ACTUARIAL SOCIETY of HONG KONG 香港精算學會

Press Release

Hong Kong's Ageing Population at Risk of Outliving its Savings:
The Actuarial Society of Hong Kong ("ASHK") Urges Reforms in the First Five-Year Plan and Policy Address Consultation Submission

The independent actuarial professional body sets out proposals to meet Hong Kong's ageing challenge by making better use of existing public schemes.

Hong Kong, 11 September 2026 – The Actuarial Society of Hong Kong ("ASHK") has made Hong Kong's rapidly ageing population its core focus for this year, warning that without coordinated policy action, a generation of Hong Kong residents faces the risk of outliving their retirement savings. In its detailed submission to the Government's consultations on the First Five-Year Plan and the 2026 Policy Address, ASHK put forward targeted reform proposals to help residents better finance longer-term retirement and safeguard their health in old age.

Hong Kong boasts one of the world's highest life expectancies, standing at 83.3 years for men and 88.7 years for women[1]. This means many people will spend 20 to 30 years in retirement. Nevertheless, over 90 per cent of retirees withdraw their entire Mandatory Provident Fund (MPF) savings in one lump sum payment[2], exposing them to significant risk of depleting their funds in later life. By 2030, Hong Kong's population over 65 will grow by around 300,000[3] to around 2.2 million[4]. That leaves only about 2 working-age adults to support each retiree, straining the welfare system and the economy. To date, Hong Kong's existing retirement and healthcare schemes have been developed in silos and lack cross-system alignment, making it harder for people to plan for a long retirement and old age.

Strengthen Retirement Wealth
ASHK's submission advocates for better and more integrated deployment of Hong Kong's existing public schemes. To strengthen retirement wealth, its key recommendation seeks to connect the Mandatory Provident Fund (MPF), Qualifying Deferred Annuity Policy (QDAP) and HKMC Annuity Plan to better facilitate effective retirement savings decumulation. This framework aims to help convert one-off lump sum savings into reliable regular income streams, rather than funds that are typically exhausted too quickly. One specific proposal is to raise the combined tax deduction ceiling for voluntary MPF contributions and QDAP from HKD 60,000 to HKD 120,000 to reinforce these fiscal incentives.

ASHK also advocates smarter deployment of MPF assets. It supports enabling scheme members to draw on their MPF savings to secure Voluntary Health Insurance Scheme (VHIS) policies during their working years to build up long-term healthcare protection. In parallel, ASHK proposes that QDAP and the HKMC Annuity Plan could be funded via MPF assets to generate regular retirement income instead of one-off lump-sum withdrawals. This arrangement supports more sustainable decumulation of retirement savings over time.

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1 C&SD official general-population birth-life-expectancy is ~82.7-83.3 male / 88.2-88.7 female (2024-2025 provisional). Source: C&SD : Demographics
2 Table II.2.4 Amount of MPF benefits paid on the ground of retirement and early retirement by withdrawal method. Source: MPFA Mandatory Provident Fund Schemes Statistical Digest Quarterly Report December 2025
3 C&SD : Table 150-11001 : Projected mid-year population by sex and age group
4 C&SD : Table 110-01001 : Population by sex and age group

Sustainable Healthcare and Innovation
On health, ASHK recommends enhancing VHIS features, with strengthened provisions for preventive care and refined co-payment mechanisms. These adjustments are designed to bolster the long-term sustainability of VHIS and mitigate soaring medical expenses from eroding people's retirement savings. The core innovation lies in treating these disparate programmes as a cohesive, interconnected system. Further expansion could facilitate delivery of more affordable retirement and elderly care options for Hong Kong residents across the Greater Bay Area, supporting Hong Kong's development into a world-leading silver society.

"*Hong Kong's population is ageing faster than nearly anywhere else globally. The social and economic issues facing us will be monumental if we fail to prepare adequately in advance,*" said Mark Saunders, President of the ASHK. "*Serving the public interest and assessing and managing long-term risk sit at the heart of our profession. This year ASHK brings this specialist expertise to bear on one of Hong Kong's most critical societal challenges, collaborating with the Government and cross-sector stakeholders through our recommendations for both the First Five-Year Plan and Policy Address consultations.*"

"*Hong Kong has built a robust retirement savings infrastructure, yet further improvements are needed to help citizens draw down their savings securely over longer retirement periods through better-designed decumulation solutions,*" said Simon Lam, Chairperson of the ASHK Public Policy Committee. "*By aligning MPF, annuity products and health insurance coverage, longer lifespans do not have to translate to out-of-income retirement or compromised access to care. These are evidence-led policy options for the Government and are not tied to any specific commercial product.*"

ASHK will advance this policy agenda at the **Ageing Well Hong Kong 2026**, which is the ASHK's flagship cross-sector conference taking place on 21 - 22 October 2026 at the Hopewell Hotel, Wan Chai, under the theme ***"Health, Wealth and Innovation for a World-Leading Silver Society"***. #AgeingWellHK2026

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About the Actuarial Society of Hong Kong

Founded in 1968, the Actuarial Society of Hong Kong (ASHK) is the professional body for actuaries in Hong Kong. The ASHK provides a platform for actuaries to improve sustainability by helping people and organisations be more financially resilient with a positive social impact.