

For discussion on
11 April 2016

Legislative Council Subcommittee on Poverty
Comprehensive Social Security Assistance Scheme

Purpose

This paper briefs Members on the information relating to the Comprehensive Social Security Assistance (CSSA) Scheme.

Background

2. The purpose of the CSSA Scheme is to provide a safety net for those who cannot support themselves financially due to old age, illness, disability, single parenthood, unemployment, low income, etc. so as to meet their basic needs. Designed to help those who are unable to support themselves financially, the CSSA Scheme is subject to means-testing. Means tests are conducted on a household basis, which is in keeping with the concept of promoting mutual support among family members. For instance, the current (since 1 February 2016) asset limit for able-bodied singletons is \$29,500 and that for elderly singletons is \$45,500; whereas the asset limit for two-person elderly households is \$68,000.

3. As at end-February 2016, there were a total of 243 195 households (involving 361 332 beneficiaries) under the CSSA Scheme. In 2016-17, the estimated recurrent expenditure for the CSSA Scheme is around \$21.4 billion.

Financial Assistance Provided by the CSSA Scheme

4. Under the CSSA Scheme, recipients of different categories may receive different levels of standard rates to meet their basic needs. The relevant standard rates are set out at Annex. Apart from standard rates, the CSSA Scheme provides recipients with supplements (including long-term supplement, single parent supplement, community living supplement, transport supplement and residential care supplement) and a series of special grants (including rental allowance, medical and

rehabilitation grants, family grants, child-care grants, school grants, burial grant, etc.) to meet the special needs of different people.

5. In accordance with the established mechanism, the Government adjusts CSSA standard payment rates (including CSSA standard rates, supplements, etc.) on an annual basis taking into account the movements of the Social Security Assistance Index of Prices (SSAIP). Based on the above-mentioned mechanism, the Government proposes that CSSA standard payment rates be increased by 4.4% with effect from 1 February 2016, and payments would be made after the passage of the Appropriation Bill 2016. The CSSA standard payment rates have increased by about 40% in the past 10 years. SWD will continue to monitor the movements of the SSAIP and adjust the CSSA payment rates on an annual basis.

6. In addition, the Government updates the weighting system of the SSAIP every 5 years to take into account the latest expenditure pattern of CSSA households and the impact of price changes. SWD has completed the collection of data for the survey of 2014-15, and data analysis is underway for the preparation of the survey report and updating of the weights of the SSAIP.

7. As a matter of fact, when we compare the average CSSA payments with the 25% non-CSSA households with the lowest expenditure, the former is higher in all household categories (relevant information is set out in the table below).

Number of eligible family members	Average monthly CSSA payment of all CSSA cases* (1 February 2015) (\$)	Average expenditure of the 25% non-CSSA households with the lowest expenditure (December 2014) (\$)
1 person	5,399	4,602
2 persons	8,560	7,776
3 persons	11,307	10,658
4 persons	13,401	13,180
5 persons	15,521	15,431
6 persons or more	19,101	17,389

* This refers to the amount of CSSA payment received by CSSA households when they do not have any other sources of income. Specifically, these amounts could be regarded as the “recognised needs” under the CSSA Scheme.

8. The Government has all along been implementing targeted measures to improve the CSSA Scheme. For example, in line with the broad policy directions of poverty alleviation through promoting upward mobility and self-reliance through employment, the Government implemented various measures in recent years to focus on enhancing support for students receiving CSSA and increasing work incentives for adult CSSA recipients. Those measures included –

- (a) regularising a Community Care Fund (CCF) programme from the 2014/15 school year to increase the grants for school-related expenses for primary and secondary students of CSSA households;
- (b) including post-secondary students of CSSA households in the calculation of rent allowance with effect from April 2014 so that a family's entitlement to rent allowance will not be affected if it has member(s) receiving post-secondary education; and
- (c) implementing a pilot incentive scheme under the CCF to encourage able-bodied CSSA recipients to leave the CSSA net and achieve self-reliance through employment.

Moreover, as announced in the 2016 Policy Address, SWD will invite the CCF to fund a pilot scheme to provide further disregarded earnings for recipients with disabilities under the CSSA Scheme. SWD will closely monitor the operation of the CSSA Scheme and implement enhancement measures as appropriate.

Conclusion

9. Members are invited to note the content of this paper.

Labour and Welfare Bureau
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Annex

The standard rates for different categories of CSSA recipients (amount per person per month)

Category of recipients		With effect from 1.2.2015			
		Single person (\$)		Family member (\$)	
Elderly person aged 60 or above	Able-bodied/ 50% disabled	3,200		3,015	
	100% disabled	3,870		3,425	
	Requiring constant attendance	5,450		5,000	
Ill-health/Disabled adult aged under 60	Ill-health/ 50% disabled	3,200		3,015	
	100% disabled	3,870		3,425	
	Requiring constant attendance	5,450		5,000	
Disabled child	50% disabled	3,600		3,140	
	100% disabled	4,270		3,820	
	Requiring constant attendance	5,840		5,395	
		Single person (\$)	In a family comprising not more than 2 able-bodied adults/children (\$)	In a family comprising 3 able-bodied adults/children (\$)	In a family comprising 4 or more able-bodied adults/children (\$)
Able-bodied adult aged under 60	Single parent/ Family carer	/	2,450	2,215	1,965
	Other adult	2,255	2,010	1,815	1,620
Able-bodied child		2,710	2,245	2,015	1,800