

**For information
on 26 June 2006**

LEGCO PANEL ON WELFARE SERVICES

Subcommittee on Review of the Comprehensive Social Security Assistance Scheme

Elderly receiving Comprehensive Social Security Assistance

PURPOSE

This paper aims to provide information on the procedures for elderly applying for assistance under the Comprehensive Social Security Assistance (CSSA) and the Portable Comprehensive Social Security Assistance (PCSSA) Schemes.

BACKGROUND

2. The CSSA Scheme is designed to provide assistance to Hong Kong residents who suffer financial hardship due to various reasons including old age, ill health, unemployment, low income and single parenthood to meet their basic needs. The CSSA Scheme is non-contributory but means-tested.

CSSA FOR THE ELDERLY

3. The CSSA Scheme, whilst seeking to meet the basic needs of the

elderly, also takes care of their special needs through the provision of higher standard rates, special grants and supplements:

- (i) The CSSA provides higher standard rates for elderly (defined as a person aged 60 or above) than for able-bodied adults, ranging from \$2,150 to \$3,885 per month per elderly (\$1,000 to \$2,275 higher).
- (ii) Recipients who are old are entitled to other special grants to meet their special needs, such as glasses, dentures, removal expenses, fares to hospital/clinic, and medically recommended diets and appliances.
- (iii) Elderly recipients are entitled to receive an annual long-term supplement for the replacement of household and durable goods if they have received assistance continuously for 12 months or more.
- (iv) A burial grant of up to \$10,430 is payable to a family with deceased elderly.

APPLICATION PROCEDURES

4. An elderly person in need of CSSA can make an application directly to a Social Security Field Unit (SSFU) of the Social Welfare Department (SWD) near his/her place of residence by phone, by post or in person. For frail elders who cannot go to the SSFU, home visits can be arranged by the SSFU to process the applications. An application may also be referred

to the SWD by another government department or a non-governmental organization (NGO).

5. If the elderly applicant is living with his/her family members, the application has to be made on a household basis. The total income and assets of all family members in the same household are taken into account in determining the family's eligibility for assistance. To require persons who are living with family members to apply for CSSA on a household basis is in line with the policy objective of CSSA that financial assistance funded by general revenue should be provided to those most in need. It also aims to encourage family members to support each other and prevent the avoidance of the duty of care by resorting to the CSSA. However, exemptions from the requirement are allowed where justified.

6. Upon receipt of an application, staff of the SWD will conduct investigation and verification of the applicant's circumstances and information provided through office interviews and home visits. If the elderly applicant is medically certified to be unfit to make a statement on his/her own, an appointee will be appointed by the Director of Social Welfare to act on his/her behalf.

7. For elderly applicants in need of other welfare services (e.g. counseling, housing or institutional care services), SWD staff will make referrals to other Government agencies or NGOs for appropriate service.

PCSSA

8. The PCSSA Scheme allows elderly persons who have been in receipt of CSSA for not less than one year to continue to receive their monthly standard rates and annual long-term supplement should they choose to retire to Guangdong or Fujian. As at May 2006, about 3 000 elderly CSSA recipients have joined the PCSSA Scheme.

STATISTICS

9. As at the end of May 2006, 186 990 elders aged 60 or above were on CSSA, which account for 34.9 % of all CSSA recipients, and 17.2 % of the elderly population aged 60 or above. Statistics of CSSA recipients by age and case nature are shown in the charts below:

Chart 1: Breakdown of CSSA recipients by age in 1995 and 2006

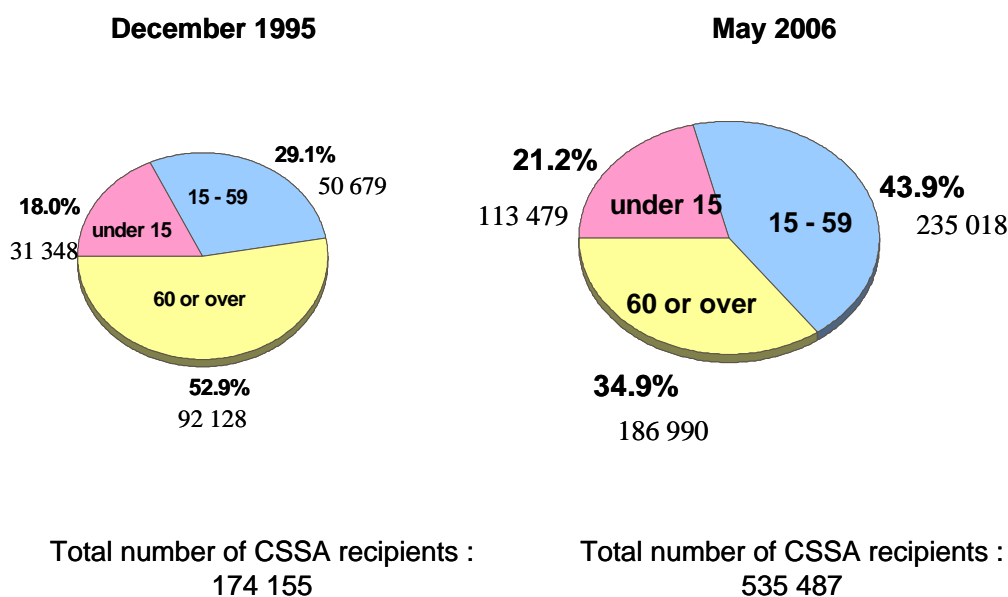
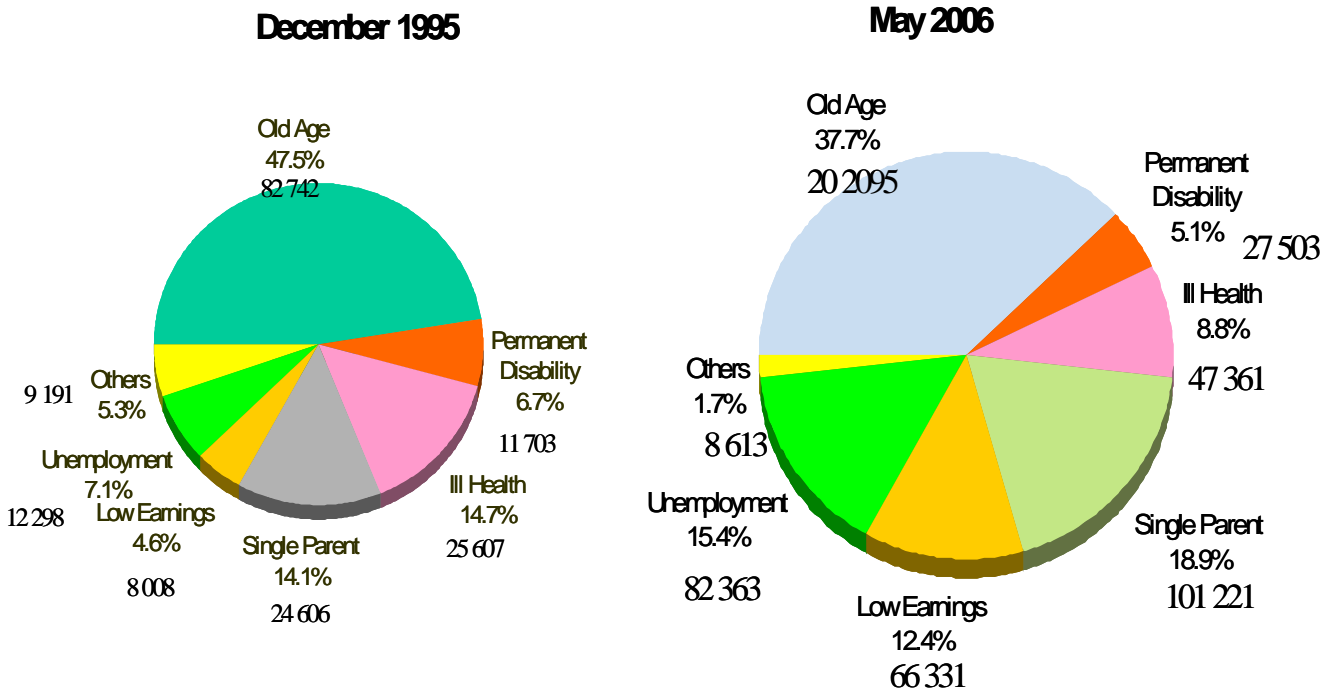


Chart 2: Breakdown of CSSA recipients by case nature in 1995 and 2006



Total number of CSSA recipients : 174 155

Total number of CSSA recipients : 535 487

Note: Percentage may not add up to 100% due to rounding

10. The difference between the number of CSSA recipients in the elderly case category (202 095) and that of 60 years of age or above (186 990) can be explained by the fact that an old age elderly case may include younger members of the family, and an elderly may apply for CSSA under other categories such as ill health or permanent disability.

11. Government expenditure on CSSA old age cases in 2005-06 was \$8.1 billion. The number of recipients and Government expenditure on CSSA old age cases over the past few years are set out in the table below:

	Number of elderly recipient (end of year)	Expenditure on CSSA old age cases (\$billion)
2002-2003	172 073	7.9
2003-2004	179 811	8.0
2004-2005	184 617	8.0

12. In accordance with CSSA rates as revised from February 2006, the estimated average monthly CSSA payment for a single elder is about \$3,700. Details of the average monthly CSSA payment for all CSSA cases by number of eligible members are as follows:

Number of eligible members	Estimates [#] on average monthly CSSA payment*
1	\$3,468
2	\$5,786
3	\$7,753
4	\$9,118
5	\$10,825
6 and above	\$13,534

Notes : [#] The estimates are drawn from CSSA cases during the period of November 2004 – October 2005 with payment rates adjusted from 1.2.2006.

* Refer to the amount when a CSSA case does not have other income.

OLD AGE ALLOWANCE (OAA)

13. Elderly persons who are not receiving CSSA may apply for OAA under the Social Security Allowance Scheme. The OAA is a cash allowance given to eligible elders aged 65 or above to meet their special needs arising from old age. It is a non-contributory and largely non-means-tested scheme funded by general revenue.

14. Applicants aged between 65-69 are subject to an income and assets limit, while applicants aged 70 or above are not subject to any means test. Elders aged 65-69 can receive a monthly allowance of \$625 while elders aged 70 or above can receive a monthly allowance of \$705. At the end of May 2006, there were 460 870 elders on OAA (i.e. about 54% of the total population of elders aged 65 or above) , Government expenditure in 2005-06 was \$3.7 billion.

15. Members are invited to note the contents of the paper.

Health, Welfare and Food Bureau
Social Welfare Department
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