

Impact of Hong Kong's aging population on retirement protection

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Population aging is a common issue in most countries and regions throughout the world, including Hong Kong. If the trend continues, it will impose a heavy financial burden on public retirement protection systems. In Hong Kong, this highlights the importance of the MPF – which is independent of the Government's finance.

Retirement population continues to increase

Firstly, let's break down the Hong Kong population structure: According to information published by the Hong Kong Census and Statistics Department, 19.3% of Hong Kong's population was aged 65 or above as at mid-2021. This means that out of every 10 Hong Kong persons, approximately 2 are aged 65 years or older. The ratio was only 13.4% ten years ago (2011). This indicates a significant aging of the population over the past decade.

What is even more worrying is that, according to the department's projection, the aforesaid ratio will increase to 27.6% over the next ten years (by 2031). After another decade (by 2041), the ratio is expected to increase to 31.7% – over 3 people in 10 will be 65 or older.

A further concern is that, over recent years, the birth rate has been falling. On average each couple only has one child. If this trend continues, the working population will keep falling whilst the retiree population will continue to grow.

Increasing pressure on public retirement protection

Having the younger generation support the older generation is fairly common practice in Hong Kong. This concept also applies at society level, where the working population supports the retired population through taxation. The increase in size of the retired population means that each member of the working population will need to support a greater share of the retiree population. In 2019, each retiree was

supported by 3.8 working people. By 2069, this ratio will reduce to 1.4 working people per retiree.

The total salaries tax the Government collects will reduce, all other things being equal, while expenditure on the Government's Social Security arrangements is expected to increase. The traditional concept of "raising children as a protection against old age" is becoming outdated, with more retirees relying on the Government support. When the government overspend, it may adjust the expenditure on public welfare which will include the amount of public retirement protection and coverage.

In many countries around the world, social security systems are finding it increasingly difficult to make ends meet, with governments having to increase expenditure and / or by changing the retirement benefits or eligibility in some way – by extending the statutory retirement age, or by reducing the level of pension support, etc.

Members should not solely rely on the Government's social security system

The Comprehensive Social Security Assistance (CSSA) and Old Age Allowance (commonly known as the fruit money) are part of the public retirement protection system in Hong Kong. By contrast, Hong Kong's MPF is a private retirement system which is independent from the Government. If the Hong Kong Government suffers a serious fiscal deficit one day, there will be no direct impact on members' accumulated MPF balances.

Based on the above, we cannot solely rely on the public retirement protection, instead we should plan for our retirement life at an early age, so that we can enjoy our old age.

Make good use of the MPF and enjoy financial independence

The transparency and predictability of the MPF system are better than that of the Government's retirement protection system. Members can keep track of their retirement savings and make their own investment decisions, or even make additional contributions on a voluntary basis. Members therefore have better control of their post-retirement living standards.

Hong Kong's current social security system is a safety net system providing a low level of basic financial support. The objective of the social security system is different from that of the MPF. The MPF system allows members to accumulate retirement savings from a young age, both mandatory and voluntary, and to have autonomy over the way they run their own personal saving arrangements. This is beneficial at both individual and society level.

Members should also make appropriate decision to enhance their investment return, and investment return should be at least above inflation to ensure an adequate lump sum at retirement. Members are also encouraged to continue invest their accumulated benefits after retirement to prevent their saving being eroded by inflation. These are some possible actions to combat the impact of population aging on retirement protection.

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有關韋萊韜悅

在韋萊韜悅，我們運用數據和灼見，為機構的人才、風險和資本範疇提供解決方案。我們的同事遍布全球 140 多個國家，他們既具國際視野，亦富當地知識，協助機構強化策略、增強組織彈性、激勵員工，以及儘量提昇表現。我們與客戶並肩合作，發掘機會去持續取得成功，同時提供打動你的觀點，詳情請瀏覽 [wtwco.com](https://www.wtwco.com)。

人口老化對退休儲蓄帶來更大挑戰

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人口老化是大部份國家或地區都在面對的問題，香港當然不能幸免。人口老化會對未來的公共退休保障制度造成沉重的財務負擔，這亦更加突顯強積金制度對退休保障的重要性。

退休人口比率持續攀升

我們先解構香港人口結構：根據香港政府統計處的資料所顯示，截至 2021 年中，65 歲或以上的香港人口比率為 19.3%，即大約每十個人中，就有兩人滿 65 歲。十年前，該比率僅為 13.4%。這代表人口在這十年間呈明顯的老化跡象。

更令人擔心的是，統計處最新推算於十年後 (2031 年) 上述比例將會增至 27.6%。再多過十年 (2041 年) 更達 31.7%，即每十個人中，超過三人滿 65 歲。

同時香港出生率一直低迷，平均一對夫婦只生育一個小孩。因此，退休人口不斷上升之時，勞動人口亦不斷下跌。

公共退休保障開支增加

在香港的家庭中，由子女供養父母是常見的事。而在社會整體上，我們也有類似的概念，即由勞動人士通過稅收「供養」退休人士。退休人口比率上升，代表每個勞動人士平均要「供養」的退休人士會有所增加。於 2019 年，每名退休人士由 3.8 名在職人士供養。到 2069 年，將下跌至每名退休人士由 1.4 名在職人士供養。

政府從勞動人口收取的稅收持續減少，同時公共退休保障的支出卻倍增。生育少也令養兒防老這個傳統觀念變得不合時宜，令退休人士更依賴公共退休保障。一旦出現入不敷支的情況，政府便要「開源節流」，當中包括調整公共退休保障的金額及受惠群體。

不少國家或地區的公共退休保障現時都出現入不敷出的情況，要透過政府財政「輸血」或者推遲法定退休年齡，又或者降低每月可以領取的金額。

大家不能完全依賴公共退休保障

就香港而言，綜援及高齡津貼（即俗稱生果金）屬公共退休保障，而強積金制度則是個人的退休儲蓄計劃，與政府財政無關。即使有一天香港政府出現嚴重財政赤字，強積金制度內滾存的權益仍然歸屬於成員，而不會直接受政府決策影響。

由以上可見，大家不能只依靠公共退休保障，應該及早為自己的退休生活未雨綢繆，才能安享晚年。

善用強積金，體現財務自主

強積金制度的透明度及可預見性，均較公共退休保障為高。成員時刻掌握帳戶的權益狀況，自主投資決擇，更可按經濟狀況作自願性供款，從而掌控退休後的生活水平。

香港現時的公共退休保障制度屬於安全網機制，金額不高，與強積金的本質不同。成員應該由年輕時開始滾存強積金權益，包括強制性供款及自願性供款，這在個人及社會層面都是百利而無一害。

此外，成員應該投資適當的基金以提高回報，回報至少可以抵禦通貨膨脹。這確保成員在退休時可積累足夠資金。強積金成員也應該於退休後繼續將滾存權益進行投資，以免多年積蓄被通脹蠶食。這些都是應對人口老化對退休保障衝擊的可行方案。