Effective from 1 August 2018
Treatment of Annuity Scheme under Old Age Living Allowance (OALA)

Pre-surrender value
Not counted as asset

Payout
Counted as monthly income

Surrender value
Counted as asset

Note: The above treatment is also applicable to applicants aged 65 to 69 of Guangdong Scheme and Fujian Scheme.
Whether to subscribe for any annuity scheme is a matter of personal decision of elderly persons.
An example for illustration

A singleton male elder aged 65

Income: pension $2,500

Asset: $600,000
An example for illustration

**Not subscribe for any annuity scheme**

Asset: $600,000

Income: pension $2,500

Exceeding asset limits for OALA
- Normal OALA: $343,000
- Higher OALA: $150,000

Meeting monthly income limit for Normal / Higher OALA ($7,970)

Remaining asset: $300,000
(pre-surrender value of $300,000 is not counted as asset)

Income: monthly payout at about $1,740* + pension $2,500 = $4,240

**Not eligible** for OALA

Subscribed for an annuity scheme with pre-surrender value of $300,000

Meeting asset limit for Normal OALA

Remaining asset: $300,000
(pre-surrender value of $300,000 is not counted as asset)

Income: monthly payout at about $1,740* + pension $2,500 = $4,240

**Eligible** for Normal OALA

Remaining asset: $100,000
(pre-surrender value of $500,000 is not counted as asset)

Income: monthly payout at about $2,900* + pension $2,500 = $5,400

**Meeting** monthly income limit for Normal OALA ($7,970)

**Meeting** asset limit for Higher OALA

**Eligible** for Higher OALA

*Note: The return rate is made reference to the amounts estimated under the HKMC Annuity Plan of the Hong Kong Mortgage Corporation Annuity Limited.*