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Ms Doris Chan
Clerk to Panel on Welfare Services
Legislative Council
3/F Citibank Tower
3 Garden Road
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Dear Ms Chan

Supplementary Provision for Social Security Allowance in 2000-01

At the LegCo Welfare Panel meeting on 12 February 2001, in response to an enquiry from the Hon. Lee Cheuk-yan, I undertook to look at our records to see whether we could identify any possible causes for the increase in the number of Higher Old Age Allowance (HOAA) cases, in particular to ascertain whether the enforcement of the “one household rule” under the Comprehensive Social Security Assistance (CSSA) Scheme could be a contributing factor. We have since examined our management information and as I have said during the Panel meeting, we could not establish any precise reasons for the increase. This is understandable as the HOAA is a non-means tested scheme. At any point in time, a proportion of the eligible elderly choose not to take up HOAA for various reasons. While a year-on-year increase has been registered in recent years, there is no particular pattern in the take-up rates.

With a view to trying to answer the Honourable Member’s enquiry, my colleagues have done a special exercise to try to find out whether within the three-month period from November 2000 to January 2001, there were single elderly applying for both CSSA and HOAA/OAA and their application for CSSA was

rejected before they turned to HOAA/OAA. We discovered a total of 25 such cases and of these, only three were due to the “one household rule”. The remaining applications were rejected on grounds that the applicants’ assets and income had exceeded the prescribed limits, the applications were meant for OAA, etc. It is therefore reasonable to conclude that enforcement of the “one household rule” could hardly be a significant contributing factor to the projected increase in HOAA cases of some 17 000 in 2000-01.

(Mrs Carrie LAM)
Director of Social Welfare

c.c. Secretary for Health and Welfare