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## Elderly employment: latest developments in Hong Kong and policies in international perspective

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## Abstract

Although the elderly labour force participation rate in Hong Kong has soared over the past decade, it is still relatively low from an international perspective, and hence could have room to increase further. This article examines the relevant trends and more recent policies to encourage able and willing elders to work longer in Hong Kong and selected economies, suggesting that a multi-pronged approach is generally adopted by the governments to promote elderly employment, including strengthening incentives, tackling barriers on the side of employers and improving elders' employability.

The views and analysis expressed in this article are those of the authors and do not necessarily represent the views of the Office of the Government Economist.

#### I. INTRODUCTION

1. This article examines the latest employment situation of elders aged 65 and above in Hong Kong in comparison to overseas economies. It also briefly reviews recent policies adopted in selected economies to promote elderly employment.

# II. TRENDS OF ELDERLY EMPLOYMENT IN HONG KONG AND INTERNATIONAL COMPARISON

2. Over the past decade between 2008 and 2018, the number of employed elders in Hong Kong surged from 42 600 persons to 139 300 persons<sup>1</sup>—an over three-fold increase (*Chart 1a*), alongside a leap in their labour force participation rate (LFPR) in tandem with improving education levels and health conditions among our elders<sup>2</sup>. Specifically, the elderly LFPR more than doubled from 5.2% to 11.7%, with particularly sharp increases in the "younger old" cohorts, i.e. those aged 65-74 (*Chart 1b*).

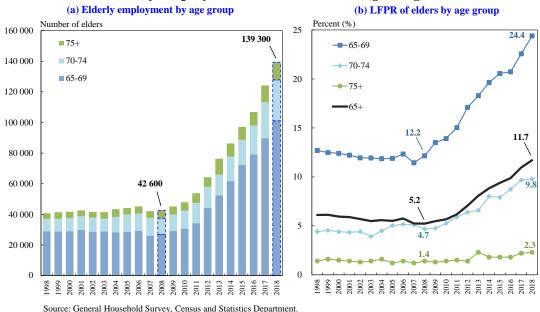


Chart 1: Elderly employment and LFPR in Hong Kong, 1998-2018

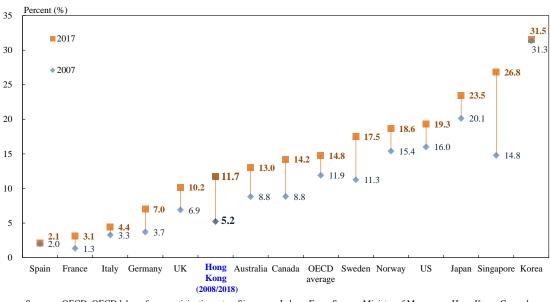
3. From an international perspective, Hong Kong's LFPR of elders (11.7% in 2018) was somewhat below the average for the OECD economies (14.8% in 2017). Yet it was comparable to those of the UK and Australia and higher than those of many major Eurozone economies such as Germany, Italy and France. Nevertheless, Hong

<sup>&</sup>lt;sup>1</sup> Unless otherwise specified, labour market statistics of Hong Kong in this article refer to those of land-based non-institutional population (excluding foreign domestic helpers).

<sup>&</sup>lt;sup>2</sup> According to the results of two rounds of the territory-wide Population Health Survey conducted by the Department of Health, the proportion of elders with their health status self-rated as "excellent", "very good" or "good" increased from 35.6% in 2003/04 to 46.1% in 2014/15.

Kong's figure was visibly lower than that of the US (19.3%) and those in many Asian counterparts, e.g. Korea (31.5%), Singapore (26.8%) and Japan (23.5%) (*Chart 2*).

4. Over the past decade, elderly LFPRs rose generally across the board (*Chart 2*). While the latest figure of Hong Kong was still relatively low, the magnitude of increase was indeed remarkable, with a two-fold increase rarely seen in other economies. Besides Hong Kong, the elderly LFPR of Singapore also rose sharply. On the other hand, Korea's figure hovered at high levels (slightly above 30%).





Sources: OECD labour force participation rates; Singapore: Labour Force Survey, Ministry of Manpower; Hong Kong: General Household Survey, Census and Statistics Department.

5. Relevant studies show that rising workforce participation of older workers in developed economies could be attributed to a combination of socio-economic and institutional factors. In addition to improving health conditions and educational attainment, a more supportive workplace culture for older workers, the shift away from physically demanding jobs, and workers' concerns about inadequacy of pension or retirement savings are also relevant<sup>3</sup>. Take Korea as an example: its stably high elderly LFPRs reflect in part its strong culture to work longer, forced early retirement and re-entry into the labour force as lower-skilled workers, and gaps in the social safety net and family support due to smaller families. These conditions leave some elders with no alternative but employment to support their livelihood<sup>4</sup>.

<sup>&</sup>lt;sup>3</sup> OECD (2015), *Ageing: Debate the Issues*, OECD Insights, OECD Publishing, Paris. <u>https://doi.org/10.1787/9789264242654-en</u>.

<sup>&</sup>lt;sup>4</sup> OECD (2018c), Working Better with Age: Korea, Ageing and Employment Policies, OECD Publishing, Paris. <u>https://doi.org/10.1787/9789264208261-en</u>.

6. Sectoral and occupational perspectives enrich our understanding of the visible structural differences between Hong Kong and selected economies with high elderly employment (i.e. Korea, Singapore, Japan and the US). Analysed by industry (*Table 1*), relatively high proportions of elders in Japan and Korea were engaged in primary (e.g. agricultural) and manufacturing sectors, which are less visible sectors in Hong Kong. Separately, a significant share of elderly workers in the US was employed in the public administration, education, human health and social work activities sectors. While the sectoral structures of elderly employment were similar between Hong Kong and Singapore, visibly more elders worked in the accommodation and food services and the public administration, education, human health and social work activities sectors in the latter.

7. In Hong Kong, a visible share of employed elders worked in the real estate, professional and business services sector (29.1%), almost double the corresponding figure for all employed persons  $(14.8\%)^5$ . On the other hand, shares of employed elders were lower than the overall figures in such sectors as public administration, education, human health and social work activities, finance and insurance, and information and communications. These observations were generally shared across the selected economies, whereas it was noted that Japan and Korea recorded much higher proportions of elders working in the primary sector and the US registered more similar sectoral profiles among employed elders and overall working persons.

<sup>&</sup>lt;sup>5</sup> Meanwhile, over four-tenths (42.3%) of elderly workers in Hong Kong were engaged in low paying sectors (LPS) in 2018, visibly higher than the corresponding share of overall employment (27.8%). The Minimum Wage Commission identified LPS as (i) retail; (ii) restaurants; (iii) estate management, security and cleaning services; and (iv) other LPS, including elderly homes, laundry and dry cleaning services, hairdressing and other personal services, local courier services, and food processing and production.

Share (%)	Japan	Korea^	US	Singa- pore <sup>#</sup>	Hong Kong (2018)
Overall	100.0	100.0	100.0	100.0	100.0
Agriculture and fisheries and other	13.1	21.9	5.3	@	0.8
primary sectors	(3.9)	(5.9)	(3.0)	<u>w</u>	(0.7)
Manufacturing	11.4	7.9	7.1	7.6	3.9
-	(16.1)	(16.9)	(10.0)	(10.3)	(2.9)
Construction	8.9	6.5	5.2	5.3	8.6
	(7.6)	(7.5)	(7.0)	(4.6)	(9.9)
Wholesale and retail trade	15.5	10.4	14.3	18.3	23.2
	(16.5)	(14.1)	(13.2)	(16.4)	(21.9)
Accommodation and food services	6.8	7.2	3.2	12.8	7.0
	(6.0)	(8.5)	(7.1)	(6.2)	(8.4)
Transport, storage, postal and courier	4.6	7.1	4.4	11.4	11.5
services	(5.2)	(5.2)	(4.4)	(9.0)	(8.9)
Information and communications	0.6	0.4	1.5	1.0	0.9
	(3.3)	(2.9)	(1.9)	(4.1)	(3.8)
Finance and insurance	1.0	0.9	4.2	3.8	2.4
	(2.6)	(2.9)	(4.8)	(8.7)	(7.6)
Real estate, professional and business	7.3	14.7	17.5	22.5	29.1
services	(5.4)	(11.1)	(14.4)	(15.9)	(14.8)
Public administration, education, human	12.5	15.6	27.5	10.5	6.5
health and social work activities	(20.8)	(18.4)	(27.1)	(19.2)	(15.7)
Miscellaneous social and personal	18.3	7.4	9.7	6.8	5.9
services and others	(12.6)	(6.4)	(7.1)	(5.6)	(5.5)

Table 1: Share of employed	elders in sel	lected economie	s by industry, 2017
Tuble 1. Share of employed			s by maastry, 2017

Notes: (^) Only statistics for employed persons aged 60 and above are available.

(#) Refers to statistics of its residents comprising Singapore citizens and permanent residents while excluding non-residents.

() Figures in brackets denote the shares of overall employment by industry.

(@) Not available.

Figures may not add up exactly to the total due to rounding.

Sources: Hong Kong: General Household Survey, Census and Statistics Department; other economies: national statistics offices.

8. Analysed by occupation, the high elderly LFPRs of Japan and Korea were characterised by high shares of elders engaged in lower-skilled jobs (*Table 2a*). For the US, Singapore and Hong Kong, in contrast, many of their elders were higher-skilled workers<sup>6</sup>, in particular for the US where the skill-sets of older workers were comparatively good<sup>7</sup>.

9. Yet, the percentage of elders working in lower-skilled occupations in Hong Kong (68.8%) was still higher than the corresponding figure for all employed persons (56.3%), as similarly observed for Japan, Korea and Singapore. Analysed by mode of employment, while it was more common for elders to take up part-time jobs than

<sup>&</sup>lt;sup>6</sup> Managers and administrators; professionals; and associate professionals.

OECD (2018a), Ageing and Employment Policies: United States 2018: Working Better with Age and Fighting Unequal Ageing, OECD Publishing, Paris. <u>https://dx.doi.org/10.1787/9789264190115-en</u>.

working persons overall across all selected economies, the shares of part-time working elders were particularly high in Japan, the US and Korea (with shares of part-timers at 45.0%, 39.6% and 35.4% respectively in 2017 versus 27.0% in Hong Kong in 2018) (*Table 2b*).

mode of employment, 2017					
Share (%)	Japan	Korea^	$\mathbf{US}^{*}$	Singa- pore <sup>#</sup>	Hong Kong (2018)
Overall	100.0	100.0	100.0	100.0	100.0
(a) By occupation		· · · ·		· · · ·	
Higher-skilled					
Managers and administrators	5.3 (2.2)	1.1 (1.2)	13.8 (11.1)	11.3 (15.3)	15.4 (12.6)
Professionals and associate professionals	9.2 (17.3)	5.7 (20.3)	38.3 (36.3)	12.0 (40.8)	15.8 (31.0)
Sub-total	14.5 (19.5)	6.8 (21.4)	52.1 (47.4)	23.3 (56.1)	31.2 (43.6)
Lower-skilled					
Clerical support workers	10.3 (20.1)	4.4 (17.3)	10.1 (9.6)	8.5 (11.2)	5.3 (14.0)
Service and sales workers	25.5 (26.0)	19.3 (22.4)	17.2 (18.8)	17.8 (11.6)	10.2 (17.2)

5.2

(4.7)

16.9

(17.2)

14.7

(9.1)

13.0

(3.4)

85.5

(80.5)

7.2

(8.8)

10.6

(11.8)

31.8

(13.4)

19.9

(4.8)

*93.2* 

(78.6)

5.5

(8.8)

6.4

(5.5)

8.0

(9.3)

0.7

(0.7)

47.9

(52.6)

5.0

(3.5)

12.6

(7.1)

32.2

(7.4)

0.6

(3.2)

76.7

(43.9)

6.7

(6.9)

11.0

(4.8)

35.3

(13.4)

0.2

(0.1)

**68.8** 

(56.3)

Table 2: Share of employed elders in selected economies by occupation and<br/>mode of employment, 2017

occupations not classifiable

Craft and related workers

Elementary occupations

assemblers

Sub-total

Plant and machine operators and

Agricultural and fishery workers; and

(b) by mode of employment					
Eull time	55.0	64.6	60.4	68.0	73.0
Full-time	(77.6)	(88.6)	(80.3)	(89.4)	(89.7)
Part-time	45.0	35.4	39.6	32.0	27.0
Fait-time	(22.4)	(11.4)	(19.7)	(10.6)	(10.3)

Notes:	(^)	Only statistics for employed persons aged 60 and above are available.		
	(*)	Re-classification from US SOC to ISOC occupation codes was performed by the		
		authors to provide a broad comparison.		
	(#)	Refers to statistics of its residents comprising Singapore citizens and permanent		

(#) Refers to statistics of its residents comprising Singapore citizens and permanent residents while excluding non-residents.

() Figures in brackets denote the shares of overall employment by occupation and mode of employment.

Figures may not add up exactly to the total due to rounding.

Sources: Hong Kong: General Household Survey, Census and Statistics Department; other economies: national statistics offices.

## III. RECENT POLICIES TO PROMOTE EMPLOYMENT OF OLDER WORKERS IN SELECTED ECONOMIES

10. This section investigates the recent policies to promote employment of older workers in the US, Japan, Korea and Singapore, where higher LFPRs of elders are observed. In the OECD synthesis report *Live Longer*, *Work Longer*<sup>8</sup>, a major multicountry review of age-related policies, three broad policy areas to encourage work at an older age<sup>9</sup> were recommended, namely i) strengthening financial incentives to carry on working; ii) tackling employment barriers on the side of employers; and iii) improving the employability of older workers<sup>10</sup>. To facilitate a systematic review of the relevant policies, the ensuing discussion will follow this framework.

#### III.1. Strengthening Financial Incentives to Carry on Working

11. As labour supply at older ages hinges on the financial incentives embedded in retirement income or social benefit systems, apart from gradually increasing statutory pension / retirement ages, the selected economies have also introduced policies to lessen the incentives to retire early (or increase the incentives to work beyond normal pension ages)<sup>11</sup>, including attractive raises in pension / social benefit payouts to persons opting for deferred receipt.

 <sup>&</sup>lt;sup>9</sup> This policy agenda was based on the main lessons that emerged from the 21 country reviews undertaken in 2003-2005 and published in OECD (2006).
<sup>10</sup> Policy exemples set out by the OECD on accing and employment;

Policy area	Policy examples
I. Strengthening financial incentives to carry on working	Enhancing incentives to remain in work; eliminating incentives to retire early; ensuring that unemployment, disability and other welfare benefits are not used as alternative pathways to exit early from the labour market; and giving better options for phased retirement.
II. Tackling employment barriers on the side of employers	Monitoring the effects of anti-discrimination legislation; moving ahead with abolishing mandatory retirement; reviewing pay practices based on age or length of service; helping protect employment opportunities; and encouraging social partners to promote best practice.
III. Improving the employability of older workers	Providing suitable training opportunities; helping private and public employment agencies give better assistance to older job seekers; and improving the work environment.

<sup>11</sup> OECD (2011), Pensions at a Glance 2011: Retirement-income Systems in OECD and G20 Countries, OECD Publishing. <u>https://doi.org/10.1787/pension\_glance-2011-en</u>.

<sup>&</sup>lt;sup>8</sup> OECD (2006), *Live Longer, Work Longer*, Ageing and Employment Policies, OECD Publishing, Paris. <u>https://doi.org/10.1787/9789264035881-en</u>.

12. In the US, the normal retirement age for full Social Security retirement benefits, gradually being raised since 2000, was 66 years and four months in 2018, and will rise to 67 in  $2022^{12}$ . Early retirement entails a reduction in the pension benefits (-6.67% per year) while the benefits are higher for deferred receipt up to age 70 (+8% per year).

13. Similarly, the Japanese government progressively raised the pensionable age from 63 in 2007 to 65 in 2013 for the flat-rate pension component of the national pension, and the additional bonus to the deferred pension payments is +8.4% per year of deferment. Likewise in Singapore, from 2013 onwards, for eligible members aged 65 of the Central Provident Fund Lifelong Income For The Elderly Scheme who start receiving payouts later (up to age 70), the monthly payouts would increase by up to +7% for each year deferred.

14. Alternatively, to strengthen financial incentives to work, the Korean government expanded the coverage of the Earned Income Tax Credit (which initially only targeted working households with children irrespective of age when first launched in 2008) in 2013 to cover single-member working households aged 60 and above<sup>13</sup>. A similar scheme in Singapore, the Workfare Income Supplement Scheme, provides incentives for low-paid workers aged 35 and above to work, with higher maximum payouts for workers aged 60 and above.

#### III.2. <u>Tackling Employment Barriers on the Side of Employers</u>

15. Employers in the selected economies are encouraged to play an important role in supporting the employment of older workers. In the US, where the labour market is perceived to be more flexible, firms' willingness to hire and retain older workers is stressed to ensure that elders can have access to and retain quality jobs, and the government has put emphasis on stepping up anti-age discrimination policies (OECD, 2018a). Since 1967, the Age Discrimination in Employment Act (ADEA) has been in place to protect those aged 40 and above, with the Equal Employment Opportunity Commission being responsible for promoting compliance, awareness and understanding among firms and individuals with and of the ADEA.

<sup>&</sup>lt;sup>12</sup> Age 62 is the earliest a person can start receiving Social Security retirement benefits. According to the 1983 Social Security Amendments, the normal retirement age has been increasing gradually from 65 to 67 over a 22-year period for those reaching 62 between 2000 and 2022.

<sup>&</sup>lt;sup>13</sup> First introduced in 2008, the Earned Income Tax Credit (EITC) initially targeted working households (irrespective of age) with children only, and was subsequently expanded to cover childless couples (irrespective of age) and single-member working households aged 60 and above without a spouse and children.

16. Similarly in Japan, the government enacted the Employment Measure Act in 2007 to prohibit age discrimination by firms in recruitment and hiring<sup>14</sup>. Besides, the Law Concerning Stabilisation of Employment of Older Persons was amended in 2004 to require employers to take one of the following three measures: (i) abolishing the retirement age; (ii) raising the retirement age to at least 65; or (iii) taking measures to secure employment up to age 65 by introducing a continued employment system. A host of grants and subsidies are provided to employers who comply with the requirements.

17. In Korea, where there are no statutory but only firm-specific retirement age limits which are normally low, the government has introduced measures to require companies to extend the retirement age limits to no lower than age  $60^{15}$ . In 2005, the government pursued the "wage peak" system to tackle early retirement practices by allowing employers to retain older workers in exchange for reduced wages and provided a subsidy to partially compensate the employees. Later, a working-hour reduction subsidy was also offered to firms employing workers aged 50 or above who worked 32 hours or less per week with a view to retaining more older workers in their main jobs. To further promote extended employment of older persons, the government provides subsidies to employers who (i) hire workers who have retired because of the mandatory retirement age, (ii) raise the retirement age above age 60, or (iii) abolish the mandatory retirement age.

18. In Singapore, the minimum retirement age is statutorily set at age 62 under the Retirement and Re-employment Act (RRA), and the RRA stipulates that employers must offer re-employment to eligible employees<sup>16</sup> who turn 62, up to age 67. Legislation aside, the Singaporean government also provides a Special Employment Credit to employers who re-employ older workers: an age-tiered offset of their monthly wages of up to 3%-5% for those aged 55-64 and 8%-11% for those aged 65 and above<sup>17</sup>.

<sup>&</sup>lt;sup>14</sup> OECD (2018b), Working Better with Age: Japan, Ageing and Employment Policies, OECD Publishing, Paris. <u>https://doi.org/10.1787/9789264201996-en</u>.

<sup>&</sup>lt;sup>15</sup> The Prohibition of Age Discrimination in Employment and Aged Employment Promotion Act was enacted in 2008 to require employers to set the retirement age at 60 or above.

<sup>&</sup>lt;sup>16</sup> Eligible employees are Singapore citizens / permanent residents who have served their employer for at least three years with satisfactory work performance and are medically fit to continue working.

<sup>&</sup>lt;sup>17</sup> Based on the age-tiered Special Employment Credit for July 2017 to December 2019, the offset rate is up to 3%, 5%, and 8%-11% for employees aged 55-59, 60-64, and 65 and above respectively.

#### III.3. Improving the Employability of Older Workers

19. The selected economies generally improve the employability of older workers by means of up-skilling or on-the-job training for older workers, ready access to employment services and age-friendly working conditions. In the US, a network of more than 2 500 American Job Centres nation-wide helps connect employers to job seekers and provides integrated services for older workers<sup>18</sup>. The Senior Community Service Employment Programme offers temporary part-time community service employment opportunities for low-income unemployed persons aged 55 or above with a view to preparing them to re-enter the workforce.

20. In Korea, where more elderly workers were engaged in lower-skilled jobs with less favourable earnings, various targeted employment support programmes have been introduced to foster their employability. In 2012, a restart programme for mid-career professionals, New Workplace Adaptation Support for Workers Aged 50+, was launched to provide career auditing services and training in strategies for obtaining re-employment. In addition to the job and employment support centres run by the government, Job Hope Centres were established in 2013 to provide re-employment services to middle-aged and older workers.

21. To create on-the-job training opportunities for mature workers, the Japanese government has introduced trial employment incentives to businesses that employ middle-aged and older workers on a fixed-term trial basis. Furthermore, around 1 300 Silver Human Resources Centres have also been set up throughout the country to provide short-term job opportunities for elders. Special corners for elders are made available in main Hello Work offices (the Japanese public employment service) in prefectures to provide vocational counselling, job search guidance, referrals and placement services. Separately, grants are provided to employers to partially cover expenses for improving the employment environment for elderly workers<sup>19</sup>.

<sup>&</sup>lt;sup>18</sup> Including tools, resources and assistance for job search and placement, career development and advancement; workforce information; career guidance and planning; and assessment of the knowledge, skills and abilities of individual job seekers and support for training.

<sup>&</sup>lt;sup>19</sup> Examples of the expenses covered include installation of mechanical equipment, improvement of work methods and / or work environment, and review / implementation of employment management systems (e.g. personnel development, ability evaluation and working hours).

22. In Singapore, the SkillsFuture Mid-Career Enhanced Subsidy provides eligible citizens aged 40 and above with subsidies of up to 90% of course fees of selected courses to encourage them to up-skill and re-skill. Besides, the government launched an enhanced WorkPro scheme in July 2016 to further encourage employers to implement age-friendly workplaces, comprising three grants for companies: (i) the Age Management Grant for raising awareness of age management practices; (ii) the Job Redesign Grant for creating physically easier, safer and smarter jobs for older workers aged 50 and above; and (iii) the Work-Life Grant for implementing and sustaining flexible work arrangements.

#### Relevant Policies in Hong Kong

23. The Hong Kong Government has also been making efforts to promote elderly employment. While there is no statutory retirement age, the Government, being the largest employer in Hong Kong, has extended the retirement age of new recruits joining the civil service from June 2015 onwards from 60 to 65 for civilian grades, and from 55/57 to 60 for disciplined services grades, whereas serving civil servants who joined the Government between June 2000 and May 2015 have been allowed to choose to retire at 65 (for civilian grades) or 60 (for disciplined services grades) on a voluntary basis in response to the demographic challenges arising from the ageing population.

24. The Government's lead in this respect has been followed by some public bodies and firms in the private sector. For example, the Hospital Authority, which manages all public hospitals in Hong Kong, raised the retirement age of new recruits from 60 to 65 in June 2015. In addition, the upper age limit for Category B Security Personnel Permits was relaxed from 65 to 70 with effect from December 2015 in order to provide job opportunities for senior citizens who are still physically fit and help the trade by easing its recruitment difficulties.

25. To encourage elderly persons to re-join the labour market, the Employment Programme for the Elderly and Middle-aged under the Labour Department (LD) offers an on-the-job training allowance of up to \$4,000 per month per employee for six to 12 months to employers engaging unemployed elderly job seekers aged 60 or above. Furthermore, the Government has been actively encouraging employers to adopt friendly employment practices for elders and extend the working life of their employees through relevant publicity activities.

26. Regarding enhancing the employability of elders, a variety of measures have been implemented by the LD to facilitate their access to updated employment information and search for suitable job vacancies, including hosting job fairs of various kinds<sup>20</sup>, operating a dedicated webpage for elderly job seekers under the Interactive Employment Service website, and setting up special counters at its job centres. Besides, mature persons may enrol in relevant courses provided by the Employees Retraining Board (ERB) according to their aspirations, interests and training needs<sup>21</sup>. Apart from those courses, the ERB launched the "Tailor-made Course for Part-timers" pilot scheme in September 2018 to tie in with the employment needs of employees of different backgrounds (including mature persons) and to facilitate employers' hiring of suitable trainees.

27. In line with the provision of work support allowances in some economies, the Working Family Allowance, enhanced in 2018 and applicable to working elders, could encourage self-reliance through  $employment^{22}$ . The Government has also put in place a number of transport fare subsidies which should help enhance the geographical mobility of older persons for work.

### IV. CONCLUDING REMARKS

28. Compared to some overseas economies, the latest elderly LFPR of Hong Kong, though rising rapidly in the past decade, still appears to be relatively low and could have room to grow further. A brief review of more recent policies to promote elderly employment in selected economies suggests that the policies adopted by these overseas governments are multi-faceted and continuously enhanced and tailored to the latest labour market situations of older workers, with the main policy areas being strengthening incentives, tackling barriers on the side of employers and improving elders' employability.

<sup>&</sup>lt;sup>20</sup> Examples include large-scale thematic job fairs and district-based job fairs on part-time employment. Tailor-made employment briefings are also organised for elderly job seekers.

<sup>&</sup>lt;sup>21</sup> The ERB offers around 700 training courses straddling nearly 30 industries, provides training courses geared towards the employment needs of mature persons, provides trainees (including mature persons) with placement follow-up services upon their completion of placement-tied courses, and organises support services like the "Workplace Re-entry" activity series and the "Work Experience Day", etc., in order to help mature persons enter the job market.

<sup>&</sup>lt;sup>22</sup> In addition, starting from February 2019, a new Employment Support Supplement (at a fixed rate of \$1,060 per person per month) under the Comprehensive Social Security Assistance Scheme is provided by the Government to able-bodied adult recipients aged between 60 and 64 with a view to encouraging them to join the labour market and remain in employment.

29. In this light, a multi-pronged approach would be most suitable to encourage employable and willing elders to stay in or re-enter the labour market, thereby helping relieve the threat of a shrinking labour force amid an ageing population, retain invaluable human resources, facilitate poverty prevention<sup>23</sup>, and on a personal level, helping elders to stay socially connected which may be conducive to their mental health<sup>24</sup>.

<sup>&</sup>lt;sup>23</sup> See Box 2.3 in *Hong Kong Poverty Situation Report 2017* released by the Hong Kong Government. <u>https://www.povertyrelief.gov.hk/eng/pdf/Hong\_Kong\_Poverty\_Situation\_Report\_2017(2018.11.1\_9).pdf</u>.

<sup>24</sup> According to a study of Schwingel A. et al. (2009), working seniors and volunteering retirees gave significantly better cognitive performance scores, fewer depressive symptoms, and better mental well-being and life satisfaction than non-volunteering retirees (Schwingel, A., Niti, M., Tang, C., and Ng, T.P. (2009), "Continued work employment and volunteerism and mental well-being of older adults: Singapore longitudinal ageing studies." Age and Ageing, 38(5), pp. 531-537. https://doi.org/10.1093/ageing/afp089). Minami U et al. (2015) found that the mental health of some elders deteriorated after retirement but no noticeable changes were observed in the mental state of elders who changed from full-time jobs to part-time jobs (Minami, U., Nishi, M., Fukaya, T., Hasebe, M., Nonaka, K., Koike, T., et al. (2015), "Effects of the Change in Working Status on 10(12): Health of Older People in Japan." PLoS ONE e0144069. the https://doi.org/10.1371/journal.pone.0144069).