

LEGCO PANEL ON WELFARE SERVICES

Subcommittee to study issues relating to social welfare benefits

**Residence requirements for Comprehensive Social Security Assistance and
Social Security Allowance**

PURPOSE

This paper provides additional information requested by Members at the special meeting of the LegCo Panel on Welfare Services held on 18 December 2003 to discuss the new residence requirements for Comprehensive Social Security Assistance (CSSA) and Social Security Allowance (SSA) effective from 1 January 2004.

**OPERATION OF DISCRETION UNDER THE CSSA SCHEME TO WAIVE THE
SEVEN-YEAR RESIDENCE RULE**

2. When the new policy comes into effect on 1 January 2004, the Director of Social Welfare (DSW) will continue to exercise his discretion, as he does now, to grant CSSA to persons genuinely in need but unable to meet the prescribed residence requirements.

3. To determine whether discretion should be exercised to exempt a person from meeting the seven-year residence rule for CSSA, DSW will take into account all relevant factors of the case to establish whether there is genuine hardship. Each case is to be considered on its own merits. The main factors that will be considered include: means of the applicant's livelihood since arrival; cause of the present hardship; resources available and possible sources of help in Hong Kong; whether other forms of assistance are

available; possibility of the applicant returning to his place of origin.

4. To illustrate the exercise of discretion for cases of genuine hardship, a few case examples where discretion was exercised in the past to grant CSSA to persons not meeting the one-year residence rule are given below:

- A young woman came to Hong Kong with her three-year-old son to join her husband, who was gainfully employed. Soon after her arrival, she fell victim to domestic violence and was forced to move away from her husband with her child. No relatives or friends in Hong Kong could offer her any help.
- A middle-age woman and her two young children fell into dire financial hardship soon after their migration to Hong Kong because of the sudden death of her husband, the sole breadwinner in the family. The family had little savings, and had no relatives or friends to turn to for assistance.
- A 20-year-old man, who had been working as a construction worker to support himself and his elderly father since his arrival in Hong Kong, has become permanently incapacitated for work after 6 months as a result of a serious illness. The family had neither savings nor other resources.
- A 65-year-old woman came to HK to join her husband but was turned away by her husband who was living with another woman. She had no relatives or friends in Hong Kong.

5. The new arrivals in the above case examples were in genuine financial hardship and there had been a substantial and unexpected change in their circumstances justifying compassionate treatment. A similar approach will continue to be adopted upon implementation of the seven-year residence rule on 1 January 2004. It should also be noted that in cases where a new arrival in a family is working to support himself/herself and his/her family members, discretion is normally exercised to treat him/her as an eligible member for the purpose of CSSA in recognition of the new arrival's efforts to become self-supporting.

6. In practice, the discretionary power to waive the seven-year residence rule under the CSSA Scheme is delegated to officers of SWD at a senior level, namely, Senior Social Security Officers, who oversee the social security services at a district level, to ensure that it is fairly, sensibly and consistently exercised based on the guidelines given above.

7. A CSSA applicant can lodge an appeal with the Social Security Appeal Board (SSAB) if he is not satisfied with the decision made by SWD. The SSAB is an independent body whose members are appointed by the Chief Executive from outside the civil service.

FINANCIAL IMPLICATIONS OF THE NEW RESIDENCE REQUIREMENTS FOR CSSA

8. The estimated CSSA expenditure on new arrivals (i.e. those with less than seven years' residence in Hong Kong) increased significantly by 38.4% from \$1,467 million (or 10.8% of total CSSA expenditure) in 1999-2000 to \$2,031 million (or 12.6% of total CSSA expenditure) in 2002-03. Of the amount paid to the new arrivals in 2002-03, \$963 million were made to those aged 18 or above, and \$1,068 to those aged below 18.

9. The new residence requirements for CSSA are, however, not driven by the need to reduce CSSA expenditure on new arrivals, but by the need to adopt 'the principle of seven-year residence requirement' for providing social benefits heavily subsidized by public funds, as recommended by the Task Force on Population Policy, to ensure a rational basis on which our public resources are allocated. The Government remains committed to providing an effective and sustainable safety net for the financially vulnerable.

10. As the seven-year residence rule will not apply to persons who have become Hong Kong residents before 1 January 2004, it will affect only those CSSA applicants aged 18 or above and admitted into Hong Kong on or after that date. Given the original one-year residence rule, there will not be any reduction in CSSA expenditure on these new arrivals until one year after the implementation of the new rule. DSW may have to resort more to his discretionary power from the second year of the implementation of the seven-year residence rule to grant assistance to those in cases of genuine hardship but

unable to satisfy the rule. These are, however, determined on a case-by-case basis. In the light of all these factors, it is not possible to estimate the financial implications of the adoption of the seven-year residence rule for CSSA.

OTHER FORMS OF ASSISTANCE AND SUPPORT FOR NEW ARRIVALS WHO ARE NOT ELIGIBLE FOR CSSA

11. Other forms of assistance and support are available to new arrivals irrespective of their length of residence in Hong Kong, such as employment support services, emergency relief, grants from charitable trust funds, medical waivers, assistance in kind, referrals to singleton hostels for accommodation and day relief centres for meals.

12. There are four major charitable trust funds, namely Tang Shiu Kin & Ho Tim Charitable Fund, Li Po Chun Charitable Trust Fund, Brewin Trust Fund and Kwan Fong Trust Fund for the Needy, available at the service units of the SWD and some subvented Non-Government Organizations (NGOs) (applicable to Li Po Chun Charitable Trust Fund and Brewin Trust Fund). Trust funds would be tapped to assist the applicants in family crisis and temporary financial hardship, mainly by one-off grant, according to the categories of assistance governing each charitable trust fund.

13. Also, there are other trust funds available, administrated by different NGOs and local organizations, supporting the needy persons and families by releasing temporary financial assistance. Yan Chai Emergency Assistance Relief Fund and Po Leung Kuk Tang Shiu Kin Charitable Fund are some examples.

14. Other than the mainstream services provided by SWD and NGOs, different community resources in kind are available to assist individuals or families in distress. The following are just some of the examples:

- St. James' Settlement People's Canteen and People's Food Bank provide food stuff and hot meals to the needy (including those who are unemployed, of low income and street sleepers, etc.) through a network of local charities.

- The Neighbourhood Advice-Action Council Tung Chung Integrated Services Centre collects second hand household furniture and electric appliances and distributes them to the needy.
- Crossroads International collects second hand household furniture, electric appliances, clothing, stationery, books and toys, etc. and distributes them to persons and families in need.

15. Moreover, volunteers are always mobilized by the service units and local organizations to provide tangible volunteer services, such as home cleansing, hair cutting, or occasional child caring to address the needs of vulnerable targets.

16. Besides, the 40 Intensive Employment Assistance Projects commissioned by SWD and launched in October 2003 are open to unemployed people not on CSSA, and these projects provide non-CSSA participants not only with employment-related services but also financial assistance to tide them over temporary financial hardship and help him move towards self-reliance.

**Social Welfare Department/Health, Welfare and Food Bureau
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