

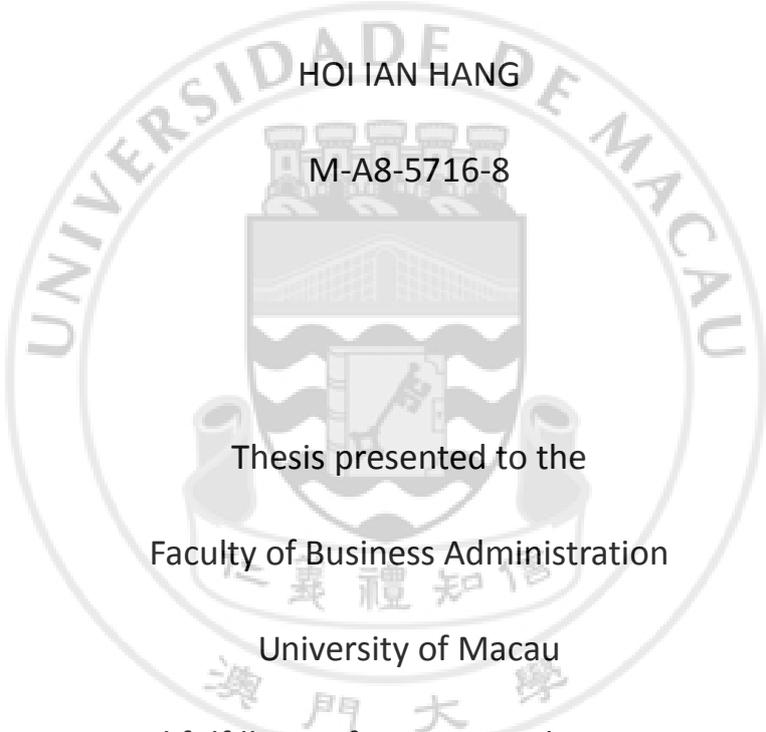
UNIVERSITY OF MACAU

FACULTY OF BUSINESS ADMINISTRATION

Reforming Macau social security system: Issues and Options

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The logo of the University of Macau is a circular emblem. It features a central shield with a bridge and waves, flanked by two pillars. Above the shield are five small figures. The shield is set against a background of a larger shield. The entire emblem is surrounded by the text 'UNIVERSIDADE DE MACAU' at the top and '澳門大學' at the bottom. The motto '仁義禮智信' is written across the middle of the emblem.

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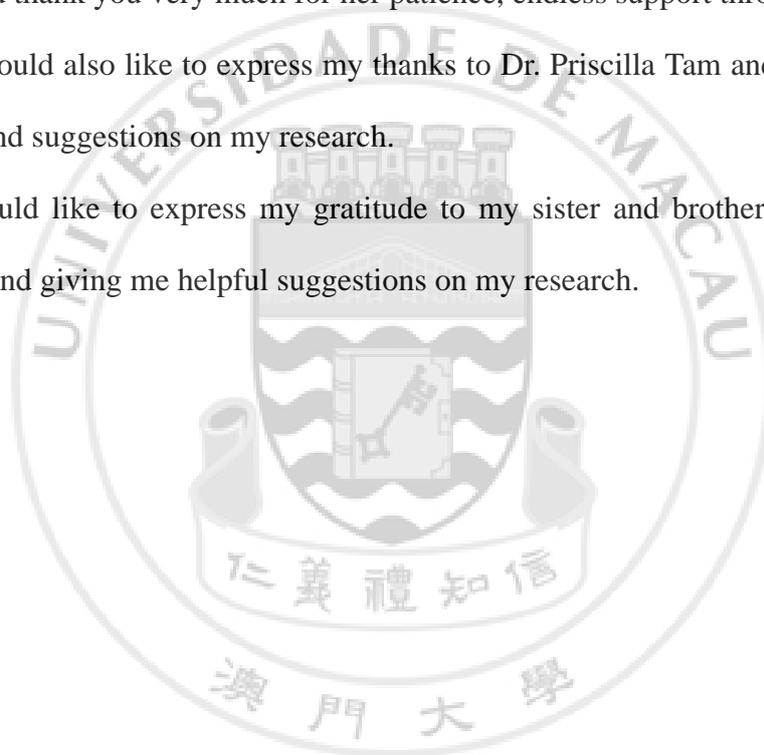
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Abstract

The Macau social security system has been modified several times since it was established in March 1990. The reform measures include increasing coverage, expanding welfare and subsidy projects and raising old-age pension benefits.

As its population structure changes, Macau, similar to most advanced countries, faces a bullet-shaped population distribution with a small population of elderly individuals and young children and a larger population of young adults. Currently, Macao's population is characterized by low birth and mortality rates, an aging population and increasing life expectancy, all of which will create financial problems for the social security fund.

To address these challenges, this thesis aims to estimate the future financial balance of the Macao social security fund based on an actuarial model and to analyze how old-age pension benefits and contributions may be adjusted to address the shortcomings of the existing old-age pension system, and thereby achieve a reasonable allocation of resources and reduce the government's financial burden.

Keywords: Social Security system, old-age pension, actuarial model, sustainable development

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