

Legislative Council Panel on Welfare Services

SPECIAL GRANTS UNDER THE CSSA SCHEME

Purpose

This paper provides general information on the administration of special grants under the Comprehensive Social Security Assistance (CSSA) Scheme and specifically explains the mechanisms for adjusting the maximum levels of rent allowance and the rates of the flat-rate grant for selected items of school-related expenses.

Background

2. Under the CSSA Scheme, in addition to standard rates and two special supplements (i.e. annual long-term supplement and monthly single parent supplement¹), recurrent and one-off special grants can be made to CSSA recipients on a need basis so as to tailor assistance to the varied needs of individuals and families. The administration of special grants is within the discretionary power of the Director of Social Welfare (DSW).

3. At present special grants are payable to all CSSA recipients to cover rent, water/sewage charge, schooling expenses, child care centre fees and burial expenses. These grants are classified as *standard* special grants, which have clearly defined and published criteria and are payable to CSSA recipients once the criteria are met without the need to exercise discretion by staff of the

¹ The annual long-term supplement is payable to recipients who are old, disabled or medically certified to be in ill-health and who have been receiving CSSA continuously for more than 12 months for the replacement of durable household effects. The monthly single parent supplement is payable to single parents with at least one child aged below 18 or aged 18-21 receiving full-time education in recognition of the special difficulties which single parents face in bringing up a family.

Social Welfare Department (SWD). Recipients who are old, disabled or medically certified to be in ill-health are entitled to other special grants to meet their special needs, such as fares to hospital/clinic, medically recommended diets and appliances. At Annex 1 is a list of the standard special grants under the CSSA Scheme and their current payment rates.

4. Apart from standard special grants, *discretionary* special grants can be made, on the merits of individual cases and at the discretion of staff of SWD at a senior level, to meet any other special needs not covered by existing provisions, such as a discretionary payment to cover loss of cash. The exercise of discretion is needed in some cases as all contingencies cannot be fully anticipated or provided for.

Modes of payment of special grants

5. Under the existing system, special grants are payable in three modes: to meet the actual expenses in full, to meet the actual expenses up to a prescribed maximum level, and on a flat-rate basis. To avoid any undue hardship on the part of CSSA recipients, advance payment can be arranged whenever there is a proven need to do so.

6. For those special grants payable to meet actual expenses on a reimbursement basis without a ceiling, the question of rate revision does not arise. For others which are payable up to a prescribed maximum level or on a flat-rate basis, different mechanisms have been developed over the years for adjusting their payment rates to take account of price changes. For example, the maximum levels of the special grants for day crèche and day nursery fees are pegged to the maximum fee assistance levels for aided child care centres approved by the Secretary for Financial Services and the Treasury, which are revised annually. The maximum level of the burial grant is pegged to the burial grant payable under the Emergency Relief Fund, which is revised annually in accordance with the movement of the Consumer Price Index (A) [CPI(A)].

Revision of payment rates of some of the special grants from June 2003 or from the 2003-04 school year

7. Alongside the revision of standard rates for able-bodied recipients and other standard payments under the CSSA Scheme effective from 1 June 2003, the rates of the following special grants will be adjusted downwards in accordance with the established mechanisms so as to return the buying power of these benefits to their originally intended levels:

- (a) meal allowance for full-day students taking lunch away from home;
- (b) special diet allowance;
- (c) maximum rent allowance; and
- (d) flat-rate grant for selected items of school-related expenses.

8. The rates of meal allowance for full-day students taking lunch away from home and those of special diet allowance will be adjusted downwards by 11.1% from 1 June 2003 in accordance with the movement of the Social Security Assistance Index of Prices (SSAIP)² in the same way as the standard rates for able-bodied recipients. Based on established mechanisms for revising the maximum levels of rent allowance and the rates of the flat-rate grant for selected items of school-related expenses, these two grants will be adjusted downwards by 15.8% and 7.7% from 1 June 2003 and from 2003-04 school year respectively (see paragraph 9-15 below). Annex 2 provides the current rates of these special grants and their revised rates from 1 June 2003 or from 2003-04 school year.

² The SSAIP is specially compiled by Census and Statistics Department on a monthly basis to measure inflation according to the expenditure pattern of CSSA households. It consists of the same items as the Consumer Price Index, except that items that are covered by special grants under the CSSA Scheme (for example, rent) are excluded. The movement of the index is used as a reference for making adjustments to CSSA standard payment rates to take account of price changes.

Revision of the maximum levels of rent allowance

9. Rent allowance is payable as a standard special grant to all CSSA recipients to meet the cost of accommodation. The amount of the allowance is the actual rent paid or the prescribed maximum level by household size, whichever is the less. In cases where the recipient living in private housing has been waitlisted for compassionate rehousing or admission to a subvented home for the elderly, DSW has the discretion to approve a rent allowance above the maximum level to cover the actual rent paid.

10. Following a comprehensive review of the CSSA Scheme, the maximum levels of rent allowance were increased by 17% to 52% in April 1996. With the approval of the Finance Committee (FC) of the Legislative Council, the maximum levels of rent allowance have been revised in accordance with the movement of the rent index for private housing of the CPI(A)³ since 1997-98. In April 1998, the FC delegated to the Secretary for the Treasury the authority to approve future annual revisions using this mechanism *vide* FCR(98-99)10.

11. The maximum levels of rent allowance were increased by 8.0% and 8.8% in 1997-98 and 1998-99 respectively and lowered by 2.6% in 1999-2000 on the basis of the rent index for private housing of the CPI(A). There has been no further revision thereafter as in the case of the standard rates. However, the index fell by 8.7% in 1999-2000, 7.0% in 2000-01 and 3.3% in 2001-02. Up to March 2002, the maximum levels of rent allowance should be adjusted downwards by 15.8%.

12. In fact, the downward trend in private housing rent has continued since April 2002. For the 12-month period ending February 2003, the rent index for private housing of the CPI(A) registered a year-on-year decrease of 6.4%.

³ This rent index is compiled by the Census and Statistics Department on a monthly basis to measure the rental movements of private housing of the relatively low expenditure non-CSSA households (about 50% of total households in Hong Kong). The monthly expenditure of these households ranges from \$4,300 to \$17,500 at the price level of 2002.

Revision of the rates of the flat-rate grant for selected items of school-related expenses

13. As part of a package of improvements arising from the 1996 CSSA Review, a flat-rate grant for students for selected items of school-related expenses (i.e. books, stationery, school uniforms, miscellaneous and minor one-off expenses) was introduced in 1996-97. This arrangement was largely to overcome problems faced by students on CSSA when applying for special grants for school-related expenses on a reimbursement basis. The rates of the grant were then set at levels where 90% of the recipients would receive no less than what they should receive under the 'reimbursement' system. Additional payments could be made to meet the needs of those students whose actual expenses exceed the flat-rate grant. When approving the improvement package *vide* FCR(96-97)3, the FC noted that DSW would exercise his discretionary power in relation to special grants under the CSSA Scheme to adjust the payment rates annually in accordance with the movement of the CPI(A).

14. The rates of the flat-rate grant were increased by 7% and 4.5% in 1997-98 and 1998-99 respectively on the basis of the CPI(A). There has been no further adjustment thereafter as in the case of the standard rates. However, the CPI(A) fell by 3.3% in 1999, 3.0% in 2000 and 1.7% in 2001. Up to December 2001, the rates of the grant should be adjusted downwards by 7.7%.

15. Even after the 7.7% downward adjustment, the rates of the grant will still be considerably higher than the full rates of assistance for similar purposes for school children from non-CSSA low-income families under the School Textbook Assistance Scheme administered by the Student Financial Assistance Agency. Annex 3 provides a table comparing the revised rates of the grant with the full rates of assistance under the School Textbook Assistance for the 2002-03 school year. It should be noted that the School Textbook Assistance rates have included in addition to the cost of textbooks established on an annual survey a provision for miscellaneous school-related expenses. Rates for most of the education levels were reduced in the 2002-03 school year based on the survey. Besides, deflation has continued since January 2002.

The CPI(A) for 2002 registered a year-on-year decrease of 3.2%.

Advice sought

16. Members are invited to note the information provided in this paper.

Health, Welfare and Food Bureau
April 2003

Standard Special Grants under the CSSA Scheme

(Able-bodied adults/children are only entitled to those grants marked with an asterisk)

A. Housing and related grants

<u>Types of grant</u>	<u>Current payment rate</u>														
1. Rent allowance*	<p>Actual rent up to the prescribed maximum :</p> <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>No. of eligible family members</u></th> <th style="text-align: center;"><u>Maximum level per month (\$)</u></th> </tr> </thead> <tbody> <tr><td style="text-align: center;">1</td><td style="text-align: center;">1,505</td></tr> <tr><td style="text-align: center;">2</td><td style="text-align: center;">3,030</td></tr> <tr><td style="text-align: center;">3</td><td style="text-align: center;">3,955</td></tr> <tr><td style="text-align: center;">4</td><td style="text-align: center;">4,210</td></tr> <tr><td style="text-align: center;">5</td><td style="text-align: center;">4,215</td></tr> <tr><td style="text-align: center;">6 or above</td><td style="text-align: center;">5,265</td></tr> </tbody> </table>	<u>No. of eligible family members</u>	<u>Maximum level per month (\$)</u>	1	1,505	2	3,030	3	3,955	4	4,210	5	4,215	6 or above	5,265
<u>No. of eligible family members</u>	<u>Maximum level per month (\$)</u>														
1	1,505														
2	3,030														
3	3,955														
4	4,210														
5	4,215														
6 or above	5,265														

[Rent allowance above the maximum level can be considered to cover the actual rent if the family has been waitlisted for compassionate rehousing or if the elderly recipient has been waitlisted for admission to a subvented residential institution (not applicable to those residing in a private institution).]

2. Water/sewage charge allowance*	Amount of allowance depends on the number of persons sharing the water meter :
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<u>Number of persons sharing the water meter</u>	<u>Amount of allowance per person per month (\$)</u>
1	Nil
2	6.80
3	9.40
4	11.00
5	13.00
6	14.80
7	16.80
8	18.30
9	19.30
10 or above	20.30

<u>Types of grant</u>	<u>Current payment rate</u>
3. Grant for rent deposit	Up to two times of the appropriate maximum rent allowance
4. Grant for electricity, water and gas/LPG deposits for accommodation in public housing	Actual expenses
5. Commission fee charged by an estate agency	Up to two times of the appropriate maximum rent allowance
6. Domestic removal grant	<p><u>Permanent public housing or interim housing</u></p> <p>From \$3,210 up to a maximum of \$8,570 depending on the number of eligible members to cover removal cost, basic fitting out expenses and telephone installation fees</p> <p><u>Private housing</u></p> <p>From \$782 up to a maximum of \$2,737 depending on the number of eligible members to cover removal cost</p> <p><u>Housing for senior citizens</u></p> <p>Single person : \$3,210 Couple : \$5,680</p> <p>(The grant covers the costs of removal, telephone installation and essential household items in connection with the removal.)</p> <p><u>Institutions for the elderly</u></p> <p>\$391 to cover removal cost and miscellaneous expenses</p>
7. Grant to cover telephone installation fees and monthly telephone charges	Actual fees charged (payable to cases demonstrating a genuine need for a telephone)

<u>Types of grant</u>	<u>Current payment rate</u>
8. Grant for emergency alarm system for elderly recipients	Installation fee up to a maximum of \$2,500 on a one-off basis; or Monthly service charges up to a maximum of \$100 per month
9. Grant for renewal of electrical fittings	Actual expenses

B. Family grants

<u>Types of grant</u>	<u>Current payment rate</u>
1. Grant to cover fares to and from hospital/clinic and other essential travelling expenses	Actual expenses (usually by the cheapest means of available transport)
2. Grant to cover fees charged by private elderly residential institutions	An amount to enable elderly recipients meeting the prescribed criteria to pay a monthly home fee charged by a private elderly residential institution, on condition that the monthly home fee does not exceed \$7,756.
3. Burial grant*	Up to a maximum of \$10,530

C. Medical and rehabilitation grants

<u>Types of grant</u>	<u>Current payment rate</u>
1. Special diet allowance	Medical recommendation from a doctor of a public hospital or clinic is required. Higher rate : \$795 per month (For those certified as suffering from anaemia, malignancy, diabetes, tuberculosis (under treatment), or as requiring a fluid diet, or under a post-operative condition or those with stoma.) Lower rate : \$420 per month (For those certified as suffering from liver disease, kidney disease, disseminated lupus erythematosus or as requiring an ulcer diet.)
2. Grant to cover the cost of dental treatment (dentures, crowns, bridges, scaling, fillings and root canal treatment)	Actual expenses
3. Grant to cover the cost of glasses	Actual expenses
4. Care and attention allowance	Up to a maximum of \$4,296 per month (or more in exceptional cases), subject to medical certification and a social worker's recommendation
5. Grant to cover the charge for respite service	Actual fees charged less a portion of the standard rate
6. Grant to cover the medical examination fee for admission to a subvented residential institution	Actual fees
7. Grant to cover the annual medical examination fee for elderly recipients in subvented elderly residential institutions	Up to a maximum of \$200 per year

<u>Types of grant</u>	<u>Current payment rate</u>
8. Grant to cover fees for home help service	Actual service fees (cost of meals excluded) on condition that the customer is not in receipt of a higher standard rate for being in need of constant attendance
9. Grant to cover costs of Domiciliary Occupational Therapy Service	Actual expenses
10. Grant to cover costs of Community-based Support Services	Actual expenses (cost of meals excluded)
11. Grant to cover costs of Enhanced Home and Community Care Services	Actual expenses (cost of meals excluded)
12. Grant to cover costs of medical, rehabilitation, surgical appliances and hygienic items	Actual expenses subject to medical recommendation

D. Child-care grants

<u>Types of grant</u>	<u>Current payment rate</u>
1. Grant to cover baby-sitting charges	Up to a general maximum of \$2,864 per month (or more in exceptional cases)
2. Grant to cover charges for occasional child care services*	Actual fees charged (cost of meals excluded)
3. Grant to cover fees for attending a day crèche/day nursery*	Day crèche: up to a maximum of \$4,640 per month Day nursery : up to a general maximum of \$2,600 per month

E. School grants

Types of grant	<u>Current payment rate</u>												
1. Grant to cover primary and secondary school fees*	Actual fees												
2. Grant to cover kindergarten fees*	Full-day kindergarten : up to maximum of \$2,238 per month Half-day kindergarten: up to maximum of \$1,232 per month												
3. Flat-rate grant for selected items of school related expenses (i.e. books, stationery, school uniforms, miscellaneous and minor one-off expenses)*	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><u>Level of education</u></th> <th style="text-align: center;">Rate per student (per year) <u>Full grant</u> (\$)</th> </tr> </thead> <tbody> <tr> <td>Day nursery</td> <td style="text-align: right;">1,350</td> </tr> <tr> <td>Kindergarten</td> <td style="text-align: right;">3,080</td> </tr> <tr> <td>Primary</td> <td style="text-align: right;">2,715</td> </tr> <tr> <td>Lower secondary (secondary 1-3)</td> <td style="text-align: right;">4,130</td> </tr> <tr> <td>Upper secondary (including technical/commercial institutes)</td> <td style="text-align: right;">3,480</td> </tr> </tbody> </table> <p style="text-align: center;">(Note : Additional payment can be considered if the actual expenses exceed the amount of the grant paid.)</p>	<u>Level of education</u>	Rate per student (per year) <u>Full grant</u> (\$)	Day nursery	1,350	Kindergarten	3,080	Primary	2,715	Lower secondary (secondary 1-3)	4,130	Upper secondary (including technical/commercial institutes)	3,480
<u>Level of education</u>	Rate per student (per year) <u>Full grant</u> (\$)												
Day nursery	1,350												
Kindergarten	3,080												
Primary	2,715												
Lower secondary (secondary 1-3)	4,130												
Upper secondary (including technical/commercial institutes)	3,480												
4. Meal allowance for students attending full-day school and taking lunch away from home*	\$220 per month												
5. Grant to cover fares to and from school*	Actual expenses (normally by the cheapest means of available transport)												
6. Grant to cover Hong Kong Certificate of Education Examination and Hong Kong Advanced Level Examination fees*	Actual fees												

**Revision of payment rates of some
of the special grants under the CSSA Scheme
from 1 June 2003 or from the 2003-04 school year**

	<u>Rate before 1 June 2003 (\$ per month)</u>	<u>Rate from 1 June 2003 (\$ per month)</u>
Meal allowance for students attending full-day school and taking lunch away from home⁽¹⁾	220	195
Special diet allowance⁽¹⁾		
Higher rate	795	705
Lower rate	420	375

Maximum rent allowance⁽²⁾

<u>Number of eligible members in the household</u>	<u>Maximum level before 1 June 2003 (\$ per month)</u>	<u>Maximum level from 1 June 2003 (\$ per month)</u>
1	1,505	1,265
2	3,030	2,550
3	3,955	3,330
4	4,210	3,545
5	4,215	3,550
6 or above	5,265	4,435

Flat-rate grant for selected items of school-related expenses⁽³⁾

<u>Education level</u>	<u>Rate for the 2002-03 school year (\$ per student per school year)</u>	<u>Rate for the 2003-04 school year (\$ per student per year)</u>
Day nursery	1,350	1,245
Kindergarten	3,080	2,845
Primary	2,715	2,505
Lower secondary	4,130	3,810
Upper secondary (including technical and commercial institutes)	3,480	3,210

⁽¹⁾ Reduction by 11.1% from 1 June 2003 in accordance with the movement of the SSAIP

⁽²⁾ Reduction by 15.8% from 1 June 2003 in accordance with the movement of the rent index for private housing of the CPI(A)

⁽³⁾ Reduction by 7.7% from the 2003-04 school year in accordance with the movement of the CPI(A)

**Comparison of the revised rates of the flat-rate grant
for selected items of school-related expenses under
the CSSA Scheme with the full rates of assistance under
the School Textbook Assistance Scheme for the 2002-2003 school year**

Education level	(a) Revised rate* of the flat-rate grant under the CSSA Scheme	(b) Full rate under the School Textbook Assistance Scheme	Difference (a)-(b)
Primary	\$2,505	\$1,900	\$605
Secondary 1-3	\$3,810	\$2,484	\$1,326
Secondary 4	\$3,210	\$2,486	\$724
Secondary 5	\$3,210	\$1,470	\$1,740
Secondary 6	\$3,210	\$2,176	\$1,034
Secondary 7	\$3,210	\$970	\$2,240

* Additional payment can be considered if the actual expenses exceed the rate of the flat-rate grant paid.