



# IGP Country Profile 2020

## Hong Kong

Prepared by:

AXA China Region Insurance Company Limited



## Preface

This Country Profile has been prepared by **AXA China Region Insurance Company Limited** for the International Group Program (IGP).

The International Group Program (IGP) is a network of major life insurance companies (Network Partners) operating throughout the world, who work together to meet the group insurance and pension needs of international corporations and their affiliates, branches, and subsidiaries.

Since 1967, the International Group Program has been an industry leader in the field of international benefits management, serving more multinational companies than any other network. IGP is represented in approximately 80 countries and territories throughout the world and is known for the flexibility and quality of service we provide to our clients.

Working closely with our headquarters' staff in Boston and our regional offices in Brussels, Singapore, Tokyo, and Waterloo, ON, IGP Network Partners offer corporate clients the advantages of experienced local insurance management coupled with the resources of a professionally trained staff that specializes in international employee benefits.

IGP is part of John Hancock Life Insurance Company (U.S.A.), the U.S. operation of Manulife Financial Corporation, a leading financial services group based in Toronto, Canada. Manulife offers its clients a diverse range of financial protection products and wealth management services. Both Manulife Financial and John Hancock are internationally recognized brands that have stood for financial strength and integrity for more than a century.

*The information contained in the IGP Country Profiles is considered proprietary and any material extracted from a profile must be attributed to IGP.*

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## Your Local Link to IGP in Hong Kong: AXA China Region Insurance Company Limited

### AXA China Region Insurance Company Limited

AXA China Region has been offering a wide range of insurance, investment and retirement solutions to the people of Hong Kong since 1986. Today, over one million customers in Hong Kong and Macau, from individuals to established businesses, count on AXA China Region to financially protect them, their loved ones and their future.

As a member of the AXA Group, AXA Hong Kong shares a set of defined values and commitment that drives its winning strategy to become a global leader in insurance, investment and retirement planning. The AXA Group was founded in the early 19<sup>th</sup> century, and its 103 million customers<sup>1</sup> worldwide are serviced by 166,000 employees<sup>1</sup>. The AXA Group has registered revenues amounting to Euro 99 billion (HKD 833.58 billion)<sup>2</sup> and Euro 1,363 billion (HKD 11,476.46 billion)<sup>2</sup> in assets under management.

The AXA Group is present in geographically diverse markets such as Africa, North America, Central & South America, Asia-Pacific, Europe and the Middle East through its global network of operations. This worldwide business network of the AXA Group strengthens its position as a global leader in the financial industry.

The financial strength of the AXA Group underscores its commitment to providing insurance, investment and retirement planning solutions to customers throughout their different stages of life.

The financial strength ratings of the AXA Group's core operating entities are:

Fitch	AA -	as of April 30, 2020
Moody's	Aa3	as of April 5, 2019
Standard & Poor's	AA-	as of March 16, 2020

Fitch Ratings has given AXA General Hong Kong a financial strength rating of AA- (as of April 30, 2020).

<sup>1</sup> As of March 23, 2016

<sup>2</sup> As of December 31, 2015, calculated based on exchange rate of 1 Euro = HKD 8.42

### AXA China Region's Awards

#### 2020

- 'Accredited Professional Financial Planning Firm', 'Corporate Financial Education Leadership - Gold Award' and 'Best Corporate Financial Education Leadership of the Year' by the Institute of Financial Planners of Hong Kong
- 'Best in Employee Engagement Award (Gold)' at the 'Best HR Awards 2019' by CTgoodjobs
- 'Hong Kong Leaders' Choice Brand Awards 2020' by Metro Finance, including:
  - Excellent Brand of Medical Insurance Services
  - Excellent Brand of Life Insurance Services
  - Excellent Brand of Critical Illness Insurance Services
- 'Sing Tao Service Awards 2019 - Medical Insurance' by Sing Tao Daily
- 'Best Partnership Loyalty Programme (Silver)' at the Loyalty & Engagement Awards by Marketing Magazine
- 'GBA Insurance Awards 2020' by Metro Finance, including:
  - Outstanding Critical Illness Protection Product Award
  - Outstanding Group Medical Insurance Award
  - Outstanding Home Insurance Award
  - Outstanding Voluntary Health Insurance Scheme Award
- 'Y-Care CSR Scheme - Gold Partner' by YMCA



## Your Local Link to IGP in Hong Kong: AXA China Region Insurance Company Limited

- 'Financial Institution Awards 2020' by Bloomberg Businessweek, including:
  - Critical Illness - Excellence Award
  - Customer Engagement - Excellence Award
  - Digital Innovation - Excellence Award
  - Training and Development achievement (Agency Force) - Excellence Award
  - Corporate Social Responsibility - Outstanding Award
  - Integrated Marketing (Product) - Outstanding Award
  - Training Academy of the Year - Outstanding Award
- 'Best AI-based Solution – End User award' at the Waters Technology Asia Awards 2020 by Infopro Digital
- 'Best Use of Content – Gold Award' at the MARKies Awards 2020 by Marketing Magazine

### AXA China Region's Key Products

#### Life

- Life
- Accidental Death and Dismemberment
- Critical Illness/Living Insurance
- Permanent & Total Disability

#### Disability

- Accident and Sickness
- Disability Income

#### Medical

- Hospital and Surgical
- Supplementary Major Medical
- Clinical
- Dental
- Family

#### Pensions

- Mandatory Provident Fund Plans
- Occupational Retirement Scheme Ordinance Plans

#### Other

- Package Plan for Small Groups
- Portaprotection
- Business Travel Accident
- Group Personal Accident
- Individual Policies
- Investment Services
- Employees' Compensation

AXA Hong Kong is located on the internet at: <http://www.axa.com.hk>.  
(Information is available in Chinese and English.)

AXA China Region Insurance Company Limited has been an IGP Network Partner since 1985.

## Social Security Benefits and Customary Private Employee Benefits

### Introduction:

The overall objective of social security in Hong Kong is to provide for the basic and special needs of the members of the community who are in need of financial or material assistance.

This objective is achieved through a non-contributory social security system administered by the Social Welfare Department.

It comprises the Comprehensive Social Security Assistance Scheme, Social Security Allowance Scheme, Criminal and Law Enforcement Injuries Compensation Scheme, Traffic Accident Victims Assistance Scheme and Emergency Relief.

### Funding for Social Security Benefits:

Social Security Benefits	Employee	Employer	Government
Mandatory Provident Fund	Yes	Yes	N/A
Retirement Benefit:			
• Old Age Allowance	N/A	N/A	Yes
• Long-Service Payment	N/A	Yes	N/A
Death Benefit	N/A	Cost paid indirectly under Employee's Compensation	N/A
Disability Benefit	N/A	Cost paid indirectly under Employee's Compensation	Yes
Medical Benefit	Yes	Cost paid indirectly under Employee's Compensation	Yes
Employee Compensation	N/A	Yes	N/A
Comprehensive Social Security Assistance Scheme	N/A	N/A	Yes

Employees and employers who are covered by the MPF System are each required to make regular mandatory contributions calculated at 5% of the employee's relevant income to an MPF scheme, subject to the minimum and maximum relevant income levels.

*For information on contributions to the Mandatory Provident Fund, please see "Retirement Benefits".*

<b>LIFE BENEFITS</b>																																			
<b>Social Security Benefits</b>	<b>Customary Private Employee Benefits</b>																																		
<p><b>Death Benefits</b> (Death in Service only)</p> <p>Please refer to <b>Employees' Compensation</b>.</p> <p><b>Mandatory Provident Fund</b></p> <p>An amount equal to the balance in the account is paid as a lump sum to a person named by the insured.</p> <p><b>Funeral Benefit</b></p> <p>For those on Comprehensive Social Security Assistance, a lump sum funeral grant is paid to the person who paid for the funeral. The benefit is means-tested.</p>	<p><b>Life Insurance</b></p> <p>Employers in Hong Kong normally provide life insurance of two to three times annual salary. Some employers provide up to five times annual salary.</p> <p>Of those who do provide group life insurance to their employees, most of them bear the entire cost of the insurance.</p> <p>An accidental death and dismemberment (AD&amp;D) rider of the same sum assured as the group life insurance is frequently offered.</p> <p>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.</p> <p>The benefit can be paid in monthly installments spread over a maximum period of five years or by lump sum payment.</p> <p><i>Compensation Schedule for Accidental Death &amp; Dismemberment</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: center;"><b>AD&amp;D Benefit Payable % of Maximum Benefit</b></th> </tr> </thead> <tbody> <tr> <td><b>For Permanent and Total Loss of:</b></td> <td></td> </tr> <tr> <td>Hearing in both ears</td> <td style="text-align: center;">70%</td> </tr> <tr> <td>Hearing in one ear</td> <td style="text-align: center;">20%</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td><b>For Loss of:</b></td> <td></td> </tr> <tr> <td>All fingers of one hand</td> <td style="text-align: center;">45%</td> </tr> <tr> <td>Thumb: both phalanxes</td> <td style="text-align: center;">15%</td> </tr> <tr> <td style="padding-left: 20px;">one phalanx</td> <td style="text-align: center;">8%</td> </tr> <tr> <td>Index Finger</td> <td style="text-align: center;">10%</td> </tr> <tr> <td>Middle Finger</td> <td style="text-align: center;">6%</td> </tr> <tr> <td>Ring or Little Finger</td> <td style="text-align: center;">4%</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>All Toes on One Foot</td> <td style="text-align: center;">15%</td> </tr> <tr> <td>Great Toe: both phalanxes</td> <td style="text-align: center;">5%</td> </tr> <tr> <td style="padding-left: 20px;">one phalanx</td> <td style="text-align: center;">2%</td> </tr> <tr> <td>Any Other Toe</td> <td style="text-align: center;">2%</td> </tr> </tbody> </table>		<b>AD&amp;D Benefit Payable % of Maximum Benefit</b>	<b>For Permanent and Total Loss of:</b>		Hearing in both ears	70%	Hearing in one ear	20%			<b>For Loss of:</b>		All fingers of one hand	45%	Thumb: both phalanxes	15%	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%	one phalanx	2%	Any Other Toe	2%
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## Social Security Benefits and Customary Private Employee Benefits

	AD&D Benefit Payable % of Maximum Benefit
<b>For Removal of Lower Jaw by Surgical Operation</b>	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%
<b>For Permanent and Total Paralysis of:</b>	
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.



<b>DISABILITY BENEFITS</b>	
<b>Social Security Benefits</b>	<b>Customary Private Employee Benefits</b>
<p><b>Disability Allowance</b></p> <p>Provided under the Social Security Allowance (SSA) Scheme.</p> <p><i>Qualifying Criteria</i></p> <p>A person is eligible for an allowance under the Scheme if he/she satisfies the following residence requirements:</p> <ul style="list-style-type: none"> <li>• The applicant must have been a Hong Kong resident for at least seven years; and</li> <li>• The applicant must have resided in Hong Kong continuously for at least one year immediately before the date of application</li> </ul> <p><i>Eligibility</i></p> <p>Any person who is certified by the Director of Health or the Chief Executive, Hospital Authority to be severely disabled, and the disabling condition will persist for at least 6 months.</p> <p><i>Benefits</i></p> <p><u>Normal Disability Allowance:</u> HKD 1,695 per month. Payable as a flat amount, regardless of financial circumstances of applicant.</p> <p><u>Higher Disability Allowance:</u> For persons requiring constant attendance from others in their daily life, the monthly benefit is increased to HKD 3,390.</p>	<p><b>Disability Income (Permanent Health)</b></p> <p>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.</p> <p><b>Salary Continuation (Income Benefit)</b> 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.</p> <p><i>Qualifying (Waiting) Period</i> 30, 60, 90, 120 or 180 days</p> <p><i>Monthly Benefit</i> 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.</p> <p><i>Compensation Period</i> 1, 2, or 5 years, or up to age 65 if caused by sickness; for life if caused by accident.</p>



## Social Security Benefits and Customary Private Employee Benefits

<b>SURVIVORS' BENEFITS</b>	
<b>Social Security Benefits</b>	<b>Customary Private Employee Benefits</b>
<p><b>Survivors' Benefits</b></p> <p><b>Mandatory Provident Fund</b> An amount equal to the balance in the account is paid as a lump sum to a person named by the insured.</p> <p><b>Funeral Benefit</b> For those on Comprehensive Social Security Assistance, a lump sum funeral grant is paid to the person who paid for the funeral. The benefit is means-tested.</p>	<p><i>For more information, please see "Group Life Benefits".</i></p>

## MEDICAL BENEFITS

### Social Security Benefits

#### Public Health Care: The Hospital Authority:

The Hospital Authority is a statutory body established under the Hospital Authority Ordinance in 1990. The Authority has been responsible for managing Hong Kong's public hospitals and services to the community since December 1991. The Authority is accountable to the Hong Kong Special Administrative Region Government through the Secretary for Food and Health, which formulates health policies and monitors the performance.

The Authority has a workforce of around 64,000 people, and manages 42 hospitals and institutions, 48 Specialist Outpatient Clinics (SOPCs) and 73 General Outpatient Clinics (GOPCs). GOPCs offer general healthcare and medical services to patients in need, while SOPCs strive to provide ever-better standards of treatment by keeping pace with the latest medical and scientific advances. Between them, the Authority provides 27,000 hospital beds or about 4 public hospital beds for every 1,000 members of the public.

The Hospital Authority is a "people-first" organization. Their work is guided by Vision, Mission, and Values, and primary objectives are to help the community stay healthy and to contribute towards the fulfillment of the Hong Kong SAR Government's policy that "no one should be prevented, through lack of means, from obtaining adequate medical treatment". They do this by ensuring that all members of the community have access to comprehensive, affordable, highly professional and people-centered preventative, curative, and rehabilitation healthcare services when needed.

#### Hospital Authority Hospital & Clinics

Eligible persons for public health services are holders of the Hong Kong Identity Card issued under the Registration of Persons Ordinance, or children under 11 years of age with Hong Kong residency status; or other persons approved by the Chief Executive of the Hospital Authority.

Service	Fees
Accident & Emergency	HKD 100 per attendance
Inpatient (general acute beds)	HKD 50 admission fee plus HKD 100 per day
Inpatient (convalescent, rehabilitation, infirmary & psychiatric beds)	HKD 68 per day
Specialist outpatient (including allied health services)	HKD 100 for the 1st attendance HKD 60 per subsequent attendance HKD 10 per drug item
Day procedure and treatment at Clinical Oncology Clinic and Renal Clinic	HKD 80 per attendance
General Outpatient	HKD 45 per attendance

### Customary Private Employee Benefits

#### Medical Insurance

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.

Dressing & Injection	HKD 17 per attendance
Geriatric, Psychiatric & Rehabilitation Day Hospital	HKD 55 per attendance
Community Nursing (general)	HKD 80 per visit
Community Nursing (psychiatric)	Free
Community Allied Health Services	HKD 64 per treatment

The minimum obstetric package charge for a “Non-Eligible Person” was introduced to ensure the service priority for “Eligible Person” expectant mothers and discourage undesirable behavior of “Non-Eligible Person” of delivering babies in HA hospitals with no antenatal care. The minimum obstetric package charge is HKD 39,000 for those who have made a confirmed booking for their delivery and have undergone the antenatal check-up provided by the Hospital Authority during the pregnancy concerned.

Recipients of **Comprehensive Social Security Assistance (CSSA)** will continue to be waived from payment of their medical expenses for public health care services. To assist the three vulnerable groups in the community, i.e., the low-income group, chronically ill patients and elderly patients who have little income or assets, who are not CSSA recipients, the existing medical fee waiver mechanism has been enhanced to provide them with effective protection from undue financial burden.

### Community Care Fund Medical Assistance Programme (CCF):

Since the establishment of the Community Care Fund (CCF) in 2011, the work of the CCF was overseen and coordinated by the then Steering Committee on the CCF. An Executive Committee and four Subcommittees (Education, Home Affairs, Medical and Welfare) were set up under the Steering Committee to support the operation of the CCF.

Since its establishment, the CCF has rolled out 24 assistance programmes including two medical assistance programmes. The Hospital Authority (HA) is responsible for administering the two medical assistance programmes under the supervision of the Food and Health Bureau.

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

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:

## Social Security Benefits and Customary Private Employee Benefits

- 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.

<b>RETIREMENT BENEFITS</b>							
<b>Social Security Benefits</b>	<b>Customary Private Employee Benefits</b>						
<p><b>Old-Age Allowance</b></p> <p>Provided under the Social Security Allowance (SSA) Scheme.</p> <p><i>Qualifying Criteria</i></p> <p>A person is eligible for an allowance under the Scheme if he or she is aged 70 and older and satisfies the following residence requirements:</p> <ul style="list-style-type: none"> <li>the applicant must have been a Hong Kong resident for at least seven years; and</li> <li>the applicant must have resided in Hong Kong continuously for at least one year immediately before the date of application.</li> </ul> <p><i>Benefits</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Type of Allowance</th> <th style="text-align: center;">Amount per Month</th> </tr> </thead> <tbody> <tr> <td>Old Age Living Allowance (means-tested)</td> <td style="text-align: center;">HKD 2,565</td> </tr> <tr> <td>Old Age Allowance (universal)</td> <td style="text-align: center;">HKD 1,325</td> </tr> </tbody> </table> <p>Whereas:</p> <ul style="list-style-type: none"> <li>Old Age Living Allowance is payable to those aged 65 to 69 and subject to a declaration that their assets and monthly income do not exceed HKD 225,000 and HKD 7,750 respectively for a single person; and do not exceed HKD 341,000 and HKD 12,620, respectively for a married couple;</li> <li>Old Age Allowance is payable to those aged 70 or above, and allowances are paid without being means-tested; i.e., regardless of financial circumstances.</li> </ul> <p><b>Mandatory Provident Fund:</b></p> <p>To provide the working population of Hong Kong with a formal retirement protection program, the Legislation Council passed the Mandatory Provident Fund Schemes Ordinance on July 28, 1995.</p> <p>The Ordinance provides the framework for the establishment of a system of employment-related, privately managed Mandatory Provident Fund (MPF) schemes to accrue financial benefits for members of the workforce when they retire.</p> <p>In September 1998, the Mandatory Provident Fund Schemes Authority (MPFA) was established to regulate and monitor the Mandatory Provident Fund system.</p> <p>The first Mandatory Contribution commenced on December 1, 2000.</p>	Type of Allowance	Amount per Month	Old Age Living Allowance (means-tested)	HKD 2,565	Old Age Allowance (universal)	HKD 1,325	<p><b>Mandatory Provident Fund – Voluntary Contributions</b></p> <p>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.</p> <p>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.</p> <p><b>ORSO Plans:</b></p> <p>The Occupational Retirement Scheme Ordinance (ORSO) came into force in October 1993 to regulate <i>voluntary</i> 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.</p> <p>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.</p>
Type of Allowance	Amount per Month						
Old Age Living Allowance (means-tested)	HKD 2,565						
Old Age Allowance (universal)	HKD 1,325						

### *Covered Persons*

The MPF is an employment-based retirement protection system. Except for exempt persons, employees (regular or casual) and self-employed persons who are at least 18 but under 65 years of age, are required to join an MPF scheme.

Under the MPF System, an employee may be a regular employee or a casual employee who is employed for a continuous period of not less than 60 days under an employment contract, either full-time or part-time.

### *MPF Arrangements for Employees Working Outside Hong Kong*

The guiding principle for MPF coverage is that the Mandatory Provident Fund Schemes Ordinance (Chapter 485, Laws of Hong Kong) is intended to cover only those employees who are employed in or from Hong Kong. An employee working outside Hong Kong may be covered by the MPF System if there is sufficient connection between the employee and Hong Kong.

Broadly speaking, a Hong Kong resident employed from Hong Kong by a company engaging in business in Hong Kong to work outside Hong Kong for a limited period should generally be considered as sufficiently connected to Hong Kong; and therefore, the employer must enroll the employee in an MPF scheme and make MPF contributions.

Likewise, a person who is employed in Hong Kong, but who is working outside Hong Kong on a temporary basis is also covered by the MPF System.

### *Exempt Persons*

The following are exempt persons who are not required to join an MPF scheme:

- Domestic employees;
- Self-employed hawkers;
- People covered by statutory pension or provident fund schemes, such as civil servants and subsidized or grant school teachers;
- Members of occupational retirement schemes that are granted MPF exemption certificates;
- People from overseas who enter Hong Kong for employment for not more than 13 months, or who are covered by overseas retirement schemes; and
- Employees of the European Union Office of the European Commission in Hong Kong.

### *Contributions*

Employees and employers who are covered by the MPF System are each required to make regular mandatory contributions calculated at 5% of the employee's relevant income to an MPF scheme, subject to the minimum and

maximum relevant income levels. For a monthly-paid employee, the minimum and maximum relevant income levels are HKD 7,100 and HKD 30,000, respectively.

Monthly Relevant Income*	Contribution Percentage	
	Employer	Employee
Less than HKD 7,100	Relevant Income x 5%	No contributions required
HKD 7,100 to HKD 30,000	Relevant Income x 5%	Relevant Income x 5%
More than HKD 30,000	HKD 1,500	HKD 1,500

\* Relevant Income refers to all monetary payments paid or payable by an employer to an employee, including wages, salaries, leave pay, fees, commissions, bonuses, gratuities, perquisites or allowances (including housing allowances or other housing benefits), but excluding severance payments or long-service payments under the Employment Ordinance (Chapter 57, Laws of Hong Kong).

The current minimum relevant income level of HKD 7,100 per month applies to contribution periods commencing on or after November 1, 2013, while the current maximum relevant income level of HKD 30,000 per month applies to contribution periods commencing on or after June 1, 2014.

Both employees and employers are free to make voluntary contributions in addition to mandatory contributions.

However, employees are not required to make contributions for the first 30 days of new employment and the following incomplete contribution period. The employer will also be required to contribute an amount equivalent to 5% of the relevant income to the MPF scheme, subject only to the maximum level of income. This amount will immediately be vested as part of an employee's accrued benefits in the scheme.

### *Immediate Vesting*

Any mandatory contributions paid for and in respect of an employee are fully and immediately vested in the employee once they are paid to the MPF trustee.

Any investment return derived from the investment of the mandatory contributions is also fully and immediately vested in the employee.

Accumulated contributions and investment returns are collectively known as "accrued benefits".

### *Portability*

The MPF contributions made by an employee and the current employer are held in a contribution account under the MPF scheme selected by the employer for investment. When an employee changes jobs, he/she may treat the accrued benefits held in the contribution account under the original scheme in one of the three following ways:



- Transfer the accrued benefits from the contribution account in the original scheme to a personal account in any other master trust scheme or industry scheme of the employee's choice;  
or
- Retain the accrued benefits in the original scheme under a personal account;  
or
- Transfer the accrued benefits from the contribution account in the original scheme to the contribution account in the scheme of the new employer

Following the implementation of the Employee Choice Arrangement on November 1, 2012, an employee may also opt to transfer the accrued benefits derived from the employee's portion of mandatory contributions attributable to current employment to any other master trust scheme or industry scheme of the member's choice once a year.

### *Preservation*

Since the MPF System was introduced to help the workforce save for old age, withdrawal of accrued benefits is only allowed when scheme members reach the retirement age of 65, as stipulated in the Mandatory Provident Fund Schemes Ordinance.

However, there are circumstances under which accrued benefits may be paid before members reach the age of 65, provided that specified conditions can be met. The circumstances are:

- Early retirement at the age of 60;
- Permanent departure from Hong Kong (only once in a lifetime); or
- Total incapacity; or
- Death (the accrued benefits will be regarded as part of the member's estate to be claimed by the personal representative of the estate); or
- A small balance account of HKD 5,000 or less, and no contributions have been made to an MPF scheme for 12 months.

### *Investment Options*

According to MPF ordinance and regulations, all investment options available in the MPF scheme must be open to the member's choice for both mandatory and voluntary contributions.

At least one of the constituent funds of an MPF scheme must be a Capital Preservation Fund (CPF), which aims at providing a low investment risk product yielding a net investment return for scheme members comparable to the savings rate given by banks.

Besides the CPF, most MPF schemes consist of other funds, which are either guaranteed or unitized.

Guaranteed funds are characterized by steady growth with some guaranteed addressing of the preservation features (mandatory benefit to be preserved until retirement at age 65) of the MPF ordinance and regulations.

Unitized funds are non-guaranteed and opportunistic. Their performance is very much determined by the ability of the investment manager and the market situation.

### *Offsetting of Severance and Long-Service Payments*

An employer who is liable to pay employee severance payments ("SP") or long-service payments ("LSP") under the Employment Ordinance ("EO") (Chapter 57, Laws of Hong Kong), can offset the SP or LSP with the accrued benefits derived from the employer's contributions made to an MPF scheme for the employee.

### **MPF Employee Choice Arrangement (ECA)**

On July 17, 2009, the Mandatory Provident Fund Schemes (Amendment) Ordinance 2009 (the "Ordinance") was gazetted after it was passed by the Legislative Council following its third reading.

The Ordinance requires that MPF schemes must allow members to transfer their mandatory employee contribution balances held in respect of their current employment to another MPF scheme.

On November 1, 2012, MPFA launched the MPF "Employee Choice Arrangement" (ECA). ECA aims to encourage employees to manage their MPF investments more actively, thereby enhancing market competition. ECA gives employees the option of transferring the accrued benefits (accumulated contributions and investment returns) in their contribution account to an MPF trustee and scheme of their choice on a lump-sum basis once a year.

Employees are not required to make a transfer and can keep their accrued benefits in their original scheme.

### Severance Payment and Long-Service Payment Schemes:

#### Eligibility:

An employee is eligible for a severance payment or long-service payment subject to the following conditions:

Entitlement	Severance Payment	Long-Service Payment
<b>Qualifying Period of Employment</b>	Not less than 24 months under a continuous contract	Not less than 5 years under a continuous contract
<b>Conditions/ Requirements</b>	<ul style="list-style-type: none"> <li>The employee is dismissed by reason of redundancy*</li> </ul>	<ul style="list-style-type: none"> <li>The employee is dismissed but:               <ul style="list-style-type: none"> <li>not summarily dismissed due to serious misconduct</li> <li>the dismissal is not by reason of redundancy</li> </ul> </li> </ul>
	<ul style="list-style-type: none"> <li>Employment contract of a fixed term expires without being renewed by reason of redundancy*</li> </ul>	<ul style="list-style-type: none"> <li>Employment contract of a fixed term expires without being renewed*</li> </ul>
	<ul style="list-style-type: none"> <li>The employee is laid off</li> </ul>	<ul style="list-style-type: none"> <li>The employee dies</li> <li>The employee resigns due to ill health</li> <li>The employee, aged 65 or above, resigns due to old age</li> </ul>

#### Amount of Payment:

The following formula applies to the calculation of both the severance payment and long-service payment:

Monthly-paid employee	Last month's wages	X 2/3* X	Reckonable years of service
Daily-rated/piece-rated employee	Any 18 days' wages* chosen by the employee from the last 30 normal working days	X	Reckonable years of service

Service of an incomplete year should be calculated on a pro rata basis.

\* The sum should not exceed 2/3 of HKD 22,500 (i.e., HKD 15,000). An employee may also elect to use his or her average wages in the last 12 months for calculation.



## Social Security Benefits and Customary Private Employee Benefits

Maximum Amount:

Please see the table below for the maximum amount of severance or long-service payment to which an employee is entitled.

Relevant Date of Termination of Employment	Fully Reckonable Years of Service	Maximum Amount
20/1/1995 to 9/30/1995	25	HKD 210,000
10/1/1995 to 9/30/1996	27	HKD 230,000
10/1/1996 to 9/30/1997	29	HKD 250,000
10/1/1997 to 9/30/1998	31	HKD 270,000
10/1/1998 to 9/30/1999	33	HKD 290,000
10/1/1999 to 9/30/2000	35	HKD 310,000
10/1/2000 to 9/30/2001	37	HKD 330,000
10/1/2001 to 9/30/2002	39	HKD 350,000
10/1/2002 to 9/30/2003	41	HKD 370,000
10/1/2003 to 9/30/2004	43	HKD 390,000
10/1/2004 and after	All	HKD 390,000

Payment of Severance Payment:

An employee who wishes to file a claim for a severance payment should serve a written notice to his or her employer within three months after the dismissal or layoff takes effect. The deadline for serving such notice may be extended if approved by the Commissioner for Labour.

The employer shall make the severance payment to the employee not later than two months from the receipt of such a notice.

Long-Service Payment:

Long-service payment should be paid to an employee within seven days after the date of termination of the employment contract.

### Employees' Compensation:

#### Qualifying Criteria:

An employer is liable to pay compensation in respect of injuries sustained by his or her employees as a result of an accident arising out of and in the course of employment; or in respect of occupational diseases suffered by the employees as specified in the Ordinance.

The Ordinance in general applies to employees who are employed under a contract of service or apprenticeship. Employees who are injured while working outside Hong Kong are also covered if they are employed in Hong Kong by local employers.

#### Death Benefits:

Aged of Deceased Employee	Amount of Compensation
Under 40	84 months* earnings or minimum amount of compensation**, whichever is higher
40 to under 56	60 months* earnings or minimum amount of compensation**, whichever is higher
56 or above	36 months* earnings or minimum amount of compensation**, whichever is higher

\* Monthly earnings are subject to a maximum for the purpose of calculating compensation for fatal cases and permanent total incapacity:

- Work injuries caused by accidents happening or prescribed occupational diseases contracted on or after March 4, 2015: HKD 26,070
- Work injuries caused by accidents happening or prescribed occupational diseases contracted on any date from July 21, 2012 to March 4, 2015: HKD 23,580

\*\* Minimum amount of compensation for death:

- Work injuries caused by accidents happening or prescribed occupational diseases contracted on or after March 5, 2015: HKD 375,950
- Work injuries caused by accidents happening or prescribed occupational diseases contracted on any date from July 21, 2012 to March 4, 2015: HKD 340,040

#### Funeral and Medical Attendance Expenses in Fatal Cases:

Any person who has paid funeral and/or medical attendance expenses for an employee who died in a work-related accident is entitled to claim reimbursement from the employer of the deceased employee for such expenses not exceeding HKD 76,220.

For fatalities caused by work injuries due to accidents or prescribed occupational diseases contracted from July 21, 2012 to March 4, 2015, any person who has paid funeral and/or medical attendance expenses is entitled to claim reimbursement from the employer of the deceased employee for such expenses not exceeding HKD 70,000.



## Social Security Benefits and Customary Private Employee Benefits

### Permanent & Total Disability:

Aged of Deceased Employee	Amount of Compensation for Permanent Total Incapacity
Under 40	96 months* earnings or minimum amount of compensation**, whichever is higher
40 to under 56	72 months* earnings or minimum amount of compensation**, whichever is higher
56 or above	48 months* earnings or minimum amount of compensation**, whichever is higher

\* Monthly earnings are subject to a maximum for the purpose of calculating compensation for fatal cases and permanent total incapacity:

- Work injuries caused by accidents happening or prescribed occupational diseases contracted on or after April 1, 2017: HKD 28,360
- Work injuries caused by accidents happening or prescribed occupational diseases contracted on any date from March 5, 2015 to March 31, 2017: HKD 26,070

\*\* Minimum amount of compensation payable for permanent total incapacity:

- Work injuries caused by accidents happening or prescribed occupational diseases contracted on or after April 1, 2017: HKD 408,960
- Work injuries caused by accidents happening or prescribed occupational diseases contracted on any date from March 5, 2017 to March 31, 2017: HKD 375,950

### Temporary Incapacity:

An employee is entitled to receive periodic payments during the period of temporary incapacity (sick leave) up to 24 months. The payment should be calculated as follows:

Monthly earnings at the time of the accident      **LESS**      Monthly earnings after accident      x      4/5

If the employee's temporary incapacity lasts more than 24 months, they may apply to the Court for an extension of their entitlement for the payment. The extended period shall not be longer than 12 months.

### Medical Expenses:

The daily maximum amounts for medical expenses payable by the employer are as follows:

- The medical expenses for each day of stay in the hospital where an employee is given medical treatment as an in-patient: HKD 200
- The medical expenses for each day on which an employee is given medical treatment other than as an in-patient in a hospital: HKD 200
- The medical expenses for each day on which an employee is given medical treatment both as an in-patient in a hospital and other than as an in-patient in a hospital: HKD 280

### Compulsory Insurance:

An employer must be in possession of a valid insurance policy to cover their liabilities both under the Employees' Compensation Ordinance and common law for the work injuries of their employees.

### Comprehensive Social Security Assistance (CSSA) Scheme:

The CSSA Scheme provides a safety net for those who cannot support themselves financially. It is designed to bring their income up to a prescribed level to meet their basic needs.

#### Qualifying Criteria:

A person is eligible for an allowance under the Scheme if he or she satisfies the following residence requirements:

- The applicant must have been a Hong Kong resident for at least seven years; and
- The applicant must have resided in Hong Kong continuously for at least one year immediately before the date of application
- Persons whose presence in Hong Kong is unlawful or persons admitted to Hong Kong for a purpose other than residence are excluded from the Scheme.
- Hong Kong residents below the age of 18 applying for the Scheme are exempt from the residence requirement.
- In exceptional circumstances and at the discretion of the Director of Social Welfare, CSSA may be granted to a person who does not satisfy the residence requirement.

Persons aged 15 to 59 in normal health should actively seek full-time jobs and participate in the Support for Self-Reliance Scheme of the Social Welfare Department if they are unemployed or working part-time or earning less than a reasonable wage as defined by the Department.

The Social Welfare Department has the final decision regarding an applicant's eligibility for benefits.

#### Standard Benefit:

<u>Family Status of Applicant</u>	<u>Single Person Basic Allowance Per Month</u> HKD	<u>Family Basic Allowance Per Month</u> HKD
Able-bodied adult (under age 60)		
- Single Parent/Family Carer	0	2,105 – 2,630*
- Other Adult	2,420	1,735 – 2,160*
- Able-bodied child	2,910	1,935 – 2,410*
Ill health/Disabled Adult (under age 60)		
- Ill health/50% disabled	3,435	3,240
- 100% disabled	4,155	3,675
- Requiring constant attendance	5,850	5,365
Disabled Child		
- 50% disabled	3,865	3,370
- 100% disabled	4,585	4,100
- Requiring constant attendance	6,265	5,790
Elderly Person (aged over 60)		
- Able-bodied/50% disabled	3,435	3,240
- 100% disabled	4,155	3,675
- Requiring constant attendance	5,850	5,365

\*Amount of allowance depends on number of family members.

## Social Security Benefits and Customary Private Employee Benefits

Supplement:

### *Long-Term Supplement*

This is payable to families having any member who is old, disabled or medically certified to be in ill health for the replacement of household and durable goods if they have received assistance continuously for 12 months or more. The amount payable (HKD 2,150 – HKD 4,300) depends on the number of such eligible members in the family.

### *Single Parent Supplement*

A monthly single parent supplement of HKD 340 is payable to single parent families to recognize the special difficulties that single parents face in bringing up a family.

### *Community Living Supplement*

A monthly community living supplement of HKD 325 per month is payable to CSSA recipients who are old, disabled or medically certified to be in ill health and who are not living in institutions in order to better support their stay in the community.

### *Transport Supplement*

A monthly transport supplement of HKD 270 is payable to severely disabled persons who are medically certified to be 100% disabled or in need of constant attendance and in the age group of 12 to 64 to encourage them to participate more in activities away from home, thereby enhancing their integration into society.

### *Residential Care Supplement*

A monthly residential care supplement of HKD 325 is payable to CSSA recipients who are old, disabled or medically certified to be in ill health and who are living in non-subsidized residential care places to ease their financial burden.

### **Support for Self-Reliance Scheme (SFS):**

The aim of the SFS Scheme is to assist the applicants to improve their employability and the chance to secure employment.

### **Portable Comprehensive Social Security Assistance Scheme (PCSSA):**

The objective of the PCSSA Scheme is to enable elderly CSSA recipients who meet the prescribed criteria to continue to receive cash assistance under the CSSA Scheme if they choose to retire permanently in Guangdong or Fujian.

### **Social Security Allowance Scheme (SSA):**

The objective of the SSA Scheme is to provide a monthly allowance to Hong Kong residents who are severely disabled or who are 65 years of age or above to meet special needs arising from disability or old age.

The Scheme includes Normal Disability Allowance, Higher Disability Allowance, Old Age Allowance and Old Age Living Allowance. Except for Old Age Living Allowance, the allowances paid under the scheme are non-means-tested.





## Social Security Benefits and Customary Private Employee Benefits

### **Criminal and Law Enforcement Injuries Compensation Scheme (CLEIC):**

The scheme aims to provide financial awards to persons (or to their dependents in cases of death) who are injured as a result of a crime of violence, or by a law enforcement officer using a weapon in the execution of his duty. It is non-contributory and non-means-tested.

### **Traffic Accident Victims Assistance Scheme (TAVA):**

The scheme aims to provide speedy financial assistance to road traffic accident victims (or to their dependents in cases of death). It is non-means tested and does not take into account the element of fault leading to the occurrence of the accident. Payments are made for personal injuries, while loss of or damage to property is not covered.

### **Emergency Relief (ER):**

Emergency Relief (RF) is to help victims of natural or other disasters such as fire, typhoon, flood, rainstorm, landslide and house collapse, and also for evacuees of buildings and premises considered to be dangerous under Closure Orders by means of providing cooked meals (or cash-in-lieu of meals) and relief articles.

### Summary of Taxation of Employee Benefits

Type of Insurance	Contributions	Benefits
Group Life Insurance:	Premium payments by the employer to purchase group life insurance are fully tax-deductible.	The lump sum death benefit from life insurance is tax-free for the employee.
Group Medical and Disability Plans:	Employers' premium payments for group medical and group disability income insurance are fully tax-deductible.	The insurance benefits payable to employees are tax-free.
Retirement Plans:	<p><i>Employer:</i></p> <p>Contributions made by the employer towards approved retirement plans are deductible up to 15% of the employee's annual salary.</p>	Lump sum benefits, when payable from an approved retirement plan, are tax-free.
	<p><i>Employee:</i></p> <p>For retirement plans, a tax deduction on employees' contributions of up to HKD 12,000 a year is allowed.</p>	

## Sample Employee Benefit Plans

### Retirement Benefits:

Voluntary Contribution to the MPF Schemes

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

<u>Completed Years of Service</u>	<u>Employer Contribution Including Mandatory Contribution (as % of Basic Monthly Salary)</u>
0-3	5%
3-10	7.5%
10-15	10%
Over 15	15%

Vesting Scale for employer contributions upon leaving service.

<u>Completed Years of Service</u>	
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.



## Sample Employee Benefit Plans

### Sample Coverage Levels

#### Life, Total & Permanent Disability Accidental Death & Dismemberment

Type of Business	Number of Employees	Classification	Life	TPD	AD&D
Airline	159	1. Senior Staff 2. General Staff	48xB.M.S.* 24xB.M.S.	--- ---	48xB.M.S. 24xB.M.S.
Fashion	140	All Staff	36xB.M.S.	36xB.M.S.	36xB.M.S.
Catering	130	All Staff	24xB.M.S.	---	---
Investment	202	1. Director 2. General Staff	36xB.M.S. 24xB.M.S.	36xB.M.S. 24xB.M.S.	36xB.M.S. 24xB.M.S.
Chemical	296	All Staff	26xB.M.S.	26xB.M.S.	26xB.M.S.
Association	112	All Staff	24xB.M.S.	---	---
Information Technology	93	All Staff	36xB.M.S.	---	36xB.M.S.
Electronics	127	All Staff	24xB.M.S.	24xB.M.S.	24xB.M.S.
Publication	1,244	1. Director 2. General Staff	24xB.M.S. 12xB.M.S.	--- ---	--- ---
Bank	3,416	All Staff	36xB.M.S.	36xB.M.S.	---
Pharmaceutical	152	All Staff	36xB.M.S.	---	---
Advertising	72	1. Senior Management 2. Middle Management 3. General Staff	48xB.M.S. 36xB.M.S. 24xB.M.S.	--- --- ---	48xB.M.S. 36xB.M.S. 24xB.M.S.

\* B.M.S. is Basic Monthly Salary

## Sample Employee Benefit Plans

### Disability Income Benefits

Type of Business	Number of Employees	Classification	Waiting Period	Terminal Age	Benefit Period	Monthly Benefit (% of salary)
Investment	51	All Staff	90 days	65	2 years	70% of HKD 20,000 50% of balance up to HKD 48,000
Soft Drinks	107	All Staff	180 days	65	5 years	70% of HKD 20,000 50% of balance up to HKD 75,000
Information Technology	82	All Staff	60 days	65	Up to age 65	70% of HKD 20,000 50% of balance up to HKD 50,000

## Sample Employee Benefit Plans

### Type of Business: Banking

<u>Classification:</u>	<u>Private</u>	<u>Semi-Private</u>	<u>Ward</u>
Currency:	HKD	HKD	HKD

### 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

	<u>Range</u>	<u>Average</u>
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.

Source: Data from AXA China Region

**Type of Business: Bio-Chemical & Medical**

<u>Classification:</u>	<u>Private</u>	<u>Semi-Private</u>	<u>Ward</u>
Currency:	HKD	HKD	HKD

**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**

	<u>Range</u>	<u>Average</u>
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.

Source: Data from AXA China Region

## Sample Employee Benefit Plans

**Type of Business: Consumer**

<b><u>Classification:</u></b>	<b><u>Private</u></b>	<b><u>Semi-Private</u></b>	<b><u>Ward</u></b>
Currency:	HKD	HKD	HKD

**Hospitalization Benefits**

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**

	<b><u>Range</u></b>	<b><u>Average</u></b>
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.

Source: Data from AXA China Region



## Sample Employee Benefit Plans

### Type of Business: Manufacturing

<u>Classification:</u>	<u>Private</u>	<u>Semi-Private</u>	<u>Ward</u>
Currency:	HKD	HKD	HKD

### 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	13,000	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

	<u>Range</u>	<u>Average</u>
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.

Source: Data from AXA China Region

## Useful Links

Demographic information

[CIA World Factbook](#)

<https://www.cia.gov/library/publications/the-world-factbook/>

Macro-Economic indicators

[CIA World Factbook](#)

<https://www.cia.gov/library/publications/the-world-factbook/>

For more information on  
the AXA China Region,  
please visit:

<http://www.axa.com.hk>.



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