

## LCQ18: Extension of retirement age

Following is a question by the Hon Lee Chun-keung and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (May 28):

Question:

To address the challenges arising from an ageing population and a shrinking workforce, the Government has raised the retirement age for civil servants in the civilian and disciplined services grades who were newly recruited on or after June 1, 2015, to 65 and 60 respectively. On the other hand, according to information from the Census and Statistics Department, the proportion of elderly persons aged 65 and over will increase from 20.5 per cent in 2021 to 36 per cent in 2046, meaning that by then, one in every three Hong Kong people will be aged 65 or over. Regarding the extension of retirement age, will the Government inform this Council:

(1) given that the Mainland has, since January 1 this year, been gradually extending the statutory retirement age for male employees from 60 to 63 and for female employees from the original 50 and 55 to 55 and 58 respectively, whether the Government will follow such practice and further extend the retirement age for civil servants; if so, of the details; if not, the reasons for that;

(2) whether It has conducted a survey to identify which occupations in Hong Kong currently have a mandatory retirement age, and what the relevant requirements are; whether it has compiled statistics on the average retirement age of employees in these occupations over the past five years, as well as the number of serving employees and how many of them are expected to retire within the next five years;

(3) whether it has plans to encourage government-funded and private organisations to extend retirement age, so as to address the challenges posed by an ageing population and sustain Hong Kong's competitiveness; if so, of the details; if not, the reasons for that; and

(4) what measures the Government currently has in place to promote the employment of mature persons, so as to encourage them to delay retirement and remain active in the workforce?

Reply:

President,

To address the challenges brought by changes in the population structure, the Government needs comprehensive planning across various policy areas. Various policy bureaux will monitor changes in the local demography and manpower situation in different industries, review and enhance relevant policies and initiatives under their respective charge in a timely manner, and collaborate with stakeholders in various sectors and industries, in order

to meet Hong Kong's economic and social development needs.

On the Member's question, in consultation with the Civil Service Bureau (CSB), the Security Bureau (SB), the Transport and Logistics Bureau (TLB), the Education Bureau (EDB) and the Health Bureau (HHB), I reply on behalf of the Government as follows:

(1) According to the CSB, the Government has raised the retirement age of new recruits of the civil service to 65 for civilian grades and 60 for disciplined services grades respectively since June 2015. Under the existing measures for extending the service of civil servants (including the Post-retirement Service Contract Scheme, final extension of service and the mechanism for further employment beyond retirement age), if the Government requires the experience or service of specific officers for various reasons, these officers can extend their service up to five years. In other words, civilian staff can stay in the service up to the age of 70 while disciplined services staff up to the age of 65. These arrangements have already provided departments with sufficient flexibility to meet their manpower and operational needs and retain experienced civil servants beyond their retirement age.

(2) Apart from the retirement age of civil servants, some industries at present also regulate the retirement age of their relevant practitioners.

Under the Security and Guarding Services Ordinance (Cap. 460), there are four categories (A, B, C and D) of Security Personnel Permits (SPP). Category B SPP covers a wide range of security services. Its holders may perform guarding work in respect of any persons, premises or properties. Category C SPP is required for performing guarding work which requires the carrying of arms and ammunition. Taking into consideration the requirements of these two types of guarding work in respect of the practitioners' physical ability and alertness as well as their social importance, the upper age limits for Categories B and C SPP are set at 70 and 60 respectively. Statistics of the holders of these two categories of SPP provided by the SB are at Annex 1.

Those who have exceeded the upper age limits of Categories B and C SPP may apply for Category A SPP. There is no upper age limit for Category A SPP, holders of which may perform guarding work for "single private residential buildings".

To ensure the navigational safety of non-local vessels within the waters of Hong Kong, the Pilotage Ordinance (Cap. 84) stipulates that all vessels of 3 000 gross tonnage or over and some other specified vessels, while navigating in the waters of Hong Kong, shall be under the pilotage of a licensed pilot. It also stipulates that a licensed pilot who is about to attain the age of 65 years or who has attained the age of 65 years but has not attained the age of 68 years and who possesses satisfactory physical and mental fitness and eyesight as assessed by a medical examination may apply for permission to work as a pilot beyond the age of 65 for any period not exceeding one year until the age of 68. According to the TLB, in the past five years, 26 pilots retired at an average retirement age of 66. In the coming five years, 30 pilots are expected to retire.

Under the Education Ordinance (Cap. 279), a teacher or principal of an aided school shall normally not continue to be employed if he/she has attained the age of 60 years or more before the commencement of the school year. Nevertheless, the Permanent Secretary for Education may issue to the Incorporated Management Committee or School Management Committee of the aided school concerned permission to continue to employ the teacher or principal aged 60 or above for a period of not more than one school year. The maximum aggregate period for which permission may be issued shall be five consecutive school years. The Education Ordinance has already provided flexibility for Incorporated Management Committee or School Management Committee of aided schools to apply for extension of services for teachers and principals. Relevant statistics provided by the EDB on teachers of public sector secondary and primary schools are at Annex 2.

(3) Subvented organisations formulate their own human resources policies and management measures, including terms of employment and retirement policies of their staff members, taking into consideration such factors as resources, overall manpower situation, as well as actual and operational needs. In response to the manpower development needs of their respective sectors or subvented organisations, bureaux/departments may, having regard to the circumstances, encourage subvented organisations under their charge to suitably adjust the retirement policies.

For instance, the Social Welfare Department (SWD) provides subventions and subsidies to non-governmental organisations (NGOs) for operating welfare services, and enters into agreements with the NGOs concerned. Subject to their compliance with the service agreement and relevant statutory requirements, NGOs may employ suitable personnel to provide relevant services based on their actual operational needs and human resources policies. The SWD does not stipulate the retirement age, qualifications or conditions for appointment, etc, of the employees of service operators.

Concerning schools, the EDB has long been closely monitoring the manpower situation of teachers in public sector schools with timely and appropriate measures taken to ensure the quality of education and smooth operation of schools. Among them, teachers and principals within the establishment of government schools are civil servants. The retirement age of civil servants who are appointed on or after June 1, 2015 has been raised to 65. Besides, some of the civil servants appointed on or after June 1, 2000 but before June 1, 2015 have opted to retire at the age of 65 in accordance with the relevant procedures. As for teachers in aided schools, the EDB has reviewed the relevant policies and regulations regarding their retirement age, including considering extension of the retirement age for newly-joined teachers in aided schools from 60 to 65. Since the demand for teachers involves many uncertain factors such as changes in the school-aged population and socio-economic development, the EDB needs to consider the long-term teacher manpower needs involved in the relevant policies and latest social conditions, as well as to balance multiple factors. If an incumbent teacher or principal in an aided school is about to retire but the school cannot locate a replacement after making every reasonable effort, it may apply to the EDB for extension of service of the staff concerned beyond retirement age

according to the existing mechanism.

Regarding healthcare, according to the HHB, the Hospital Authority (HA) may formulate appropriate human resources policies taking into account its actual operational needs. In view of the ageing population and shrinking workforce, and with reference to the Government's retirement policy, the HA has raised the retirement age to 65 for new recruits commencing employment on or after June 1, 2015 so as to address the manpower needs in the longer term. For employees who joined the HA before June 1, 2015, the HA has implemented the Policy of Extending Employment Beyond Retirement (EER) to retain suitable retirees/retiring staff to continue to work in the HA after retirement, in order to facilitate succession arrangements and alleviate manpower shortage. Under the EER policy, the HA will engage the retiring staff early and ascertain their intent for further employment through an appropriate screening mechanism. The policy provides flexibility for retirees to choose the start time and duration of further employment up to the age of 65. Retirees may also consider other employment options such as part-time employment or locum employment according to their own retirement plans.

In accordance with the agreement with the HHB and relevant legislation, the Prince Philip Dental Hospital (PPDH) is responsible for the provision of facilities for the training of dentists and other persons in professions supplementary to dentistry. The PPDH may devise its human resources policy according to its operational needs.

For private organisations, the Labour Department (LD) implements diversified publicity activities to promote employers' adoption of employee-oriented good human resources management and elderly-friendly employment practices, such as extending the working age of employees, to facilitate elderly employees to continue working if they so wish.

(4) The Government is committed to encouraging and promoting the employment of older persons through provision of employment services, training and promotion.

On employment services, the LD launched the three-year Re-employment Allowance Pilot Scheme (REA Scheme) on July 15 last year to encourage persons aged 40 or above not having been in paid work for three consecutive months or more to re-join the labour market. The REA Scheme covers full-time jobs, part-time jobs and qualified "casual work" to facilitate flexible employment of older and middle-aged persons. During the implementation period of the REA Scheme, each eligible participant who has worked full-time for 12 months continuously can receive a re-employment allowance (REA) of \$20,000. Half-rate REA will be given to those who have worked part-time. REA is not counted as income under the means test for the Old Age Living Allowance. The response to the REA Scheme is very favourable. Up to April 2025, the REA Scheme has recorded over 40 000 participants and 18 000 placements. Of these, about 23 per cent of participants and 24 per cent of those employed were persons aged 60 or above.

In tandem with the REA Scheme, the LD implements the Employment Programme for the Elderly and Middle-aged (EPEM) to encourage employers to

hire persons aged 40 or above and provide them with on-the-job training (OJT). Employers engaging each job seeker aged 60 or above who has left the workforce can receive a maximum OJT allowance of \$5,000 per month for six to 12 months, while those engaging each unemployed job seeker aged 40 to 59 are entitled to a maximum OJT allowance of \$4,000 per month for three to six months. The Government welcomes employers taking on participants of the REA Scheme to join EPEM.

On training, the Employees Retraining Board (ERB) provides around 700 market-oriented training courses straddling across 28 industries and generic skills for eligible persons including older persons. The ERB also provides training courses which gear towards the employment needs of older persons aged 50 or above to encourage the potential workforce to enter the labour market. Apart from general training courses, the ERB has launched the Post-50 Internship Programme for older persons aged 50 or above to facilitate their understanding of the current employment market situation. Under the "Hire and Train" Scheme, the ERB encourages participating employers to provide suitable job vacancies for trainees (including persons who have recently retired), adjust the working hours and leave arrangements to cater for trainees' family and personal situations, and provide on-the-job training and other related support measures so as to encourage the potential workforce to enter the labour market.

In light of the directive of the Working Group on Promoting Silver Economy to unleash "silver productivity", the ERB implements priority training consultation service and will launch more dedicated training courses to address the needs of industries with keen manpower demand. The LD will double the number of job fairs suitable for the elderly and middle-aged this year, and enhance promotion of elderly-friendly employment practices. The Labour and Welfare Bureau will review the REA Scheme and the EPEM to further explore measures to encourage employment of people aged 60 or above.