

LCQ9: Encouraging elderly employment

Following is a question by the Hon Kingsley Wong and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (December 13):

Question:

The Old Age Living Allowance (OALA) aims to supplement the living expenses of elderly persons aged 65 or above who are in need of financial support. There are views that as the monthly income limits for singleton and couple applicants under OALA are merely \$10,580 and \$16,080 respectively, many elderly persons who wish to take up full-time employment can only work part-time instead, or either spouse of a couple has to give up employment in order to meet the application requirements. In this connection, will the Government inform this Council:

- (1) of the respective numbers of OALA cases with recipients who are singletons and couples;
- (2) of the number of elderly OALA recipients and, among them, the respective numbers of those engaged in full-time jobs and part-time jobs, and those who are jobless;
- (3) whether it will consider raising the monthly income limit for singleton OALA applicants to, say, the 25th percentile monthly wages of full-time employees (being \$14,800 in May to June 2022), without any change to the relevant asset limit, so as to ensure that more working elderly persons are eligible for OALA, thereby achieving "silver-hair employment"; if so, of the details; if not, the reasons for that;
- (4) whether it will consider raising the monthly income limit for couple OALA applicants to allow more elderly couples to take up employment whilst meeting the relevant income requirement; if so, of the details; if not, the reasons for that; and
- (5) whether it will consider creating a "Full-time Employment Incentive Old Age Living Allowance" under OALA without any change to the relevant asset limits, whereby elderly singletons or couples engaged in full-time jobs with monthly income below a certain level can receive an allowance equivalent to 50 per cent of the OALA rates, so as to encourage elderly persons to take up full-time employment?

Reply:

President,

The Old Age Living Allowance (OALA) is part of the non-contributory social security system and aims to provide a financial supplement for the elderly persons aged 65 or above who are in need of such support to meet their living expenses. I reply to the question raised by the Hon Kingsley

Wong as follows:

(1) and (2) As at end-October 2023, there were about 710 000 elderly persons receiving OALA. Thereof, the number of singletons was about 310 000, and the number of recipients in a couple relationship was about 400 000 in total. The Social Welfare Department does not keep employment information on OALA recipients.

(3), (4) and (5) OALA is means-tested, which covers income and asset limits. The Government adjusts the income and asset limits annually in accordance with the established mechanism.

To encourage full-time employment, the Working Family Allowance (WFA) Scheme provides financial support to lower income working households which are not on Comprehensive Social Security Assistance. The Scheme does not set age limits. The Government will increase the rates of WFA by 15 per cent across the board with effect from the claim month of April 2024, benefiting all households receiving WFA. Increasing the rates of WFA will help further alleviate the burden of grassroots working families and encourage more such families to join the labour market. Elderly households receiving WFA may also benefit from OALA concurrently. WFA is not counted as income under the means test of OALA, and OALA is also exempted from household income calculation under the WFA Scheme.

To support elderly employment, the Labour Department implements the Employment Programme for the Elderly and Middle-aged, providing employers with on-the-job training allowance to encourage them to hire the elderly and middle-aged. As announced in the 2023 Policy Address, a three-year Re-employment Allowance Pilot Scheme will be launched, targeting elderly and middle-aged persons aged 40 or above who have not been in paid employment for three consecutive months or more. To encourage these persons to rejoin the workforce, those who have worked for six consecutive months will be provided with a maximum allowance of \$10,000, and those who have worked for 12 consecutive months will be given an additional maximum allowance of \$10,000. It is estimated that some 6 000 persons will benefit from this measure. The aforementioned re-employment allowance is not counted as income under the means test of OALA.