



公共專業聯盟
The Professional Commons

Universal Old Age Pension Scheme

The Professional Commons

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Rundown

- Vision and guidelines of the proposed scheme
- Pension levels and components of the proposed scheme
- Technical proof of its financial feasibility

Vision

- A caring society with retirement protection for all
- A fairer mechanism with wealthier people contributing more
- A sustainable scheme that the community finds affordable

Guidelines

1. Compliance to World Bank's Multi-pillar Pension Model

World Bank Model		Hong Kong	
Pillar	Basic Elements	Pillar	Institutional Arrangement
0	Non-contributory (general social assistance)	1	CSSA
1	Mandatory (on a pay-as-you-go basis)		Proposed OAP scheme
2	Mandatory (employee's personal saving accounts)	2	MPF
3	Voluntary (individual savings)	3	Voluntary
4	Non-financial (informal support from family and other social programmes)		Non-financial

Guidelines

2. Eligibility

- Eligible for all Permanent Residents of Hong Kong
- No means test

3. Affordability

- Extra contribution on top of MPF scheme
- Wealthier people contribute more
- Equal share from employers and employees
- Minimal extra burden to the Government

Guidelines

4. Financial Sustainability

- Moderate pension rate
- Cross-generation support
- Accrued benefits from investment returns
- Early injection of government funding to generate more investment return
- Surplus budget

Pension Levels

	The Under-privileged	Home Carers and Non-working Population	Working Population
MPF			
Personal Saving + Family Support			
OAP (\$4,000/mth)	CSSA supplements + special grants		

Details

1. Eligibility:

- All Hong Kong permanent residents aged 65 or above

2. Pension rate

- \$4,000 (2017)
 - Inflation-adjusted in subsequent years
- Adequate and affordable

3. Tripartite contribution

- Employees, Employers, The Government

Details

4. Contribution rate

– Employee

- 2.5% of salary
- Exemption: \leq \$6,500/mth
- Maximum chargeable income: \$80,000/mth

– Employer

- 2.5% of employees' salaries
- Maximum chargeable income: \$80,000/mth

– Government

- CSSA Standard Rate, OALA
- \$50 billion/5 yrs (first 5yrs), \$25 billion/5 yrs (2042: last installment; inflation-adjusted)

Details

5. Proportion of Contribution (2017-2060)

- Employees (\$2,866.3 billion)
- Employers (\$2,897.2 billion)
- The Government (\$271 billion)
 - capital injection other than CSSA (Standard rate) and OALA/OAA
- Employees : Employers : The Govt
 - 10.6 : 10.7 : 1

Details

- Financial Healthiness (2017-2060)
 - 2029: -\$2.4 billion (1st year of yearly deficit)
 - 2047: \$619.8 billion (greatest amount of accrued benefits)
 - 2051: -\$35.6 billion (greatest amount of yearly deficit)
 - 2060: \$591.8 billion of accrued benefits
 - Govt's extra injection: Accrued benefits (2060)
 - \$271 billion: \$591.8 billion
 - See Annex



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Thank you!