

**For discussion on  
21 May 2013**

LC Paper No. CB(2)1129/12-13(05)

## **Legislative Council Panel on Welfare Services**

### **Additional Provision for Social Security Recipients**

#### **Purpose**

This paper informs Members of the Administration's proposal to provide an extra payment to recipients of Comprehensive Social Security Assistance (CSSA), Old Age Allowance (OAA), Old Age Living Allowance (OALA) and Disability Allowance (DA).

#### **Proposal**

2. Having regard to the uncertain external economic outlook and the continued risk of rising inflation, the Financial Secretary proposed in the 2013-14 Budget a range of one-off measures to help ease the economic pressure and stimulate economic growth, including the provision of a one-off extra payment to recipients of CSSA, OAA, OALA and DA. Details are set out below.

3. For CSSA recipients, the extra payment will be equivalent to one month of the standard rates. Different standard rates are applicable to different categories of recipients (such as elderly persons, children or able-bodied adults). The following are examples of the standard rate payments for different CSSA persons / households –

Single elderly person (aged 60 or above)	:	\$2,935
Single able-bodied adult	:	\$2,070
A 2-member CSSA family comprising one elderly person and one 100% disabled elderly person	:	\$5,905
A 3-member CSSA family comprising one single parent and two school children	:	\$5,730

A 4-member CSSA family comprising : \$6,585  
two able-bodied adults (one of them  
being a family carer) and two school  
children

4. For OAA, OALA and DA recipients, the extra payment will be equivalent to one month of the allowance, the current rates of which are as follows –

OAA	:	\$1,135
OALA	:	\$2,200
Normal DA	:	\$1,450
Higher DA	:	\$2,900

5. We estimate that about 1.15 million people, including 430 000 CSSA recipients, 120 000 OAA recipients<sup>1</sup>, 490 000 OALA recipients<sup>2</sup> and 100 000 DA recipients<sup>3</sup>, will benefit from this proposal.

## **Financial implications**

6. According to current estimation, the estimated financial implication of the one-off payments is \$2.728 billion (including \$1.325 billion for CSSA and \$1.403 billion for allowances under the Social Security Allowance Scheme<sup>4</sup>). The Administration will submit

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<sup>1</sup> As at March 2013, there were over 540 000 OAA recipients. After the launch of OALA in April 2013, more than 270 000 OAA recipients have switched to receive OALA through the “Auto-conversion” arrangement. We estimate that among about 250 000 existing Higher OAA recipients who have not received Normal OAA before, some 60% (i.e. about 150 000 recipients) will switch to receive OALA within this year. The estimated number of remaining OAA recipients is about 120 000 and they will receive the extra payment of OAA.

<sup>2</sup> Apart from people who are receiving OALA at the approval date of the funding proposal by the Finance Committee (FC), eligible elderly persons who submit their OALA applications to the Social Welfare Department on or before 31 December 2013 may also receive the extra payment of OALA if they are eligible to receive OALA at the FC’s approval date.

<sup>3</sup> As at March 2013, there were over 140 000 DA recipients, which included about 50 000 Normal DA recipients aged 65 or above. We estimate that among the Normal DA recipients aged 65 or above, about 80% (i.e. about 40 000 recipients) will switch to receive OALA within this year. The estimated number of remaining DA recipients is about 100 000 and they will receive the extra payment of DA.

<sup>4</sup> At present, the Social Security Allowance Scheme includes OAA, OALA and DA.

the funding proposal to the Finance Committee (FC) of the Legislative Council for approval subject to passage of the Appropriation Bill 2013.

### **Implementation**

7. Subject to FC's approval, the Social Welfare Department will make necessary adjustments to its computer system to implement the proposal as soon as possible.

**Labour and Welfare Bureau  
Social Welfare Department  
May 2013**