

NOTE FOR FINANCE COMMITTEE

Trust Fund for Severe Acute Respiratory Syndrome

PURPOSE

This note informs Members that an ex-gratia relief payment of \$1 million would be made to a child whose parents died of Severe Acute Respiratory Syndrome (SARS) in 2003.

BACKGROUND

2. Members approved on 7 November 2003, vide FCR(2003-04)44, the creation of \$150 million commitment to establish a Trust Fund for SARS to provide -

- (a) special ex-gratia relief payments to families with deceased SARS patients;
- (b) assistance, including special ex-gratia financial assistance, for recovered SARS patients suffering from longer term effects, attributable to SARS (including the effects of medication received for SARS, if any), which may result in some degree of bodily dysfunction, subject to medical proof and financial need; and
- (c) assistance, including special ex-gratia financial assistance, for patients who were clinically diagnosed as having SARS on admission, treated with steroids as medication for SARS, but turned out subsequently not to have SARS, suffering from longer term effects, attributable to the effects of steroids received (if any), which may result in some degree of physical dysfunction, subject to medical proof and financial need, in case this happens.

3. As set out in the Finance Committee Agenda Item (FCai), the Trust Fund was set up under the Director of Social Welfare Incorporated Ordinance (Cap.1096) to provide on compassionate grounds, special ex-gratia relief payment or financial assistance to the three categories of eligible applicants, as detailed in paragraph 2 above. The Committee on Trust Fund for SARS (the Committee) comprising a balanced mix of non-official and official members has been established to work out the more detailed criteria and parameters, and consider applications under the Trust Fund.

CASE INVOLVED A CHILD WITH BOTH PARENTS DIED OF SARS

4. The relevant FCai provides, amongst other things, that a dependent child aged below 18 of a deceased SARS patient would be given an ex-gratia payment of \$500,000. However, there was one particularly unfortunate case involving a child aged below 18 whose father and mother both died of SARS. Given the tragic and unique circumstances of this case, we included in the FCai as footnote (4) to its Enclosure (1) (extract in Encl.) that –

Encl.

“in addition to the payment receivable as a surviving dependent child, the child should be given the payment of \$200,000 for surviving spouse”.

This specific reference implies that the child would be paid \$700,000.

5. When applications for the Trust Fund were invited, the child’s guardian submitted two applications to the Committee administering the Trust Fund for ex-gratia payments under the dependent child(ren) below 18 category, one application for \$500,000 in respect of her deceased father and the other also for \$500,000 in respect of her deceased mother (i.e. involving a total of \$1 million). Having carefully examined the two applications and the unique circumstances of the case, that is, the tender age of the child and the tragic situation of being left parentless with no other immediate family member, the Committee considered that this child should be given ex-gratia payments totalling \$1 million, instead of \$700,000 as originally proposed in the FCai. The Administration is prepared to accept the Committee’s recommendation even though this means a slight deviation from the intents expressed vide footnote (4) in Enclosure (1) to the FCai. For maximum transparency, we are drawing this to the attention of Members.

6. The granting of the ex-gratia payments to this case having regard to its unique circumstances would **not** form a precedent for any other applications for the Trust Fund.

Proposed Ex-Gratia Assistance Schedule and Financial Implications for the Trust Fund for SARS

Category	Propose Rate	No. of Cases ¹ (where information is known to the Administration at this stage)	Estimated Total Amount
<i>Deceased SARS patients – special ex-gratia relief payment</i>			
Surviving dependent children	\$500,000 for each child aged below 18 at the time of the parent's death	74 ²	\$37 million
	\$300,000 for each child aged between 18 and below 21 in full time studies at the time of the parent's death	10 ³	\$3 million
Surviving spouses	\$200,000 regardless of age	160 ⁴	\$32 million
Surviving dependent parents ⁵	\$300,000 for each dependent parent	19	\$5.7 million
Other families not eligible for any of the above	\$100,000 for each family	76 ⁶	\$7.6 million
		<i>Sub-Total</i>	<i>\$85 million</i>

/Recovered

¹ Families that have received financial assistance under the Financial Assistance Scheme for Family Members of those who Sacrifice their Lives to Save Others (7 heroic death cases in question approved so far) are not eligible, and have been so excluded from the respective categories.

² This is ascertained from beneficiaries of the We Care Education Fund who are children aged below 18 whose parent(s) has(ve) died of SARS, excluding one child from a heroic death case.

³ This is only an estimate based on a few known cases handled by SWD (through processing or referral) for a few community sources of funding for SARS affected families.

⁴ There is one child with both parents died of SARS. It is proposed that in addition to the payment receivable as a surviving dependent child, the child should be given the payment of \$200,000 for surviving spouse.

⁵ Dependent parents will be defined as those who are living with the deceased and have been relying solely on the deceased for financial support. Other justified cases will be considered on a discretionary basis subject to the advice of the Committee.

⁶ This is an estimate based on the number of deceased aged 80 and above.

Category	Propose Rate	No. of Cases ¹ (where information is known to the Administration at this stage)	Estimated Total Amount
<i>Recovered SARS patients, and “suspected” SARS patients treated with steroids as medication for SARS – assistance, including special ex-gratia financial assistance</i>			
<p>(i) For recovered SARS patients suffering from longer term effects, attributable to SARS (including the effects of medication received for SARS, if any), which may result in some degree of bodily⁷ dysfunction; and</p> <p>(ii) For “suspected” SARS patients treated with steroids as medication for SARS, suffering from longer term effects, attributable to the effects of steroids received (if any), which may result in some degree of physical dysfunction</p>	<p>On a need basis, with cumulative financial assistance receivable by a patient capped at \$500,000 per patient</p>	<p>Not available at this stage, pending medical knowledge to unveil.</p>	<p>\$70 million</p>
		Total	<p>\$155 million (say ~ \$150 million)</p>

⁷ “Bodily” is taken to mean the whole body, covering physical or psychological.