it occurs earlier.

Social assistance: HK\$2,820 a month is paid for a person living alone or HK\$2,660 a month if living with other family members; plus special grants to meet the recipient's needs.

Workers' Medical Benefits

Medical benefits (social assistance): Free medical treatment is provided in public hospitals and clinics.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Employer liability: Labour Department (<http://www.labour.gov.hk>) administers the program.

Social assistance: Social Welfare Department (<http://www.swd.gov.hk>) administers the program.

Work Injury

Regulatory Framework

First and current law: 1953 (employee's compensation ordinance).

Type of program: Employer-liability system, involving compulsory insurance with private carriers.

Coverage

Employees including household workers, agricultural employees, and crew members of Hong Kong ships.

Exclusions: Home-based workers, family helpers, certain casual workers, and self-employed persons.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: The total cost of the employer-liability program. (The minimum coverage is HK\$100 million for employers with up to 200 employees or HK\$200 million for employers with more than 200 employees.)

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

80% of the difference between the employee's monthly earnings before and after the accident is paid for up to 36 months, after which a disability is considered permanent.

The employee's monthly earnings used to calculate benefits are the earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

A registered medical practitioner or an Employees' Compensation Assessment Board appointed by the Commissioner for Labor assesses the incapacity for work.

Benefit adjustment: Employees' monthly earnings are adjusted according to the average rate of earnings increase of employees in similar employment with the same employer or, if there are no such employees, according to the rate of increase in the consumer price index at the end of each 12-month period that the worker receives a temporary disability benefit.

Permanent Disability Benefits

Permanent disability grant: For a total disability (100%), a lump sum of 48 months of earnings is paid if aged 56 or older; 72 months if aged 40 to 55; or 96 months if younger than age 40.

The insured's earnings used to calculate benefits are the earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

The maximum monthly earnings used to calculate benefits are HK\$23,580 (as of July 21, 2012).

The minimum lump sum for a permanent total disability is HK\$386,110 (as of July 21, 2012), regardless of age.

The maximum lump sum for a permanent total disability is HK\$1,131,840 if aged 56 or older; HK\$1,697,760 if aged 40 to 55; or HK\$2,263,680 if younger than age 40 (as of July 21, 2012).

Partial disability: A percentage of the full benefit is paid according to the assessed degree of disability and a schedule in law.

Constant-attendance supplement: The actual cost of constant attendance, up to HK\$462,890 (as of July 21, 2012), is paid as a lump sum or as periodic payments for up to two years.

An Employees' Compensation Assessment Board appointed by the Commissioner for Labor assesses the degree of disability.

Workers' Medical Benefits

Medical benefits include examination and treatment by a registered medical practitioner, dental care, physical therapy, chiropractic services, and appliances.

The maximum limits on employers' liability for treatment costs are HK\$200 a day for inpatient care or outpatient care, or HK\$280 if both types of care are needed during the same day. The maximum limit for appliances is initially HK\$33,460; HK\$101,390 for subsequent repair and renewal of the appliance (as of July 21, 2012).

Survivor Benefits

Survivor grant: A lump sum of 36 months of the deceased's earnings is paid if the deceased was aged 56 or older; 60 months if aged 40 to 55; or 84 months if younger than age 40.

The deceased's earnings used to calculate benefits are earnings in the month immediately before the accident or average monthly earnings in the last 12 months before the accident, whichever is higher.

The maximum monthly earnings used to calculate benefits are HK\$23,580 (as of July 21, 2012).

The minimum lump sum is HK\$340,040 (as of July 21, 2012), regardless of age.

The maximum lump sum is HK\$848,880 if the deceased was aged 56 or older; HK\$1,414,800 if aged 40 to 55; or HK\$1,980,720 if younger than age 40 (as of July 21, 2012).

Eligible survivors include the deceased's spouse, children, parents, grandparents, and other family members who had been living with the deceased for at least 24 months immediately before the accident. The grant is split among eligible survivors. The amount paid to each survivor depends on the number and type of eligible survivors (with the spouse and children receiving the major share of the benefit in all cases). If the only survivors are the spouse and children, 50% of the grant is paid to the spouse, and 50% is split equally among the children.

Funeral grant: A lump sum is paid to the person who paid for the funeral, up to HK\$70,000.

Administrative Organization

Labour Department (<http://www.labour.gov.hk>) administers the employer-liability program.

Employers purchase insurance policies with private insurance carriers.

Unemployment

Regulatory Framework

First and current law: 1977.

Type of program: Social assistance (comprehensive social security assistance) system.

Coverage

All residents of Hong Kong.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Social assistance (unemployment): Aged 15 to 59 with at least seven years of residence (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18) before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Recipients must be capable of work, actively seeking full-time jobs, and participating in the Support for Self-reliance Scheme of the Social Welfare Department.

Unemployment Benefits

Social assistance (unemployment): HK\$1,990 a month is paid for a person living alone or HK\$1,430 to HK\$1,775 a month if living with other family members, depending on the number of family members; plus special grants to meet the recipient's needs.

Administrative Organization

Social Welfare Department (<http://www.swd.gov.hk>) administers the program.

Family Allowances

Regulatory Framework

First and current law: 1971 (social assistance).

Type of program: Social assistance (comprehensive social security assistance) system.

Coverage

All residents of Hong Kong.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost.

Qualifying Conditions

Social assistance (family): A resident of Hong Kong for at least seven years (requirement waived if residency was established before January 1, 2004, or if a resident younger than age 18) before claiming the benefit. Benefits are income tested and asset tested on an individual basis if living alone; if living with other family members, the total income and assets of all family members are taken into account for determining eligibility.

Family Allowance Benefits

Social assistance (family): From HK\$1,430 to HK\$2,165 a month is paid, depending on the number of family members; plus special grants to meet the individual needs of recipients.

Administrative Organization

Social Welfare Department (<http://www.swd.gov.hk>) administers the program.