

立法會
Legislative Council

LC Paper No. CB(2)257/13-14
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

**Minutes of special meeting
held on Monday, 22 October 2012, at 8:30 am
in Conference Room 2 of the Legislative Council Complex**

Members present : Hon CHAN Yuen-han, SBS, JP (Chairman)
Hon CHEUNG Kwok-che (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Ronny TONG Ka-wah, SC
Dr Hon LEUNG Ka-lau
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Frankie YICK Chi-ming
Hon CHAN Chi-chuen
Hon CHAN Han-pan
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Alice MAK Mei-kuen, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu

Member absent : Hon Frederick FUNG Kin-kee, SBS, JP

Members attending : Hon LEE Cheuk-yan
Hon Mrs Regina IP LAU Suk-yee, GBS, JP
Hon Gary FAN Kwok-wai
Dr Hon KWOK Ka-ki
Hon SIN Chung-kai, SBS, JP

**Public Officers : Item I
attending**

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

Miss Annie TAM, JP
Permanent Secretary for Labour and Welfare

Ms Irene YOUNG, JP
Deputy Secretary for Labour and Welfare (Welfare) 2

Mr Patrick NIP, JP
Director of Social Welfare

Mr FUNG Pak-yan
Deputy Director of Social Welfare (Administration)

Ms LUNG Siu-kit
Assistant Director of Social Welfare (Social Security)

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

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

Miss Karen LAI
Council Secretary (2) 4

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Old Age Living Allowance

[LC Paper Nos. CB(2)4/12-13(01), CB(2)50/12-13(01) and
CB(2)57/12-13(01)]

The Chairman drew members' attention to Rule 83A of the Rules of Procedure regarding personal pecuniary interest to be disclosed and reminded members to declare interests, if any, in the matter under discussion. She invited Dr Fernando CHEUNG to explain his motion on

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Old Age Living Allowance ("OALA"), which was not moved at the Panel meeting on 16 October 2012 since the subject matter was not directly related to any item of that meeting's agenda.

2. Dr Fernando CHEUNG explained that the key objective of his motion was to seek more time for the Panel to discuss OALA and meet with deputations. He stressed that he did not intend to postpone the OALA payments for eligible elderly persons, and that was why he proposed to fix the effective payment date on 1 October 2012 irrespective of the date the Finance Committee ("FC") approved the relevant funding application.

3. Considering that the Panel had not been briefed formally on the OALA scheme, members agreed to the Chairman's suggestion that the Administration should brief the Panel before Dr CHEUNG moved his motion, but requested the Administration to focus on the rationale and difficulties in respect of not delinking the date for retrospective payment of OALA with that of FC's approval of the funding proposal.

4. At the invitation of the Chairman, Secretary for Labour and Welfare ("SLW") advised members that as announced by the Chief Executive ("CE") at his Question and Answer Session on 16 July 2012, OALA, doubling the payment of the existing Old Age Allowance ("OAA"), would be offered to needy elderly persons after a simple income and asset declaration. To meet senior citizens' expectation of receiving the allowance as soon as possible, the Administration would, as a special arrangement, adopt the date of approval of the scheme by FC as the effective date for OALA payment; and it was against this background that the Administration planned to seek Legislative Council ("LegCo")'s agreement to convene a special FC meeting in early October 2012. SLW further highlighted that at the Council meeting on 17 October 2012 CE had announced that to be more generous to needy elderly persons, the retrospective payment of OALA would be advanced to the first day of the month of obtaining FC approval of the funding proposal.

Discussion

5. The Chairman held the view that SLW should take into consideration the diverse views of the public on the positioning of OALA and the relationship between the Administration and the legislature in drawing up its timetable for submitting the relevant funding proposal to

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FC. Mr LEUNG Kwok-hung pointed out that the Administration's timetable was not realistic given that Members took oath on 10 October and definitely would not have enough time to deliberate the matter.

6. SLW clarified that the Administration had all along been according great importance to its relationship with the legislature. To prepare for the launch of the OALA scheme, he had explained to individual Members details of the scheme even before the commencement of LegCo session. He further pointed out that under the proposed timetable the Administration was to formally launch the scheme in March 2013 to address members' concerns expressed at the Panel meeting held on 10 July 2012 in the last legislative session that the scheme should be launched as soon as practicable. SLW highlighted that the current Government aimed to launch OALA as a poverty alleviation measure for the benefit of some 400 000 elderly persons and sought members' understanding about the highly compressed implementation timetable.

7. Director of Social Welfare Services ("DSW") supplemented that after obtaining funding approval from FC, the Social Welfare Department ("SWD") would need to carry out a series of preparatory tasks with a view to implementing OALA in March 2013. If FC's approval could not be obtained in October 2012, these tasks had to be rescheduled and the launch would be delayed.

Effective date for OALA payment

8. Mr SIN Chung-kai wondered why civil servants could have their salary payments retrospective from 1 April each year and the same could not be applicable to OALA payment. He urged the Administration to fix the effective date of OALA payment to be on the first day of the month the proposal was submitted to FC, i.e. 1 October 2012. Mr Ronny TONG and Mr LEE Cheuk-yan supported Mr SIN's view. Mr TONG made a further suggestion that the retrospective payment could be backdated to the first of July 2012, the inauguration date of the current Government. Miss Alice MAK, on the other hand, suggested that the date could be fixed on the first day of the current legislative year.

9. SLW responded that the Administration had made compromise by advancing the effective date for OALA payment from the date of FC's approval to the first day of the month in which the approval was obtained. According to the established fiscal discipline of the Government,

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social-welfare-related funding proposals had no retrospective effect in general, as long periods of back payment might have far-reaching financial and read-across implications for all other funding proposals in other policy areas. He further explained that the retrospective arrangement for civil servants' salaries was conducted on a regular basis in accordance with an established salary adjustment mechanism, and such a practice would not apply to OALA.

10. The Deputy Chairman shared Dr Fernando CHEUNG's views that for the benefit of the elderly the Panel did not intend to postpone the granting of allowance but considered that it would be too hectic for submitting the proposal to FC just four days after the Panel discussed the OALA proposal, not to mention the large number of deputations which had not yet expressed their views. He enquired about any chance for further adjusting the retrospective payment date and the feasibility of making use of the Easter Holiday, instead of the lunar new year, to conduct the migration of participants' information in the computer system.

11. Mr LEUNG Yiu-chung echoed the views of the Deputy Chairman that more time should be provided for members to deliberate the matter, in particular the positioning of OALA as a special "fruit money" promised by CE or a poverty alleviation measure.

12. SLW reiterated that the Chief Executive had clearly stated that the retrospective payment would be advanced to the first day of the month of FC's approval. DSW said that the preparation work for the launch of OALA, including the hiring of additional staff, was undertaken according to the timetable that the funding proposal would be approved in October 2012 and OALA would be formally rolled out in March 2013.

13. Mr CHAN Chi-chuen expressed strong disappointment in the Administration's stance in insisting on the fiscal discipline and depriving Members and the public of their rights to express views on Government's policies. The Chairman said that the Administration should find ways to shorten the lead time for the launch of the OALA scheme so as to facilitate more time for incorporating public views into the scheme. SLW responded that the Administration had been committed to striking a reasonable balance between fiscal discipline and public interest and working around the clock for the launch of the scheme.

14. Mrs Regina IP asked what assistance an elderly person could seek if

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he/she found the \$2,200 OALA payment inadequate to meet his/her needs. She also sought clarification about the principle of "no double benefits" in welfare measures.

15. SLW responded that it was the Government's established policy that a person could only apply for one social security assistance, even if he satisfied the eligibility criteria for more than one of them. He said that OALA was a new form of financial assistance aiming to supplement the living expenses of needy elderly who satisfied the income and asset requirements. Elderly persons with acute financial difficulties could apply for other forms of social security assistance such as the Comprehensive Social Security Assistance ("CSSA"). In response to a follow-up enquiry by Mrs IP on the minimum amount of payment for an elderly CSSA recipient, SLW said that the average amount of payment was around \$4,710 per month, subject to the physical condition of individual applicants.

16. Mr LEUNG Che-cheung asked whether the preparatory work for OALA could be expedited if there were no means test requirements, so that those work procedures relating to applicants' means declaration could be omitted.

17. SLW replied that a non means-tested OALA would deviate from the original intent of the allowance. He cautioned that in view of a drastic increase in elderly dependency ratio and economic dependency ratio, the removal of means test requirement for OALA would increase the financial burden on taxpayers in the coming decades.

18. DSW added that the Administration had been expending efforts in preparing the launch of OALA. Through an auto-conversion arrangement, SWD would issue letters in early January 2013 to 290 000 existing OAA recipients (including Normal OAA recipients, and former Normal OAA recipients who were receiving Higher OAA) so that they would receive OALA by March 2013. For existing Higher OAA recipients who had not received Normal OAA before and existing Normal DA recipients aged 65 or above, SWD would issue letters to them in late February 2013 inviting them to opt for OALA by postal submission. To facilitate the smooth execution of the above arrangements, there would be a large-scale migration of participants' information in the computer system and the related work would be conducted during the public holidays of lunar new year.

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19. Mr CHAN Han-pan considered that members faced a dilemma between bargaining more time for discussion and allowing the elderly to receive OALA as soon as possible. He was concerned that as the implementation plan for OALA was highly compressed, in case the funding application was not approved by FC as scheduled, the needy elderly persons might not be able to receive the allowance in March 2013.

20. In support of OALA as a subsidy to the needy elderly, Mr POON Siu-ping urged the Administration to strike a balance between public views and its fiscal discipline. He enquired whether the Administration would re-schedule the submission of funding proposal from 26 October to the end of October so that more time could be allowed for Members to exchange views with the Administration.

21. Mr Gary FAN said that the payment of \$2,200 was not adequate to ease the hardship of the poor. He held the view that public views should be of paramount importance and the Administration should re-consider its fiscal discipline having regard to the retrospective payment arrangement for OALA.

22. SLW reiterated that according to the established practice of the Government, social security payments had no retrospective effect in general. The current Government aimed to roll out OALA with a goodwill to assist the elderly in need. In response to Mr POON's request for postponing the submission of the relevant funding proposal, SLW said that FC's approval had to be secured latest by the end of October 2012 for launch of OALA in March 2013.

Motion

23. After the exchange of views between Members and the Administration on the retrospective payment arrangement, the Chairman put the following motion moved by Dr Fernando CHEUNG to vote –

"鑒於當局提出"長者生活津貼"引起廣泛關注及討論，本事務委員會認為此方案未經諮詢，立法會亦未有機會與當局商議此方案；本委員會認為政府不應強求將此方案於本月26日提交財務委員會審批，若方案通過後亦應追溯至本年10月1日起計算。"

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(Translation)

"That, given that the Old Age Living Allowance proposed by the authorities has aroused widespread concern and discussion, this Panel considers that the proposal has not undergone any consultation, nor has the Legislative Council had any opportunity to deliberate on it with the authorities; this Panel is of the view that the Government should not submit the proposal to the Finance Committee for approval on the 26th of this month, and the proposal, subject to its passage, should take retrospective effect from 1 October of this year."

24. The Chairman said that eleven members voted for the motion, four members against the motion and one member abstained. She therefore declared that the motion was carried. She then invited members to discuss other aspects of OALA.

Long-term sustainability of OALA

25. Mr Alan LEONG considered that OALA pitched at \$2,200 could by no means provide the elderly with a financially secure life in long term. He wondered whether the launch of OALA implied the ineffectiveness of the three-pillar retirement model to meet the challenges arising from the ageing population, and called on the Administration to map out a feasible plan for the implementation of universal retirement protection. Mr Ronny TONG asked whether OALA was a transitional or long-term measure and, if it was the latter, whether the Administration should assess the financial implications of the scheme up to the years 2030 and 2040.

26. SLW responded that OALA was a scheme funded by recurrent expenditure, providing an additional tier in the social security system for needy elderly persons who were not eligible to apply for CSSA due to various reasons. The estimated additional allowance expenditure, based on the Government's proposal, was \$16.2 billion up to the year 2041. If there was no income and asset declaration for elderly people aged 65 or above, the estimated additional allowance expenditure up to the year 2041 would be raised to \$35.1 billion. SLW added that Hong Kong had all along been adopting a three-pillar model for retirement protection. The Administration was now studying its effectiveness and in tandem enhancing the existing social security systems. At the request of Mr Alan LEONG, the Administration would provide information on whether

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OALA could be able to sustain beyond 2040 having regard to the sharp increase in elderly dependency ratio from 2012 to 2041.

(Post-meeting note: The Administration's response to the above request for information was circulated to members vide LC Paper No. CB(2)76/12-13(01) on 24 October 2012.)

27. The Deputy Chairman expressed grave concern about the long-term sustainability of OALA in view of the growing elderly population. He doubted whether the inflation factor had been taken into account in the Administration's estimation. In his view, the Administration should work out a feasible plan for universal retirement protection, otherwise, the younger generation would bear huge financial burden. Mr LEUNG Yiu-chung sought information on the increase in the Government expenditure on social security after the launch of OALA. The information could enable members to have a full picture of its financial implications vis-à-vis the implementation of universal retirement protection.

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28. SLW responded that the reason for imposing means declaration was to deploy public resources to assist the most needy elderly. Under the Government's proposal, the estimated additional expenditure on OALA payment was \$6.2 billion in full-year terms. The additional funding would bring about a 14% increase in the estimated recurrent Government expenditure on welfare or a 2.3% increase in the total estimated recurrent Government expenditure in 2012-2013. At the request of Mr LEUNG Yiu-chung, the Administration would revert to the Panel on the annual welfare-related expenditures for the elderly including CSSA, OAA and OALA from now up to 2033; and the projection of the financial impacts on the Government's welfare-related expenditures including that for the elderly with and without means test for OALA for the next five, 10 and 15 years.

(Post-meeting note: The Administration's response to the above request for information was circulated to members vide LC Paper No. CB(2)76/12-13(01) on 24 October 2012.)

OALA as a means-tested poverty alleviation measure

29. Mr LEE Cheuk-yan opined that the positioning of OALA was nonsensical in that it could not serve the purpose of poverty alleviation nor

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pave the way for universal retirement protection. The asset threshold (\$186,000 for a single person) of means declaration for OALA was punishing the elderly who had kept their savings, not to mention the fact that the accrued interest of the mandatory provident fund for a soon-to-retain employee would exceed that amount. He said that the Labour Party considered that the Government should implement the retirement protection model of tripartite contribution within its current term.

30. Dr Fernando CHEUNG enquired about the justifications for fixing the monthly payment of OALA at \$2,200 which, in his view, was not adequate for meeting the basic living expenses of an elderly person. According to Dr CHEUNG, to ease the hardship of the poor elderly, the Administration should allow the elderly to apply for CSSA on an individual basis.

31. SLW responded that OALA had a clear objective of providing assistance to the elderly with financial difficulties who were ineligible or reluctant to apply for CSSA due to various reasons. He clarified that the elderly applicants had to complete a statement about the financial status of their households, which was not a "bad son statement" as called by some members and deputations.

32. Mr Albert HO expressed disagreement with SLW's remarks that the removal of means test for OALA would have an adverse impact on the long-term stability of public finance. He considered that in view of the Government's huge fiscal surplus, the Administration should waive the limits for the financial means of elderly aged 70 or above. SLW explained that if there was no means testing for OALA, the Government could not guarantee its sustainability.

33. Mr YICK Chi-ming said that the Liberal Party was in support of the positioning of OALA as a poverty alleviation measure but suggested that the asset limit of \$186,000 should be raised. He held the view that the Administration should launch OALA without delay for the benefit of the needy elderly, whereas universal retirement protection should be pursued more prudently.

34. SLW responded that the Administration had adopted the same threshold of Normal OAA for OALA and, at this stage, it had no plan to adjust the threshold. He stressed that the proposed threshold for OALA

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was a highly relaxed one as the elderly could receive a payment doubling the amount of Normal OAA.

35. Whilst welcoming OALA as an additional tier in the social security system to assist the needy elderly, Mr TAM Yiu-chung maintained that the Administration should consider waiving the means declaration for applicants aged 70 or above. He said that the Democratic Alliance for the Betterment and Progress of Hong Kong was of the view that the threshold for asset requirements should be relaxed to allow more elderly to be eligible for the allowance; and asked if the Administration had any plan to conduct an interim review on the feasibility of relaxing the asset limits and assessment of the financial implications of such relaxations.

36. SLW replied that the threshold of \$186,000 had been adopted by Normal OAA for many years. The asset limit would be adjusted annually in accordance with the movements of the Social Security Assistance Index of Prices. As it was reported that the movements marked an increase of 3.4% by end October 2012, the threshold would likely be adjusted to \$193,000 starting early 2013. He further explained that the financial implications of the allowance were estimated based on the threshold of Normal OAA. That said, the Administration was open to views on enhancement of the asset limits which would be taken into account in the review of the scheme conducted some time after its launch.

37. Sharing Mr YICK Chi-ming's views, Dr LEUNG Ka-lau said that the asset limits for OALA should be reasonably raised so that it would be fair to elderly persons who had accumulated their savings instead of having investment in property. He opined that given that OALA was a poverty alleviation measure, the asset limits should not be aligned with OAA which was a fruit money to respect the elderly. In response, SLW highlighted that the income and asset limits for OALA was the same as that of Normal OAA, which was offered to elderly persons aged 65 to 69 whose income and assets did not exceed the prescribed levels.

38. Mr LEUNG Kwok-hung was opposed to the three-tier asset limit mechanism, as advocated by some academics and political parties, by which a higher amount of allowance would be offered to elderly persons with greater financial difficulties. In his view, with its huge fiscal surplus, the Administration should give all people the same package of allowance, adding that the rich should contribute more, through the introduction of a progressive tax system, to enhance the sustainability of

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social security allowance schemes. Mr LEUNG also called on the Administration to set up a \$50 billion seed grant for the implementation of universal retirement protection.

Bridging measure for universal retirement protection

39. Mr SIN Chung-kai considered that the thrust of the problem was whether the Administration was determined to pursue universal retirement protection. He was concerned that with the absence of a well-planned universal retirement model, the sustainability of a non means-tested OALA in the coming years was in doubt.

40. SLW clarified that OALA was not a prelude to universal retirement protection but a pragmatic measure to provide a flexible social security option for the needy elderly. He assured members that the current Government attached great importance to retirement protection. A Task Force on Social Security and Retirement Protection ("Task Force on SS&RP") would be formed under the reinstated Commission on Poverty ("CoP") to explore how to enhance the retirement protection system in Hong Kong.

41. Miss Alice MAK said that members were not opposing the launch of OALA but had reservations about its positioning. She pointed out that OALA as a poverty alleviation measure could by no means help the needy elderly, and the threshold for means declaration was too mean as a soon-to-retire worker could have savings which exceeded the amount. She wondered why the Administration did not review the CSSA scheme and implement universal retirement protection.

42. Mr TANG Ka-piu considered that the Administration was exaggerating the financial burden incurred from a non means-tested OALA. He said that the Hong Kong Federation of Trade Unions took the view that means test for elderly persons aged 70 or above should be removed and universal retirement protection was the only way forward for the elderly persons to lead a dignified retirement life.

43. SLW replied that the positioning of OALA was very clear and fulfilled the three key features of the special allowance as stated by CE in his election manifesto. The Administration was open-minded about the review of the CSSA scheme, and the Task Force on SS&RP under CoP would oversee matters regarding retirement protection.

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[To allow sufficient time for discussion and with members' agreement, the Chairman extended the meeting for 30 minutes beyond the appointed ending time.]

Means declaration

44. Mr CHAN Chi-chuen said that People Power was against the imposition of means test for OALA. In particular, he cast doubt on the exclusion of items such as cash value of insurance scheme and properties in the definition of "assets" under the means test requirements. Sharing the views of Mr CHAN, Dr Fernando CHEUNG asked whether an elderly person had breached the law if he transferred his assets to his child for the sake of meeting the income and asset requirements for OALA. Mr LEUNG Yiu-chung said that the Administration should find a definite way of handling such cases so that the elderly could know about the risk of breaching the law, or it should better remove the means declaration requirement to avoid the nuisance caused to the elderly.

45. DSW responded that same as the mechanism under Normal OAA, under the OALA scheme, owner occupied properties and the cash value of insurance schemes were not counted as assets while contributions from family members were not regarded as "income". In response to Dr CHEUNG's enquiry about transfer of assets, he said that applicants would meet the eligibility criteria if their income and assets did not exceed the limits at the time of declaration but he reminded that the elderly should be honest about their needs for the allowance. SLW added that elderly applicants should understand clearly the policy objective of OALA and handle their assets carefully to avoid the risks of breaching the law.

46. At the request of Dr CHEUNG, the Administration would provide information regarding the definition of income, as well as the types of income and assets to be included in the declarations made by OALA applicants, and clarification on whether endowment insurance, reverse mortgage, etc. would be regarded as income of OALA applicants. The Administration was also requested to provide information on whether the transfer of assets by an applicant would have any retrospective effect as far as declaration of assets was concerned, and how the Administration would handle problems relating to declarations of income and assets by OALA applicants.

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(Post-meeting note: The Administration's response to the above request for information was circulated to members vide LC Paper No. CB(2)76/12-13(01) on 24 October 2012.)

Other implementation arrangements

47. Mr TANG Ka-piu asked about the arrangement if the existing OAA recipients did not report their financial ineligibility to SWD after receiving the notification letter for auto-conversion to OALA. Noting that existing OAA recipients were allowed to have a 305-day permissible limit of absence from Hong Kong, Mr TANG also asked whether there was any discrepancy between the permissible limit of absence and the one-year-continuous-residence ("OYCR") requirement for such "auto-conversion" cases for OALA.

48. DSW replied that for the convenience of the elderly, auto-conversion would be arranged for 290 000 existing OAA recipients for migration to OALA because this group of existing OAA recipients had passed the same means declaration procedures as well as the OYCR requirement when they applied for Normal OAA in the past. SLW said that the participants concerned were all elderly whose income and assets levels were unlikely to increase and render them ineligible over time. SWD would build in safeguards at various stages to screen out ineligible participants.

49. Mr CHAN Han-pan enquired about the difference in the length of grace period on OALA applicants' financial eligibility between applications received within 2013 and new applications after 2013; and the related arrangement for ineligibility from the third year of implementation.

50. DSW replied that in launching OALA the Administration would strike a balance between convenience to the elderly and proper deployment of public revenue. Drawing reference to the existing rule for Normal OAA, all OALA recipients would be given a grace period of 12 months immediately after being awarded the allowance. However, for the 290 000 existing OAA recipients, since they were required to make means declaration one year after the launch of OALA, the grace period would be extended for another 12 months; and such arrangements also applied to postal submission cases and new applications received within 2013. For new applications received after 2013, the grace period would

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be 12 months from the date of application; and from the third year of implementation (i.e. March 2015) onwards, OALA recipients would be subject to review.

51. Mr LEUNG Che-cheung asked about the assistance to OALA applicants aged 70 or above who were physically unfit and not clear about the means declaration procedures; and the specific kinds of work to be assigned to the 100 additional staff in SWD for the implementation of OALA.

52. SLW replied that the Administration would seek assistance from elderly centres, non-governmental organizations and Members' district offices to facilitate elderly persons to complete the necessary procedures. DSW supplemented that an elderly applicant who was physically unfit could seek SWD's arrangement for home visit or appoint a designated person to assist in his/her application. The 100 newly created posts in SWD would take part in the auto-conversion arrangement to be held in March 2013, postal submission and postal reviews of all auto-conversion cases in the second year after the launch of the scheme.

53. Noting that a special one-off arrangement would be introduced under the new Guangdong Scheme ("GD Scheme") to waive the OYCR requirement for its applicants, Dr Fernando CHEUNG asked whether the same would be arranged for OALA applicants.

54. DSW explained that the special one-off arrangement aimed to allow elderly persons, who had moved to GD some time ago, to benefit from the GD Scheme without having to first return to stay in Hong Kong. Participants of the GD Scheme who had benefited from the special one-off arrangement could only switch to OALA one year after they first received OAA under the GD Scheme, or they would have to meet the OYCR requirement. Dr Fernando CHEUNG considered that the implementation arrangement for OALA should be drawn up for the convenience of the elderly and requested the Administration to explain in writing the reasons why GD Scheme participants who wished to apply for OALA should wait for one year.

(Post-meeting note: The Administration's response to the above request for information was circulated to members vide LC Paper No. CB(2)76/12-13(01) on 24 October 2012.)

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Conclusion

55. Noting that the Administration did not accede to the requests as stated in Dr Fernando CHEUNG's motion, the Chairman said that the Administration should provide the following information before the FC meeting scheduled for 26 October 2012 –

- (a) an assessment of the expenditures incurred by 2041 and the consequences on the Government's expenditures under the following four proposals –
 - i. the Administration's existing proposal of OALA; and
 - ii. the Administration's existing proposal with the following adjustments –
 - (1) no means test was required for OALA applicants aged 70 or above;
 - (2) no means test was required for all OALA applicants; or
 - (3) increasing the asset limit to, say \$300,000 or \$500,000, for an OALA applicant.
- (b) the reasons for certain differences between the eligibility criteria for OALA and the existing OAA (including the absence of means-test requirement for Higher OAA recipients and the waiving of OYCR requirement under the GD Scheme); and
- (c) information on the three-pillar model (i.e. non-contributory social security system, mandatory provident fund and voluntary private savings) in implementing universal retirement protection schemes and the problems faced by overseas places which had adopted the model.

(Post-meeting note: The Administration's response to the above request for information was circulated to members vide LC Paper No. CB(2)76/12-13(01) on 24 October 2012.)

Meetings to receive deputations' views on OALA

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56. The Chairman sought members' views on the arrangements for receiving deputations' views at the Panel special meeting scheduled for 25 October 2012. In view of the overwhelming response from more than 80 deputations, members agreed that a three-hour meeting would be held on 25 October and another meeting would be held on a day afterwards to receive the remaining deputations.

(Post-meeting note: In addition to the special meeting scheduled for 25 October 2012, the Panel held another special meeting on 29 October 2012 to meet with deputations and the Administration.)

II. Any other business

57. There being no other business, the meeting ended at 12:20 pm.

Council Business Division 2
Legislative Council Secretariat
12 November 2013