



IGP Country Profile **Hong Kong**





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Customary employee benefits

Death benefits

Life insurance

Employers in Hong Kong normally provide life insurance of two to three times annual salary. Some employers provide up to five times annual salary.

Of those who do provide group life insurance to their employees, most of them bear the entire cost of the insurance.

An accidental death and dismemberment (AD&D) rider of the same sum assured as the group life insurance is frequently offered.

Some employers may provide total and permanent disability on top of group life to allow for the advance payment of the life insurance benefits, in the event of total and permanent disability.

The benefit can be paid in monthly installments spread over a maximum period of five years or by lump sum payment.

Compensation schedule for Accidental Death & Dismemberment

	AD&D Benefit Payable % of Maximum Benefit
For Permanent and Total Loss of:	
Hearing in both ears	70%
Hearing in one ear	20%
For Loss of:	
All fingers of one hand	45%
Thumb: both phalanxes	15%
Thumb: one phalanx	8%
Index Finger	10%
Middle Finger	6%
Ring or Little Finger	4%
All Toes on One Foot	15%
Great Toe: both phalanxes	5%
Great Toe: one phalanx	2%
Any other toe	25%

	AD&D Benefit Payable % of Maximum Benefit
For Removal of Lower Jaw by Surgical Operation	30%
Life	100%
Two Limbs	100%
Sight of Both Eyes	100%
One Limb and Sight of One Eye	100%
One Limb	50%
Sight of One Eye	50%
For Permanent and Total Paralysis of:	
All Limbs	100%
Three Limbs	75%
Two Limbs	50%
One Limb	25%

With respect to limbs, "loss" shall mean actual severance at or proximal to wrist or ankle joints; with respect to eyes, entire and irrecoverable loss of sight; with respect to thumbs and fingers, actual severance at or proximal to metacarpophalangeal joints; with respect to toes, actual severance at or proximal to metatarsophalangeal joints.

In the event of partial loss of a finger, the amount payable per phalanx lost shall be calculated at one third of the percentage specified above for the finger concerned.

If the insured person shall sustain more than one of the losses referenced in the above list, as a result of the same accident, the total amount payable on account of such losses shall be limited to the amount of the maximum benefit.

Disability benefits

Disability income (permanent health)

Despite the relative importance of this benefit that protects the earning power of the employee, disability income insurance is not common in Hong Kong. Currently, it is written by only a few insurers, and AXA China Region is the major insurer providing this coverage.

Salary Continuation (Income Benefit) is payable if an insured person is disabled by reason of sickness or injury that prevents the disabled from performing his or her normal occupation during the first two years of his or her disability. Thereafter, the benefit will continue to be payable if the disability continues and prevents the disabled from performing any occupation that is suited to his or her education, training and experience.

Qualifying (Waiting) Period

30, 60, 90, 120 or 180 days

Monthly benefit

70% for the 1st HKD 20,000 of monthly salary and 50% of the balance up to a maximum of HKD 36,000 per month.

Compensation period

1, 2, or 5 years, or up to age 65 if caused by sickness; for life if caused by accident.

Medical benefits

Medical insurance is the most common type of employee benefit. Benefits offered cover basic medical expenses.

Levels of benefits vary in accordance with the type of hospital accommodation. Normally, benefit levels are geared to private, semi-private, and ward accommodations of private hospitals.

A brief outline of the coverage is as follows:

Hospitalization (HKD)	Private	Semi-Private	Ward
Daily Room & Board	2,400	1,500	800
In-Hospital Doctor's Visit (per day)	2,400	1,500	800
Hospital Expenses	45,000	20,000	15,000
Surgeon's Fee	96,000	60,000	32,000
Anesthetist's Fee	29,000	18,000	9,600
Operating Theater	29,000	18,000	9,600
In-Hospital Specialist Consultation	8,000	6,000	3,000
Intensive Care	4,800	3,000	1,600
Supplementary Major Medical (HKD)	Private	Semi-Private	Ward
Maximum Limit	500,000	250,000	100,000
Deductible per Person	1,000	1,000	1,000
Reimbursement %	80%	80%	80%
Out-Patient Clinical Plan (HKD)	Private	Semi-Private	Ward
Consultation at Doctor's Office per visit per day	500	350	200
Chinese Herbalist/			
Bonesetter per visit per day (Max. 10 visits per year)	400	300	200
Specialist Consultation per visit per day (Max. 10 visits per year)	1,000	700	400
Total number of clinical visits cannot exceed 30 visits per year.			
X-Rays & Lab Tests	4,000	2,500	1,500
Prescribed Medicine	3,000	1,800	1,200

Chinese medicine and Chinese medicine practitioners are regulated by the Chinese Medicine Council of Hong Kong. The Council aims at protecting public health and consumers' rights. In addition, it ensures the professional standard of Chinese medicine practitioners and the trade of Chinese medicines.

More employers are interested in providing this additional benefit as a "Clinical Benefit" since some employees prefer to visit Chinese

Customary employee benefits (continued)

medical practitioners rather than Western medical practitioners when they are sick.

Childbirth (HKD):	
Normal Delivery	30,000
Caesarean Section	45,000
Miscarriage	15,000

Dental (HKD):	
Routine Check-Up, Cleaning - Once per Year	350
Extraction per Tooth	350
Filling per Tooth	350
Abscess	350
X-ray per Film	120
Overall Maximum per Year	4,000

In general, most employers pay the full cost of the medical plan. Dependent cover is common and usually extended to all employees of selected categories.

Employer's premium payments are fully tax-deductible, and the insurance benefits payable to employees are tax-free (except benefits paid by the employer directly through a self-insured scheme).

The majority of employers have a medical plan for their employees, either on an insured or self-insured basis.

Flexible Benefits Scheme

In view of the continuously increasing cost of medical care, the Flexible Benefits Scheme has been a new trend for providing employee benefits in Hong Kong for the past few years. Increasingly, more employers are considering adding flexible elements to the scheme, which may consist of a full flexi program based on allocation of credit points, or a semi-flexi program with voluntary options for the employee's selection.

The following market situations contributed to the rise of flexi plans:

- Merging activities between corporations. Flexi benefits are an effective way to bridge the large gap in differing benefits among the merging units.

- A slump in the economy leaves limited room for employers to make enhancements to the scheme. In making use of the flexible element, new and attractive benefits can be added to the scheme without increasing the employer's cost.
- Employees have become more aware of their own benefits. The flexi plan enables them to choose benefits based on their own needs while foregoing those that are less useful.

While understanding that a flexi plan brings a lot of advantages, employers also need to consider the following issues when implementing flexi plans:

- New structure of flexi benefit plans requires extensive staff communication work.
- Additional effort required in setting up the core plan and voluntary plans.
- More administration work for HR; e.g., enrollments upon implementation and renewal.
- Higher premium rates for the voluntary plan due to anti-selection.
- Could be extra costs for some employees currently enjoying higher benefits.

Apart from the above concerns, the comprehensive administrative support of an insurer is another key factor in implementing and operating the scheme. Therefore, the selection of an insurer becomes another critical job for the employer.

Retirement Benefits

Mandatory Provident Fund – voluntary contributions

On top of the mandatory contribution required by the Mandatory Provident Fund (MPF), some employers offer voluntary contributions, which will be increased according to length of employment to encourage and reward loyalty of long-term staff.

Voluntary contribution is normally designed as 5-15% of basic salary less the mandatory contribution. The voluntary benefits, unlike the mandatory benefits, which need to be preserved until retirement, will be paid as a lump sum at the time the member leaves service.

ORSO plans

The Occupational Retirement Scheme Ordinance (ORSO) came into force in October 1993 to regulate voluntary occupational retirement schemes in Hong Kong. ORSO plans registered before October 15, 1995 could qualify for exemption to the Mandatory Provident Fund if certain conditions were met.

Therefore, some MPF Exempted Occupational Retirement Scheme Ordinance plans were retained by employers for existing ORSO plan members. The exemption allows the ORSO scheme to be operated almost the same way as before, and most importantly, the existing members can enjoy the benefits under the current plan structure.

Legislative news

Employment (Amendment) Bill 2025

Lowering the threshold for “continuous contract” eligibility

The Hong Kong Legislative Council has passed the Employment (Amendment) Bill 2025 to expand statutory labor protections, such as paid sick leave, by lowering the threshold for a “continuous contract.”

The revised legislation reduces the weekly working hours threshold for a “continuous contract” from 18 to 17 hours. It also allows employees working fewer than 17 hours in a week to qualify for benefits if they work a total of 68 hours over four weeks. This change is intended to help workers with irregular schedules access statutory employment benefits.

Previously, the “418 rule” required employees to work 18 hours per week for four consecutive weeks with the same employer to qualify for benefits. The new “468 rule” allows qualification with 68 hours over any four-week period, enhancing employment security and rights access for part-time and non-standard workers.

MPF offsetting arrangement Bill 2022

In 2022, the Hong Kong Legislative Council passed the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Bill 2022.

This bill abolishes the use of employers’ mandatory contributions to the Mandatory Provident Fund (MPF) to offset severance (SP) and long service payments (LSP). The change was effective on May 1, 2025.

Key points:

- Starting May 1, 2025, employers can no longer use the accrued benefits derived from their mandatory MPF contributions to offset an employee’s offset severance payment (SP) or long service payments (LSP).
- Employers can still use voluntary MPF contributions and service-based gratuities to offset severance and long service payments .
- To prevent mass layoffs before the transition date, a “grandfathering” arrangement will apply to the SP/LSP of employees in employment before the transition date.

Trends

Employee Benefits Trends in Hong Kong

In Hong Kong, employers are looking to offer benefits that are competitive but at the same time, cost effective, especially in the area of healthcare.

Some key trends:

- Shift some of the cost burden to employees.
- Switch to vendors that can offer high-quality, but cost-effective benefits.
- Personalized and flexible benefits packages to meet diverse workforce needs.
- Digital platforms for easy employee access to benefits and resources.
- Medical plans that include family members
- Increased focus on financial well-being, including retirement planning and short-term financial support.
- Emphasis on mental health support for overall employee well-being.
- Offering “above-market” benefits to stand out in the talent market.
- Programs supporting work-life balance are gaining importance.

Typical employee benefits plans

Retirement benefits

Voluntary contribution to the MPF Schemes

The following are examples of benefit rules concerning employer's voluntary contributions.

Employer Contribution Including Mandatory Contribution (as % of Basic Monthly Salary)

0-3	5%
3-10	7.5%
10-15	10%
Over 15	15%

Vesting scale for employer contributions upon leaving service.

Completed years of service

0-3	0%
3	30%
4	40%
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

Life benefits

Lump sum benefits of two to three times annual salary are provided for all employees. AD&D coverage and TPD coverage are normally provided as well. Some employers also provide coverage for critical illness.

Disability income

Benefit payment, if totally disabled due to sickness or injury, is equal to about 60% of the monthly salary. In case of accident, it is a lifetime payment. If disablement is due to sickness, compensation period options are 1 year, 2 years, 5 years, or to age 65. The normal waiting period is 30-90 days.

Medical benefits

Basic hospital and surgical benefits are geared to private, semi-private and ward accommodations in private hospitals. Out-patient consultation benefits are also very common.

Life, TPD, AD&D

Airline - 159 employees

Senior Staff

Life: 48 x Basic Monthly Salary (BMS)

TPD: –

AD&D: 48 x Basic Monthly Salary (BMS)

General Staff

Life: 24 x Basic Monthly Salary (BMS)

TPD: –

AD&D: 24 x Basic Monthly Salary (BMS)

Fashion - 140 employees

All Staff

Life: 36 x Basic Monthly Salary (BMS)

TPD: 36 x Basic Monthly Salary (BMS)

AD&D: 36 x Basic Monthly Salary (BMS)

Investment - 202 employees

Senior Staff

Life: 36 x Basic Monthly Salary (BMS)

TPD: 36 x Basic Monthly Salary (BMS)

AD&D: 36 x Basic Monthly Salary (BMS)

General Staff

Life: 24 x Basic Monthly Salary (BMS)

TPD: 24 x Basic Monthly Salary (BMS)

AD&D: 24 x Basic Monthly Salary (BMS)

Chemical - 296 employees

All Staff

Life: 26 x Basic Monthly Salary (BMS)

TPD: 26 x Basic Monthly Salary (BMS)

AD&D: 26 x Basic Monthly Salary (BMS)

IT- 93 employees

All Staff

Life: 36 x Basic Monthly Salary (BMS)

TPD: –

AD&D: 36 x Basic Monthly Salary (BMS)

Electronics - 127 employees

All Staff

Life: 24 x Basic Monthly Salary (BMS)

TPD: 24 x Basic Monthly Salary (BMS)

AD&D: 24 x Basic Monthly Salary (BMS)

Publication - 1,244 employees

Director

Life: 24 x Basic Monthly Salary (BMS)

TPD: –

AD&D: –

General Staff

Life: 12 x Basic Monthly Salary (BMS)

TPD: –

AD&D: –

Bank - 3,416 employees

All Staff

Life: 36 x Basic Monthly Salary (BMS)

TPD: 36 x Basic Monthly Salary (BMS)

AD&D: –

Pharmaceutical - 152 employees

All Staff

Life: 36 x Basic Monthly Salary (BMS)

TPD: –

AD&D: –

Advertising - 72 employees

Senior Management

Life: 48 x Basic Monthly Salary (BMS)

TPD: –

AD&D: 48 x Basic Monthly Salary (BMS)

Middle Management

Life: 36 x Basic Monthly Salary (BMS)

TPD: –

AD&D: 36 x Basic Monthly Salary (BMS)

General Staff

Life: 24 x Basic Monthly Salary (BMS)

TPD: –

AD&D: 24 x Basic Monthly Salary (BMS)

Disability income benefits

Investment - 51 employees

All staff

Waiting period: 90 days

Terminal age: 65

Benefit period: 2 years

Monthly benefit (% of salary):

70% of HKD 20,000

50% of balance up to HKD 48,000

Soft drink company - 107 employees

All staff

Waiting period: 180 days

Terminal age: 65

Benefit period: 5 years

Monthly benefit (% of salary):

70% of HKD 20,000

50% of balance up to HKD 75000

IT - 82 employees

All staff

Waiting period: 60 days

Terminal age: 65

Benefit period: Up

Monthly benefit (% of salary):

70% of HKD 20,000

50% of balance up to HKD 75000

Typical employee benefits plans (continued)

Type of Business: Banking

Currency: HKD

Classification:	Private	Semi-Private	Ward
Hospitalization Benefits			
Per Disability			
Daily Room & Board	2,100	1,100	700
Doctor's Visits	2,100	1,100	700
Hospital Expenses	27,000	21,000	14,000
Surgeon's Fee	47,000	33,000	17,000
Anesthetist's Fee	15,000	10,000	5,600
Operating Room	18,000	12,000	7,300
Specialist's Visits	8,400	4,700	3,000
Additional Benefits for Accidents	2,000	1,000	1,200
Intensive Care Unit	5,800	3,900	2,800
Supplementary Major Medical Benefits			
Per Disability	230,000	170,000	140,000
Deductible	500 - 1,000	500 - 1,000	500 - 1,000
Reimbursement %	80%	80%	80%
Outpatient Benefits			
	Range	Average	
Clinical Doctor's Visit, per visit	220-500	N/A	
Herbalist/Bonesetter, per visit	100-280	263	
Specialist, per visit	280-800	N/A	
X-Ray/Lab Test	500 & Above	2,801	
Prescribed Medicine, per year	500 & Above	1,959	
Check-up, per year	N/A	N/A	

Additional Benefits:

Free Emergency Evacuation Cover is provided. In addition, all insured employees are free to use the doctors in the AXA China Region Healthcare Network for consultations, laboratory tests and surgical procedures.

Typical employee benefits plans (continued)

Type of Business: Bio-Chemical & Medical

Currency: HKD

Classification:	Private	Semi-Private	Ward
Hospitalization Benefits			
Per Disability			
Daily Room & Board	1,900	1,000	700
Doctor's Visits	1,900	1,000	700
Hospital Expenses	34,000	18,000	13,000
Surgeon's Fee	57,000	31,000	20,000
Anesthetist's Fee	17,000	10,000	6,100
Operating Room	17,000	10,000	6,100
Specialist's Visits	5,000	4,000	3,000
Additional Benefits for Accidents	1000	1000	800
Intensive Care Unit	2,400	1,500	1,000
Supplementary Major Medical Benefits			
Per Disability	180,000	140,000	84,000
Deductible	500 – 1,000	500 – 1,000	500 – 1,000
Reimbursement %	80%	80%	80%
Outpatient Benefits			
	Range	Average	
Clinical Doctor's Visit, per visit	140-400	269	
Herbalist/Bonesetter, per visit	160-280	216	
Specialist, per visit	250-800	547	
X-Ray/Lab Test	1000 & Above	2,403	
Prescribed Medicine, per year	1000 & Above	1,730	
Check-up, per year	N/A	N/A	

Additional Benefits:

Free Emergency Evacuation Cover is provided. In addition, all insured employees are free to use the doctors in the AXA China Region Healthcare Network for consultations, laboratory tests and surgical procedures.

Typical employee benefits plans (continued)

Type of Business: Consumer Products

Currency: HKD

Classification:	Private	Semi-Private	Ward
Hospitalization Benefits			
Per Disability			
Daily Room & Board	2,000	1,000	500
Doctor's Visits	2,000	1,000	500
Hospital Expenses	30,000	18,000	8,900
Surgeon's Fee	46,000	32,000	17,000
Anesthetist's Fee	13,000	11,000	5,000
Operating Room	13,000	11,000	5,000
Specialist's Visits	8,000	4,000	2,600
Additional Benefits for Accidents	N/A	21,000	14,000
Intensive Care Unit	3,000	2,100	800
Supplementary Major Medical Benefits			
Per Disability	200,000	140,000	63,000
Deductible	500 - 1,000	500 - 1,000	500 - 1,000
Reimbursement %	80%	80%	80%
Outpatient Benefits			
	Range	Average	
Clinical Doctor's Visit, per visit	120-400	220	
Herbalist/Bonesetter, per visit	120-280	205	
Specialist, per visit	200-800	432	
X-Ray/Lab Test	500 & Above	2120	
Prescribed Medicine, per year	500 & Above	1,242	
Check-up, per year	N/A	N/A	

Additional Benefits:

Free Emergency Evacuation Cover is provided. In addition, all insured employees are free to use the doctors in the AXA China Region Healthcare Network for consultations, laboratory tests and surgical procedures.

Typical employee benefits plans (continued)

Type of Business: Manufacturing

Currency: HKD

Classification:	Private	Semi-Private	Ward
Hospitalization Benefits			
Per Disability			
Daily Room & Board	1,900	1,000	600
Doctor's Visits	1,900	1,000	600
Hospital Expenses	37,000	25,000	14,000
Surgeon's Fee	47,000	44,000	27,000
Anesthetist's Fee	13,000	12,000	8,000
Operating Room	13,000	12,000	8,000
Specialist's Visits	6,600	4,000	2,700
Additional Benefits for Accidents	1,700	2,500	1,500
Intensive Care Unit	4,300	1,800	1,000
Supplementary Major Medical Benefits			
Per Disability	180,000	120,000	60,000
Deductible	500 – 1,000	500 – 1,000	500 – 1,000
Reimbursement %	80%	80%	80%
Outpatient Benefits			
	Range	Average	
Clinical Doctor's Visit, per visit	120-400	240	
Herbalist/Bonesetter, per visit	120-300	200	
Specialist, per visit	200-800	500	
X-Ray/Lab Test	1,000 & Above	1,670	
Prescribed Medicine, per year	1,000 & Above	1,780	
Check-up, per year	N/A	N/A	

Additional Benefits:

Free Emergency Evacuation Cover is provided. In addition, all insured employees are free to use the doctors in the AXA China Region Healthcare Network for consultations, laboratory tests and surgical procedures.

Useful links

Demographic information and macro-economic indicators

[CIA World Factbook](#) (please select the country to review)

[World Bank Group](#) (please select the country to review)

Labor Department

<https://www.labour.gov.hk/eng/index.htm>

Social Welfare Department

<https://www.swd.gov.hk/en/index.html>

Mandatory Provident Fund Schemes Authority (MPFA)

<https://www.mpfa.org.hk/>

More information on AXA China Region

Your Local Link to IGP in Hong Kong

[Go to partner page on www.igpinfo.com](http://www.igpinfo.com)

<https://www.axa.com.hk/en>





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