

## Legislative Council Panel on Manpower

### Administration's response to questions on the Work Incentive Transport Subsidy Scheme raised in the submission from 關注公共交通事務聯盟

#### Purpose

This paper provides the Administration's response to the questions raised in the submission from 關注公共交通事務聯盟 (LC Paper No. CB(2)2639/10-11(02)) on the Work Incentive Transport Subsidy (WITS) Scheme.

#### Review of the Scheme

##### Questions (1) to (3)

2. We will continue to closely monitor the implementation of the WITS Scheme and carry out a mid-term review to take account of the operational experience in the first year. We will also conduct a comprehensive review of the Scheme, covering its objectives, eligibility criteria, *modus operandi* and effectiveness, after three years of operation.
3. We have carefully considered the suggestion of adopting a dual-track approach for the means test, i.e. allowing applicants to choose to be means-tested either on an individual or household basis. Our conclusion is that a household-based means test is more equitable than one that assesses only the individuals' income and assets because the economic situation of the household is taken into consideration. A dual-track approach cannot help screen out those who have less financial need, and there is a greater risk of abuse and confusion during implementation. A household-based means test is also consistent with other standing Government financial assistance schemes.
4. For different Government financial assistance schemes, the concerned bureaux and departments, taking into account their policy objectives and relevant factors, will formulate appropriate criteria for means-testing to identify their target beneficiaries. The income thresholds of the WITS Scheme have been set having regard to income statistics and the prevailing thresholds for comparable schemes.

## **Application procedures**

### Question (4)

5. Eligibility for WITS is assessed on the basis of the information provided by applicants. The application procedures have been designed according to the eligibility criteria of the Scheme, and are as simple and user-friendly as possible. For example, only the copy of residential address proof of one of the applicants is required upon submission of application if the household comprises core family members only; applicants are not required to provide proof of travelling expenses incurred; in the application form, applicants only need to provide the household asset information in the last claim month and declare whether the household assets in each claim month have exceeded the limit or not; applications can be submitted by post and subsidy is paid through bank transfer, etc. The application form is kept clear and simple, and only information essential for claim vetting is collected.

### Question (5)

6. The application procedures for the WITS Scheme are also applicable to applicants who are self-employed persons. In the *Guidance Notes on Application for the WITS Scheme*, information is included for self-employed persons to apply for the subsidy such as details about their employment earnings and samples of supporting documents.

### Question (6)

7. For an applicant who is a casual worker, if the change of his employer is so frequent that he is unable to provide the information about his employers, he may state this in the application form so that the Labour Department (LD) can contact him to clarify his specific situation.

## **Eligibility criteria**

### Question (7)

8. Low-income street sleepers may apply for WITS if they meet the eligibility criteria under the Scheme. They may provide in the application form the usual sleeping place as well as the contact means.

### Question (8)

9. Employed persons living or working in Hong Kong may apply for WITS if they incur in Hong Kong travelling expenses commuting to and from work and meet other eligibility criteria under the Scheme.

### Question (9)

10. Recipients of Comprehensive Social Security Assistance (CSSA) who are in paid employment and meet the eligibility criteria under the WITS Scheme can apply for the subsidy, and their CSSA payments will not be regarded as household income. WITS will also be disregarded for the purposes of assessing the household's eligibility for CSSA and determining its CSSA payments. To avoid double benefits, WITS recipients will not concurrently receive other similar employment-related transport subsidies under the CSSA Scheme including Temporary Financial Aid for travelling expenses to and from work under the employment assistance projects and grants covering travelling expenses to and from work for the elderly, persons in ill-health and those disabled under the CSSA Scheme. The above is consistent with the arrangement for the Transport Support Scheme (TSS).

### **Asset test**

### Question (10)

11. As regards cash value of insurance policies in the household assets, only those insurance plans with premium refund arrangement or of savings or investment nature in general have cash value. This refers to the amount payable to the insured when the insurance policy is terminated before maturity or surrendered, but not the sum insured. The amount of cash value of insurance policies, if any, is shown in the monthly, quarterly or yearly statements, and policy-owners do not need to calculate the amount on their own. Such cash value is regarded as asset since it can be readily realised. This is consistent with the arrangement of other Government financial assistance schemes as well as TSS. For the balance in the Mandatory Provident Fund schemes, it cannot be readily realised and need not be counted as household assets.

## **Income test**

### Question (11)

12. For workers receiving salary payment in cash, supporting documents such as salary receipt, pay slip, wage payment record, employment contract showing the salary or notification of salary adjustment issued by the employer, etc. can be used as the proof for their employment earnings. The *Guidance Notes* also provides a sample on the employment earnings certificate.

### Question (12)

13. For children residing with parents, their contributions to the parents are not regarded as household income. As for contributions from children not residing with the parents, they are reckoned as other income of the household.

## **Household size**

### Questions (13) and (14)

14. For the purpose of the WITS Scheme, different income and asset thresholds for households of different sizes are set. Applicants should truthfully provide the information on their household size, and should not include a member who has already moved out. If a household member is not in Hong Kong temporarily, he is in general included in the household size. For a member who leaves Hong Kong for a long time, the nature of leaving has to be taken into account. If the household only comprises core family members, only copy of residential address proof of one of the applicants is required to be submitted when making the application. Examples of residential address proof include copies of public utilities bill (e.g. water, electricity, gas or telephone bills, etc.), monthly bank statement, demand for rates or tenancy records, etc.

### Question (15)

15. Applications under the WITS Scheme are means-tested on a “household” basis. “Household” means a unit which constitutes person(s) with close economic ties and living on the same premises, including:

- (a) core family members, i.e. the applicant’s spouse, parents, grandparents, unmarried children/grandchildren (including adopted children/grandchildren and children/grandchildren under the applicant’s guardianship), and unmarried siblings; and/or
- (b) those who share the provisions for a living, irrespective of their

relationship under the law (excluding economic ties arising from employment relationship).

## **Payment of subsidy**

### Question (16)

16. WITS is paid through bank transfer. Many employees hold a bank account as their salary payment is effected through bank auto-pay. For applicants who do not have or are unable to open a bank account under special circumstances, they may furnish the reasons in writing and cheque payment can be arranged where warranted.

## **Review procedures**

### Question (17)

17. A “Notification of Application Results” will be issued to the WITS applicant when processing of application is completed. If the application is not successful, the notification will specify the reason. If the applicant is not satisfied with the application result, he may apply in writing to LD for review within three weeks from the date of the notification. If the applicant is still not satisfied with the review results, he may apply in writing to LD for appeal within one month.

## **Other issues**

### Question (18)

18. The WITS Scheme does not have a Job Search Allowance (JSA). It is mainly because of the experience of TSS. The demand for JSA under TSS was not strong. Most of the TSS beneficiaries had been employed when they were admitted to TSS, and JSA only accounted for a very small part of the amount of subsidy approved. For clearer positioning of the WITS Scheme, our resources are directed to helping the employed persons.

Labour and Welfare Bureau  
Labour Department  
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