

(Translation)

**Elderly Commission
Minutes of the 119th Meeting**

Date: 24 June 2025 (Tuesday)

Time: 11:00 a.m.

Venue: Conference Room 3, G/F, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

Present

Chairman

Dr LI Kwok-tung, Donald, GBS, JP

Members

Ms CHAN Man-yee, Grace

Ms IP Shun-hing, BBS, MH, JP

Mr LAU Tat-chuen

Dr LUK Ka-hay, James

Ms MAN Wei-yin, Queenie

Mr NGAI Shi-shing, Godfrey

Mr SIU King-wai, Kyrus

Mr SU Yau-on, Albert, MH, JP

Ms WONG Chor-kei, Macy, MH

Ms LAU Yim, Alice, JP

Mr TO Wing-hang, Edward, JP

Mr LEE Lik-kong, Eddie, JP

Dr FAN Yuen-man, Cecilia, JP

Ms AU Mo-ching, Katherine

Dr LEUNG Lok-hang, Will

Permanent Secretary for Labour and Welfare

Director of Social Welfare

Deputy Secretary for Health 2

Consultant Family Medicine (Elderly Health Service), Department of Health

Chief Manager/Management (Support Services Section 2), Housing Department

Chief Manager (Primary and Community Services), Hospital Authority

In attendance

Mr CHONG Wing-wun, JP

Ms LAW Lai-tan, Linda

Ms YAN Lai-ming, Jenny

Deputy Secretary for Labour and Welfare (Welfare) 2

Principal Assistant Secretary for Labour and Welfare (Welfare) 3

Assistant Director of Social Welfare (Elderly)

Dr WONG Kin-ho, Philip	Senior Medical and Health Officer (Health Care Voucher) 2, Department of Health
Mr CHAN Ling-hang, Clement	Executive Director and Chief Executive Officer, HKMC Insurance Limited
Mr LEONG Ling-chi, Daniel	Executive Director and Chief Executive Officer, HKMC Annuity Limited
Ms HO Koon-ling, Rosanna	Chief Executive Officer (Welfare) 4, Labour and Welfare Bureau
Mr LAM Chi-kwong, Ares	Executive Officer (Welfare) 4, Labour and Welfare Bureau

Absent with apologies

Prof BAI Xue
 Dr CHAN Chi-kau, Johnnie Casire, SBS, JP
 Prof LAI Wing-leung, Daniel
 Prof LAM Chiu-wa, Linda
 Dr LEE Shun-wah, Jenny
 Mr LIT Hoo-yin, Horace
 Mr MA Heng, Theodore
 Ms YU Chui-yee, BBS, MH

Secretary

Ms CHAN Ah-wing, Ivy	Principal Assistant Secretary for Labour and Welfare (Welfare) 4
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Dr LI Kwok-tung, Donald, the Chairman, welcomed all Members to the meeting, in particular Mr TO Wing-hang, Edward, Director of Social Welfare, and Dr FAN Yuen-man, Cecilia, Consultant Family Medicine (Elderly Health Service), Department of Health (DH), who were attending for the first time.

2. The Chairman reminded Members that they must declare potential conflicts, if any, between their interests and matters under discussion. The relevant declaration is as follows:

Relevant Agenda Item	Matters Declared
Item 4: Update on the Elderly Health Care Voucher Greater Bay Area Pilot Scheme	The <u>Chairman</u> operated a clinic in Shenzhen.

Agenda item 1: Confirmation of the Minutes of the 118th Meeting

3. Members did not propose any amendments to the Chinese and English versions of the draft minutes issued by the Secretariat on 26 May 2025. The minutes were confirmed.

Agenda item 2: Matters arising

4. There were no matters arising from the 118th meeting.

Agenda item 3: Main Features and Latest Development of the “Retire 3” under the Hong Kong Mortgage Corporation Limited

5. With the aid of presentation slides, Mr CHAN Ling-hang, Clement, Executive Director and Chief Executive Officer, Hong Kong Mortgage Corporation (HKMC) Insurance Limited (HKMCI), and Mr LEONG Ling-chi, Daniel, Executive Director and Chief Executive Officer, HKMC Annuity Limited, briefed Members on the main features and latest development of HKMC Retire 3 (namely the HKMC Annuity Plan, the Reverse Mortgage Programme (RMP) and the Policy Reverse Mortgage Programme (PRMP)).

6. After the briefing, the Chairman and Members expressed views and raised questions as follows:

- (a) provision of additional retirement protection options for retirees via Retire 3 was supported. In respect of publicity, it was suggested that

the HKMC should organise more community talks to promote Retire 3 alongside other retirement arrangements (such as the Three Instruments of Peace, namely a will, an enduring power of attorney and an advance medical directive), and stressed that such products not only facilitated comprehensive retirement planning of the elderly, but also alleviated the burden on their children to support them, ensuring the peace of mind for both generations;

- (b) as the minimum age for application of the two mortgage programmes and the annuity plan under Retire 3 were set at 55 and 60 respectively, a number of eligible applicants were still working. It was suggested that advance promotion should be made among them in respect of product features and the option of converting Mandatory Provident Fund assets into annuities after retirement;
- (c) frontline staff of different social welfare units encountered many difficulties when promoting Retire 3 to the elderly given its complexity. For example, elderly persons might have technical questions, or their children might consider their personal interests jeopardised and raise objection. It was suggested that more information should be provided for frontline staff to enrich their understanding of the content, features and benefits of the programmes, thereby facilitating effective promotion to elderly persons and their families;
- (d) enquiries were made regarding the guaranteed period of the annuity plan, and how the balance of the annuity plan or the two mortgage programmes would be handled if an elderly participant of Retire 3 passed away without designating an estate successor;
- (e) given the problem of ageing buildings in Hong Kong, it was enquired whether consideration would be given to relaxing the upper age limit of local residential properties offered as security for an RMP loan from 50 to 60 years;
- (f) enquiries were made regarding the responsible party for the maintenance fees of the mortgaged property if incurred, and whether the mortgage agreement would be terminated if the mortgaged property was acquired by the Urban Renewal Authority (URA) or subject to compulsory sale

by a developer;

- (g) enquiries were made regarding the impact of property price fluctuations on the number of RMP applications and on the borrowers;
- (h) given that Retire 3 primarily targeted asset or property owners from the middle class or above, it was suggested to consider formulating a mandatory participation mechanism to help safeguard the retirement life of the middle class; and
- (i) enquiries were made on whether the elderly persons' eligibility of applying for the Comprehensive Social Security Assistance (CSSA) or Social Security Allowance (SSA) would be affected if they had moved to Mainland cities in the Greater Bay Area (GBA) for retirement after participating in Retire 3. It was also enquired whether a mortgaged property rented out by elderly borrowers after obtaining an RMP loan would be counted as an asset when applying for the CSSA or SSA.

7. In response to Members' views and questions, Mr CHAN Ling-hang, Clement and Mr LEONG Ling-chi, Daniel gave a consolidated reply as follows:

- (a) to support the Government's Working Group on Promoting Silver Economy in enhancing silver financial and security arrangements, the HKMC would actively promote Retire 3 and step up financial planning education among the elderly. The HKMC welcomed collaboration with partner organisations to publicise retirement products and arrangements;
- (b) from time to time the HKMC had co-organised seminars with large-scale corporations for promoting Retire 3 to the latter's employees, thereby enabling an early understanding of its features and better preparation for retirement among the working population;
- (c) given the relatively complex content of Retire 3, in particular the RMP and the PRMP, the HKMC would offer training to its frontline staff and those of its collaborating organisations for enhancing their understanding of these products and improving their public communication skills, with a view to enabling them to clearly explain to elderly persons and their children the product details and benefits (such as providing elderly

participants with fixed monthly income, while alleviating the burden on their children to support them). In addition, to ensure that elderly persons interested in applying for an RMP loan understood the programme and were aware of their rights and legal obligations as a borrower, they were required to attend a face-to-face counselling session with a practising solicitor acting as a counsellor (a solicitor list was maintained by the Law Society of Hong Kong) before making a formal application. Applicants might invite their spouse, children, relatives and potentially affected persons to attend the counselling session together for discussion;

- (d) the guaranteed period of the annuity plan referred to the period commencing from the premium start date of the policy during which guaranteed monthly payouts would be made in accordance with policy terms until the cumulative payouts reached 105% of the premium. The guaranteed cash value of the policy would gradually decrease as the insured began to receive guaranteed monthly payouts, and it would reduce to zero at the end of the guaranteed period. As long as the insured was alive and the policy remained in force, the insured would continue to receive guaranteed monthly payouts for the rest of the insured's life even after the expiry of the guaranteed period. In the event that no estate successors were designated, the estate handling process for Retire 3 customers was the same as that for the general public;
- (e) in general, the property offered as security for an RMP loan must be a residential property in Hong Kong not exceeding 50 years of age. Properties older than 50 years would be considered on a case-by-case basis by the HKMCI which might require the applicant to provide a building inspection report when necessary;
- (f) although the property had been mortgaged in favour of the lending institution, the borrower remained the owner of the property and had to pay for its repairs and maintenance. The borrower might apply for lump-sum payouts at the time of RMP loan application and/or any time during the selected payment term as necessary to settle the relevant payment or other personal expenses. The mortgage contract would be terminated if the borrower lost possession of the mortgaged property (for

example, due to acquisition by the URA or compulsory sale by a developer) or if it was identified as a dangerous building by the Government;

- (g) Hong Kong property prices had so far fallen by about 30% from the peak in 2021, yet the number of RMP applications reached a record high of around 1 000 cases in 2024. In recent months when property prices stabilised, the number of applications slowed down instead, possibly because some applicants preferred to apply later in anticipation of rising property prices to secure higher monthly payouts. This reflected that RMP applicants would consider their actual needs and the expected value of their properties. Furthermore, if property prices rose in the future, RMP borrowers could consider refinancing to obtain higher monthly payouts if needed. Conversely, if property prices fell, the guaranteed monthly payouts received by borrowers would remain unchanged. Upon the death of a borrower, the lending institution would dispose of the mortgaged property to recover the outstanding RMP loan. Any shortfall would be borne by the HKMCI under its insurance arrangement with the lending institution; and
- (h) the HKMC was a limited company wholly owned by the Government through the Exchange Fund, and Retire 3 were retirement financial planning products operated on commercial principles and designed to provide retirees with options. To encourage better retirement planning among the general public, the Government offered tax deductions for qualified deferred annuity premiums. Despite the benefit of creating guaranteed lifelong payouts, Retire 3 products had their limitations. For instance, the annuity plan provided fixed monthly payouts as stipulated in the contract, which would not increase with inflation, policyholders might have to make other financial arrangements to maintain their living standard. For the RMP and the PRMP, both were loan arrangements incurring fees such as interests and insurance premiums. Interested applicants had to consider their personal needs and financial status as well as protection features of retirement products, etc. to determine whether relevant retirement products were suitable for them. Therefore, it might be inadvisable to mandate all retirees to choose Retire 3 products.

8. In response to Members' enquiries on whether elderly persons' place of residence and ownership of rental properties would affect their eligibility for CSSA or SSA applications, Mr CHONG Wing-wun, Deputy Secretary for Labour and Welfare (Welfare) 2, and Ms CHAN Ah-wing, Ivy, Secretary to the Commission, gave a consolidated reply as follows:

- (a) elderly applicants for the CSSA or the Old Age Living Allowance (OALA) were required to pass an asset test. Generally speaking, owner-occupied properties in Hong Kong of elderly persons were disregarded under the asset test, while non-owner-occupied properties and rentals collected were regarded as assets and income respectively; and
- (b) for the OALA, fixed payouts from annuity schemes were counted as income. The premium payment under annuity schemes was disregarded under the asset test, but the surrender value after surrendering such schemes was treated as assets. Monthly payouts received under the RMP (only applicable to owner-occupied mortgaged property) and the PRMP would not be considered as income, whereas any unspent portions that were accumulated as savings or held as cash would be treated as assets.

Agenda item 4: Update on the Elderly Health Care Voucher Greater Bay Area Pilot Scheme

9. With the aid of presentation slides, Mr LEE Lik-kong, Eddie, Deputy Secretary for Health 2, briefed Members on the latest progress of the Elderly Health Care Voucher (EHCV) GBA Pilot Scheme (Pilot Scheme).

10. After the briefing, the Chairman and Members expressed views¹ and raised questions as follows:

- (a) expansion of the Pilot Scheme, which facilitated the use of EHCVs by elderly persons at more service points in GBA Mainland cities and enhanced the coverage of the healthcare network, was welcomed;

¹ Written comments submitted by Member Mr MA Heng, Theodore on 21 June 2025 had been forwarded to the DH for consideration.

- (b) there was concern over the sustainability of healthcare services for Hong Kong elderly persons. It was opined that, while the Government promoted primary healthcare (PHC) services and the “Family Doctor for All” concept, all pilot medical institutions/service points under the Pilot Scheme were major hospitals, except the Huawei Li Zhi Yuan Community Health Service Center. Unlike the community-based PHC services, these hospitals adopted a different service mode which might be harder for elderly persons to adapt, especially when they could not choose to consult the doctors they were familiar with. It was suggested that the Government should facilitate the participation of Hong Kong private healthcare institutions operating in GBA Mainland cities in the Pilot Scheme, so as to further increase the number of service points and provide elderly persons with more healthcare options;
- (c) as the healthcare service quality at pilot medical institutions/service points was regulated by Mainland health authorities, there was concern over the differences in healthcare culture, standards and monitoring mechanisms between Hong Kong and the Mainland, which might not meet the requirements and expectations of Hong Kong elderly persons;
- (d) enquiries were made regarding the reasons for not allowing the use of both EHCVs and the national medical insurance to settle payment for the same healthcare service encounter at pilot medical institutions/service points under the Pilot Scheme;
- (e) it was suggested that online booking and consultation functions should be added to the eHealth mobile application, and that a WeChat Mini Programme for Hong Kong elderly residents retiring in GBA Mainland cities should be developed to provide information and services on medical consultation and healthcare matters; and
- (f) a Member shared observations from a previous visit to two pilot medical institutions in Shenzhen and Zhongshan that their *modi operandi* were similar to those of Hong Kong medical institutions, with Hong Kong doctors to provide consultation services, and that the healthcare quality was satisfactory.

11. In response to Members' views and questions, Mr LEE Lik-kong, Eddie gave a consolidated reply as follows:

- (a) considering that family doctor system in Mainland was still developing and outpatient services in Mainland hospitals were relatively popular, major Tier 3 Class A Mainland hospitals were therefore selected as pilot medical institutions/service points. Also, outpatient services at Mainland hospitals generally allowed patients to choose their doctors, ensuring the sustainability of healthcare services;
- (b) before selecting any pilot medical institutions/service points, the HHB not only sought the opinion and recommendations from the Health Commission of Guangdong Province (GDHC), but also met with the management of relevant medical institutions/service points to understand their management structures and operation, as well as conducted site visits to inspect their facilities, equipment and actual operation to assure their quality. The Pilot Scheme offered additional healthcare choices to the elderly, instead of direct purchase of services from Mainland medical institutions/service points. The quality of these medical institutions/service points was therefore monitored by the Mainland health authorities;
- (c) the HHB had discussed with the GDHC and pilot medical institutions/service points, and concluded that since the Hong Kong EHCV Scheme differed from the national medical insurance system in terms of nature, scope of coverage, conditions of use and reimbursement mechanisms, mixed reimbursement might lead to complications. Therefore, it might be inadvisable to use both to pay for the fees of the same healthcare encounter; and
- (d) at present, elderly persons could make appointments for consultation through the respective mobile applications of the pilot medical institutions/service points. The use of Hong Kong EHCVs to settle telemedicine fees at pilot medical institutions/service points would involve cross boundary reimbursement, which was more complicated and needed to be further explored.

Agenda item 5: Progress Reports by Committee

12. Ms CHAN Ah-wing, Ivy, Secretary to the Commission, reported that the first round of funding applications to the Elder Academy Development Foundation (EADF) in 2025-26 was closed on 31 May 2025, with a total of about 30 applications received. The Committee on EADF would assess the funding applications in due course.

Agenda item 6: Any Other Business

13. The six-year term of Member Ms YU Chui-yee would expire in end-July this year. On behalf of the Commission, the Chairman extended heartfelt gratitude to Ms YU for her contribution during the tenure.

14. There was no other business for discussion at the meeting.

Time of Adjournment

15. The meeting was adjourned at 12:10 p.m.

Date of Next Meeting

16. The next meeting was tentatively scheduled for 25 September 2025 (Thursday). The Secretariat would advise Members of the meeting details in due course.

August 2025