

9 November 2012
For information

Legislative Council Finance Committee
Follow-up to the Special Meetings on 30 October 2012

Income and asset requirements for Old Age Living Allowance

Objective

This note provides information in response to the matters for follow-up arising from the special meetings of the Finance Committee on 30 October 2012.

The definitions of “income” and “assets” in the means declaration for Old Age Living Allowance

2. The definitions of “income” and “assets” for Old Age Living Allowance (OALA) will be identical as those for the existing Normal Old Age Allowance (NOAA):

- (a) “income” includes wages from employment; income from handiwork, business, etc. (including salaries, wages, monthly commissions or bonuses received, and monthly income from self-employment); retirement benefits/pensions; and net income on rentals collected. Contributions from family members, relatives or friends, and monthly payments received under reverse mortgage schemes are excluded, but any unspent and accumulated amount of savings/cash in hand generated will be treated as “assets”;
- (b) “assets”¹ include land and non-owner occupied properties²; cash in hand; bank savings; investments in stocks and shares (including bonds, unit trust funds and accrued retirement benefits); vehicle for investment (e.g. taxi and public light bus) and its business licence; and gold bars and gold coins, etc. (personal ornaments shall be disregarded). Owner occupied properties, columbarium niches for self-use in future, and the cash value of insurance schemes are excluded.

¹ Including those in Hong Kong, Macau, the Mainland or overseas.

² Only the value of one residential property which is the principal place of residence in Hong Kong is disregarded. Other properties separately or jointly owned by the applicant and/or his spouse are regarded as “non-owner occupied properties” and should be taken into account for assessment of “assets”.

3. OALA is a poverty alleviation measure, which aims at providing support for Hong Kong elders with financial needs. The Administration adopts the declaration mechanism of NOAA because it is well established and familiar to elders, and hence it will be easier for OALA applicants to understand it and make declaration.

4. Regarding the calculation of “assets”, the application form for OALA will list out clearly the six items of “assets” mentioned in paragraph 2(b) above. Applicants only have to make an honest declaration according to this classification. Applicants may own some commemorative items such as paintings, commemorative stamps, etc. If such items are not on the list as mentioned in paragraph 2(b) above, they will not be counted as “assets”. However, if they are realised, the cash generated will be treated as “assets”.

5. Based on the practical experience in handling NOAA applications, the categories of assets as listed out in the NOAA application form should have largely covered the asset items of most, if not all, applicants.

Labour and Welfare Bureau
Social Welfare Department
November 2012