

**立法會**  
**Legislative Council**

LC Paper No. CB(2)2307/13-14  
(These minutes have been  
seen by the Administration)

Ref : CB2/HS/1/12

**Subcommittee on Poverty**

**Minutes of the twentieth meeting  
held on Tuesday, 27 May 2014, at 8:30 am  
in Conference Room 3 of the Legislative Council Complex**

- Members present** : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)  
Dr Hon Fernando CHEUNG Chiu-hung (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon LEUNG Yiu-chung  
Hon TAM Yiu-chung, GBS, JP  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon CHAN Kin-por, BBS, JP  
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP  
Hon CHEUNG Kwok-che  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon WONG Yuk-man  
Hon Frankie YICK Chi-ming  
Hon Charles Peter MOK  
Hon CHAN Chi-chuen  
Hon CHAN Yuen-han, SBS, JP  
Hon LEUNG Che-cheung, BBS, MH, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon TANG Ka-piu
- Member attending** : Hon Cyd HO Sau-lan

**Public Officers : Item I  
attending**

Mr Matthew CHEUNG, GBS, JP  
Secretary for Labour and Welfare  
Labour and Welfare Bureau

Miss Annie TAM, JP  
Permanent Secretary for Labour and Welfare  
Labour and Welfare Bureau

Mr Donald CHEN  
Deputy Secretary for Labour and Welfare (Welfare) 2  
Labour and Welfare Bureau

Ms Jane LEE  
Principal Assistant Secretary for Labour and Welfare  
(Poverty)  
Labour and Welfare Bureau

Ms Winnie LAU  
Senior Principal Executive Officer (Special  
Assignment)  
Labour and Welfare Bureau

Mrs Angelina CHEUNG  
Deputy Secretary for Education (6)  
Education Bureau

Miss Mabel LI, JP  
Assistant Commissioner for Labour (Development)  
Labour Department

Miss Maria LAU  
Assistant Director of Social Welfare (Social Security)  
Social Welfare Department

Ms Reddy NG, JP  
Principal Economist (5)  
Economic Analysis and Business Facilitation Unit  
Financial Secretary's Office

**Clerk in attendance** : Mr Colin CHUI  
Chief Council Secretary (2) 4

**Staff in attendance** : Ms Catherina YU  
Senior Council Secretary (2) 4

Miss Maggie CHIU  
Legislative Assistant (2) 4

Action

---

**I. Low-income Working Family Allowance**

[LC Paper Nos. CB(2)1431/13-14(02) and CB(2)1597/13-14(01)]

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. Members present supported in principle the submission of the relevant staffing proposal to the Establishment Subcommittee and the Finance Committee ("FC") and the relevant funding proposal to FC for consideration.

**II. Any other business**

3. There being no other business, the meeting ended at 10:42 am.

Council Business Division 2  
Legislative Council Secretariat  
18 September 2014

**Proceedings of the twentieth meeting of the  
Subcommittee on Poverty  
on Tuesday, 27 May 2014, at 8:30 am  
in Conference Room 3 of the Legislative Council Complex**

<b>Time marker</b>	<b>Speaker(s)</b>	<b>Subject(s)</b>	<b>Action required</b>
<i>Agenda item I – Low-income Working Family Allowance</i>			
000218 - 001110	Chairman Administration	<p>The Chairman's reminder for members to declare interests in the matter under discussion, if any, according to Rule 83A of the Rules of Procedure concerning personal pecuniary interest to be disclosed.</p> <p>Briefing by the Administration on its proposals regarding the Low-income Working Family Allowance ("LIFA"), and the manpower and financial resources required for taking forward the LIFA Scheme.</p>	
001111 - 001701	Chairman Mr TANG Ka-piu Administration	<p>Mr TANG Ka-piu's views that –</p> <ul style="list-style-type: none"> <li>(a) the Administration should consider lowering the working hour requirement for the higher Basic Allowance to 176 hours a month and study the interface between the working hour requirements for LIFA and the standard working hours;</li> <li>(b) needy children aged between 15 and 21 who were not students should also be eligible for the Child Allowance under LIFA; and</li> <li>(c) for an applicant to be regarded as single-parent, the age limit of his/her children should be reviewed.</li> </ul> <p>The Administration's response that –</p> <ul style="list-style-type: none"> <li>(a) having considered the views collected, the Administration had proposed to lower the higher working hour threshold per month from 208 hours to 192 hours which was the Administration's bottom line. Setting the working hour threshold too low might have an adverse impact on the labour market and work incentive; and</li> <li>(b) the age requirement for the Child Allowance accorded with one of LIFA's objectives i.e. promoting upward mobility of children and youths of low-income families. Other assistance measures were available for other needy young people.</li> </ul>	

Time marker	Speaker(s)	Subject(s)	Action required
001702 - 002213	Chairman Mr LEUNG Che-cheung Administration	<p>Mr LEUNG Che-cheung's view that –</p> <ul style="list-style-type: none"> <li>(a) LIFA should be reviewed after it had been implemented for a period of time;</li> <li>(b) the absence rule under LIFA was unfair to low-income families with members who took up employment on the Mainland; and</li> <li>(c) many part-time workers and casual workers might not be able to meet the higher working hour threshold of 192 hours per month. The threshold should be further relaxed so that they could benefit from LIFA.</li> </ul> <p>The Administration's response that –</p> <ul style="list-style-type: none"> <li>(a) each member within a LIFA-receiving family must be living in Hong Kong. A LIFA family member's absence from Hong Kong which was required by gainful employment during the claim period might be disregarded from the absence rule. ;</li> <li>(b) the higher working hour threshold was set after careful considerations. The higher Basic Allowance aimed to recognize the hard work of those who worked longer hours; and</li> <li>(c) an overall policy review of the LIFA Scheme would be conducted one year after LIFA's implementation.</li> </ul>	
002214 - 003341	Chairman Deputy Chairman Mr LEUNG Yiu-chung Administration	<p>Concerns of the Deputy Chairman and Mr LEUNG Yiu-chung that many households would not be able to obtain the higher Basic Allowance in the months with less than 24 working days. The working hour threshold for the higher Basic Allowance should be adjusted to 176 hours per month (i.e. 8 hours a day and 22 working days a month);</p> <p>The Administration's reiteration of the rationale for setting the higher working hour threshold at 192 hours, the objective of the higher Basic Allowance and its concern about the adverse impact of a low working hour threshold on the labour market.</p> <p>The Administration's response to the Deputy Chairman's enquiry that paid holidays/leave (including sick leave)/absence from duty of an LIFA applicant would be allowed to count towards the working hour requirements for the purpose of LIFA's eligibility assessment.</p>	

Time marker	Speaker(s)	Subject(s)	Action required
		<p>Detailed arrangements for counting paid holidays under LIFA for workers who were not paid on a monthly basis would be worked out at a later stage.</p> <p>Mr LEUNG Yiu-chung's view that the working hour thresholds should be relaxed so that low-income casual workers and low-income single-parent households could be eligible for LIFA.</p> <p>The Administration's response that lower working hour thresholds had already been proposed for single-parent households. The Administration would continue to strengthen child care services to facilitate parents to take up employment.</p>	
003342 - 003848	Chairman Mr CHEUNG Kwok-che Administration	<p>Mr CHEUNG Kwok-che's concern that low-income families residing on the Mainland with family members who took up employment in Hong Kong were not eligible for LIFA because of the absence rule. Mr CHEUNG's enquiries about –</p> <ul style="list-style-type: none"> <li>(a) the timing of the review of LIFA;</li> <li>(b) the reasons for LIFA to be administered by the newly set up Working Family Allowance Office ("WFAO"), which together with the Student Financial Assistance Agency ("SFAA") would form the Working Family and Student Financial Assistance Agency ("WFSFAA");</li> <li>(c) how the working hours of casual workers would be counted under LIFA; and</li> <li>(d) whether the Administration would, in its review of LIFA, study the feasibility of giving additional allowance to LIFA families with members who were chronically ill.</li> </ul> <p>The Administration's response that –</p> <ul style="list-style-type: none"> <li>(a) LIFA would be a living allowance. Including persons not living in Hong Kong in the LIFA Scheme would be inconsistent with the Scheme's nature;</li> <li>(b) the review of LIFA would commence one year after its implementation;</li> <li>(c) LIFA and some SFAA's financial assistance schemes had some overlap in clientele. To</li> </ul>	

Time marker	Speaker(s)	Subject(s)	Action required
		<p>help achieve synergy, the latest proposal was to put the administration of LIFA under WFAO, alongside that of the existing SFAA which would be renamed as Student Finance Office, under the same Agency to be named as WFSFAA; and</p> <p>(d) casual workers and self-employed persons would be eligible for LIFA if they satisfied the eligibility criteria. As part of the vetting requirements, they would need to declare their hours worked.</p>	
003849 - 004419	Chairman Mr CHAN Chi-chuen Administration	<p>Mr CHAN Chi-chuen's enquiry and views that –</p> <p>(a) whether the Administration had assessed the impact on the labour supply if the higher working hour threshold were to be set at 176 hours, 192 hours and 208 hours ;</p> <p>(b) general/statutory holidays, on the basis of eight hours a day, should be counted towards the working hour requirements per month for all applicants, regardless of whether they were full-time workers, casual workers or self-employed. This would avoid their working hours being affected by the number of general/statutory holidays; and</p> <p>(c) relaxing the working hour thresholds could be a work incentive which could be advantageous to the labour market.</p> <p>The Administration's response that –</p> <p>(a) it would be difficult to predict the impact of LIFA on the labour market at this stage. The Administration would closely monitor the situation and include the subject matter in the review of LIFA;</p> <p>(b) paid holidays/ leave/absence from duty would be counted towards the working hour requirements. The number of hours an applicant worked on working days would be taken as a reference for considering how the applicant's paid holiday/leave/absence from duty would be counted in LIFA's working hour assessment. Details would be worked out later. The treatment of holidays/leave/absence from duty would be subject to review; and</p> <p>(c) using eight hours a day as a basis for calculating the working hours for</p>	

Time marker	Speaker(s)	Subject(s)	Action required
		<p>general/statutory holidays would not be feasible as it could not reflect the actual working hours of the applicants, which could vary to a great extent.</p>	
004420 - 005210	<p>Chairman Mr LEE Cheuk-yan Administration</p>	<p>Mr LEE Cheuk-yan's views and enquiry that –</p> <ul style="list-style-type: none"> <li>(a) under the Employment Ordinance (Cap. 57), an employee was not entitled to sickness allowance unless the sick leave period was not less than four consecutive days. Such a requirement was unfair and should be reviewed;</li> <li>(b) sick leave with valid medical certificate should be counted towards the working hour requirements;</li> <li>(c) it was unreasonable to disallow LIFA households to benefit from household-based Work Incentive Transport Subsidy ("WITS"); and</li> <li>(d) how the Administration would deal with working hours for paid leave in the case of an irregular working hour pattern.</li> </ul> <p>The Administration's response that –</p> <ul style="list-style-type: none"> <li>(a) so long as the leave was paid (which could be a statutory requirement or a contractual commitment), the leave day would be allowed to count towards the working hour requirements; and</li> <li>(b) the Commission on Poverty had discussed at length the interface between LIFA and WITS and considered that allowing LIFA household members (except the LIFA applicant) to apply for or continue to benefit from individual-based WITS would be an appropriate arrangement. The second worker within a LIFA household might also continue to benefit from individual-based WITS.</li> </ul>	
005211 - 005721	<p>Chairman Mr Alan LEONG Administration</p>	<p>Mr Alan LEONG's views that the Administration should lower the working hour threshold for the higher Basic Allowance; and</p> <p>Mr LEONG's enquiry and the Administration's response regarding the number of beneficiaries under different working hour thresholds and the reasons for counting LIFA as income in the income test for public rental housing ("PRH").</p>	



Time marker	Speaker(s)	Subject(s)	Action required
005722 - 010233	Chairman Administration	<p>The Chairman's views that –</p> <ul style="list-style-type: none"> <li>(a) not giving special allowance to elderly persons under LIFA was age discrimination. Elderly persons and persons with disabilities should be given special allowance under LIFA;</li> <li>(b) the two-tiered working hour thresholds should be set at 36 hours and 72 hours per month for carers of the elderly family members and carers of disabled family members; and</li> <li>(c) the arrangement to count the income but not the working hours of the second working member of a household for LIFA should be reviewed.</li> </ul> <p>The Administration's response that –</p> <ul style="list-style-type: none"> <li>(a) LIFA should focus on helping low-income working families and their children so as to help break the vicious cycle of inter-generational poverty. The Administration had been offering assistance to needy elderly people through measures like the Old Age Living Allowance ("OALA"), Comprehensive Social Security Assistance ("CSSA") etc. The consultancy study on retirement protection would make recommendations on the way forward. Persons with disabilities could apply for the Disability Allowance ("DA") to meet special needs arising from their disabilities or CSSA if they have financial difficulties. The Administration was also conducting a review on DA; and</li> <li>(b) counting the total working hours of all working members of a family might affect the work incentive of some workers. A suitable balance should be struck between helping the needy families with LIFA and preserving work incentives.</li> </ul>	
010234 - 010839	Chairman Dr KWOK Ka-ki Administration	<p>Dr KWOK Ka-ki's views that –</p> <ul style="list-style-type: none"> <li>(a) some applicants might not be able to be eligible for LIFA regularly as their working hours might be affected by factors such as economic downturns, health conditions, etc.;</li> <li>(b) targeted measures should be implemented for children with special educational needs.</li> </ul>	

Time marker	Speaker(s)	Subject(s)	Action required
		<p>Instead of offering a standard rate of the Child Allowance under LIFA, the amount of allowance should be adjusted according to the children's needs; and</p> <p>(c) the Administration should strive to reduce the annual recurrent expenditure of \$184 million for LIFA.</p> <p>The Administration's response that –</p> <p>(a) an overall review of LIFA would be conducted one year after its implementation. The Administration would keep in view the situation in economic downturns;</p> <p>(b) the amount of the Child Allowance was set after considering the views received. Other assistance would continue to be available for needy students; and</p> <p>(c) the annual recurrent expenditure for administering LIFA was around 5.9% of the annual allowance amount. The Administration had endeavoured to achieve cost effectiveness in running the LIFA Scheme.</p>	
010840 - 011349	Chairman Mr Albert HO Administration	<p>The Administration's response to Mr Albert HO's suggestions and concerns that –</p> <p>(a) it would study how carers participating in the Neighbourhood Support Child Care Project should be treated under the LIFA Scheme;</p> <p>(b) child care services would be strengthened to release the workforce of women; and</p> <p>(c) the pilot scheme on the provision of living allowance for carers of the elderly from low-income families (the “Pilot Carer Allowance scheme”) which would be launched in June 2014 would help alleviate the financial burden of carers of the elderly.</p>	
011350 - 011718	Chairman Dr Priscilla LEUNG Administration	<p>Enquiries of Dr Priscilla LEUNG –</p> <p>(a) whether full-time carers of elderly persons would be covered by LIFA;</p> <p>(b) whether individuals who were taking up more than one job could accumulate their working hours for meeting LIFA's working hour requirements; and</p>	

Time marker	Speaker(s)	Subject(s)	Action required
		<p>(c) the resources allocated to prevent abuse of LIFA.</p> <p>The Administration's response that –</p> <p>(a) eligible carers could apply for allowance under the Pilot Carer Allowance Scheme of the Community Care Fund ("CCF");</p> <p>(b) there was no restriction under LIFA on the number of jobs taken up by an applicant. Applicants would need to set out particulars of each of their jobs when applying for LIFA, and false declarations would be liable to prosecution; and</p> <p>(c) staff would be assigned to conduct random checks through office interviews, home visits and/or authentication of application details with third parties concerned to guard against abuse.</p>	
011719 - 002225	Chairman Ms Cyd HO Administration	<p>Ms Cyd HO's views that elderly persons from LIFA households should be allowed to receive CSSA and the requirement of making declaration of non-provision of financial support by their children under the CSSA system should be abolished.</p> <p>The Administration's response that LIFA sought to help keep low-income working families from falling into the CSSA net. The Administration had all along been providing necessary assistance for elderly CSSA applicants who could not produce the relevant declaration on their financial condition.</p>	
002226 - 012740	Chairman Mr LEUNG Kwok-hung Administration	Mr LEUNG Kwok-hung's view that the Administration should step up its efforts in helping the elderly in poverty.	
012741 - 013109	Chairman Mr TANG Ka-piu Administration	<p>The Administration's response to Mr TANG Ka-piu's enquiries about the age requirements for children and the Median Monthly Domestic Household Income ("MMDHI") adopted under LIFA that –</p> <p>(a) providing Child Allowance to children aged between 15 and 21 who were neither students nor in employment would be inconsistent with the LIFA's objective to promote young people's upward mobility; and</p> <p>(b) MMDHI used for LIFA would exclude the income of foreign domestic helpers as they</p>	

Time marker	Speaker(s)	Subject(s)	Action required
		would not be regarded as family members of the applicants.	
013110 - 013633	Chairman Deputy Chairman Administration	<p>The Deputy Chairman's views that the amount of allowances under LIFA was not sufficient to help low-income working families to escape poverty and the allowances should be disbursed monthly.</p> <p>The Administration's response that –</p> <p>(a) LIFA's aim was not to lift all those living below the poverty line above the poverty line but to alleviate their financial burden and promote upward mobility; and</p> <p>(b) claiming LIFA every six months would be more convenient for applicants as they did not have to go through the necessary procedures every month. It would also involve less administrative cost.</p>	
013634 - 014306	Chairman Miss CHAN Yuen-han Mr CHAN Kin-por Administration	<p>Views of Miss CHAN Yuen-han and Mr CHAN Kin-por that LIFA should be implemented as early as possible.</p> <p>Mr CHAN Yuen-han's view that an extra tier of working hour threshold should be set between 144 hours and 192 hours and recognition of the hard work of persons with disabilities should be considered under LIFA.</p> <p>Mr CHAN Kin-por's view that a review should be conducted to enhance LIFA in the future.</p> <p>The Administration's response that subject to approval from the Finance Committee ("FC") in July 2014 of the necessary resources for taking forward the LIFA Scheme, it would strive to roll out LIFA in the fourth quarter of 2015. Improvements to LIFA would be made, if necessary, having regard to the outcome of the review of LIFA.</p>	
014307 - 014633	Chairman Mr LEUNG Yiu-chung Administration	<p>Mr LEUNG Yiu-chung's concern that –</p> <p>(a) as PRH would count LIFA as income, some LIFA recipients who were suffering from high private housing rental and wished to apply for PRH might not pass the income test for PRH; and</p> <p>(b) workers who were asked by their employers to take long no-pay leave would not be able to meet the working hour requirement for LIFA.</p>	

Time marker	Speaker(s)	Subject(s)	Action required
		The Administration's response that the provision of LIFA would unlikely cause recipients to fail to meet the income test for PRH because there was a considerable margin between the two income limits.	
014634 - 014943	Chairman Mr CHEUNG Kwok-che Administration	<p>Mr CHEUNG Kwok-che's views and concern that –</p> <ul style="list-style-type: none"> <li>(a) the total working hours of all working members of family should be counted for LIFA;</li> <li>(b) some LIFA applicants might have difficulties in providing proof of working hours; and</li> <li>(c) whether the provision of additional allowance for low-income working families with members who were chronically ill would be covered in the review of LIFA.</li> </ul> <p>The Administration's response that –</p> <ul style="list-style-type: none"> <li>(a) counting the total working hours of all working members of a family might have an adverse impact on work incentive and the labour market;</li> <li>(b) LIFA applicants who were unable to provide proof of eligibility would be required to make relevant declarations; and</li> <li>(c) the review of LIFA would be comprehensive and would take into account relevant data.</li> </ul>	
014944 - 015345	Chairman Mr LEUNG Kwok-hung	Mr LEUNG Kwok-hung's concern that a high working hour threshold would drive some low-income parents to work more in order to receive the higher Basic Allowance, resulting in their spending less time with their children. The growth of their children would thus be affected. To help low-income earners, the Statutory Minimum Wage rate should be increased.	
015346 - 015753	Chairman Miss CHAN Yuen-han Mr Frankie YICK Administration	<p>Extension of meeting time for 15 minutes beyond the appointed ending time by the Chairman.</p> <p>Miss CHAN Yuen-han's reiteration of her request for a review of the working hour thresholds and an early implementation of LIFA.</p> <p>Mr Frankie YICK's views that LIFA should be launched as early as possible and the Administration should consider assisting those not covered by LIFA through CCF.</p>	

Time marker	Speaker(s)	Subject(s)	Action required
		The Administration's response that it would make its best efforts to implement LIFA early.	
015754 - 020205	Chairman Mr CHAN Chi-chuen Administration	Mr CHAN Chi-chuen's call for the Administration to be flexible in counting the working hours of casual workers regarding the months with many general/statutory holidays.  Mr LEE Cheuk-yan's concern that as workers were not entitled to paid leave during the first three months of their employment, these workers might not be able to meet the working hour requirement.  The Administration's response that it would carefully consider the views of Mr CHAN and Mr LEE.	
020206 - 020346	Chairman Administration	The Chairman's reiteration that the Administration should consider counting the total working hours of all working members of a family for meeting LIFA's working hour requirements.  The Administration's response that the subject should be carefully handled having regard to the possible adverse impact on the labour market.	
020347 - 020821	Chairman Deputy Chairman Administration	The Deputy Chairman's view that OALA and living allowance for carers of elderly persons under the Pilot Carer Allowance Scheme should not be counted in LIFA's income test and the Administration should assist applicants in filling out LIFA application forms.  The Administration's response that –  (a) OALA and allowance under the Pilot Carer Allowance Scheme were living allowances and should be counted in the LIFA's income test; and  (b) the design of the application form for LIFA would be as simple as possible, while it would also be important for the applicant to provide the necessary details to facilitate the Administration's vetting. The Administration would provide applicants with the necessary assistance in the application process.	
020822 - 021043	Chairman Dr KWOK Ka-ki Administration	Dr KWOK Ka-ki's view that an LIFA recipient, who could not work temporarily (say, for six months) because of physical injuries, should continue to receive LIFA if he/she could produce a medical certificate from a public doctor.	

<b>Time marker</b>	<b>Speaker(s)</b>	<b>Subject(s)</b>	<b>Action required</b>
		<p>The Chairman's view that the subject matter should be included in the review of LIFA.</p> <p>The Administration's response that it would explore the subject matter in due course.</p>	
021044 - 021235	Chairman Deputy Chairman Administration	<p>The Deputy Chairman's call for the Administration to seriously consider members' views and suggestions regarding LIFA.</p> <p>The Administration's response that it would study members' views carefully and stressed that the higher working hour threshold of 192 hours was its bottom line.</p> <p>Members present supported in principle the submission of the relevant staffing proposal to the Establishment Subcommittee and FC and the relevant funding proposal to FC for consideration.</p>	

Council Business Division 2  
Legislative Council Secretariat  
18 September 2014