

Legislative Council Panel on Welfare Services

Additional Provision for Social Security Recipients

Purpose

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

Proposal

2. The Financial Secretary proposed in his 2015-16 Budget, as a one-off measure, the provision of an extra payment to recipients of CSSA, OAA, OALA and DA. Details are set out in the ensuing paragraphs.

3. For CSSA recipients, the extra payment will be equivalent to two months 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 monthly standard rate payments for and the extra payments to be received by different CSSA persons / households¹ –

	Monthly Standard Rate Payment (\$)	Extra Payment (\$)
Single elderly person (aged 60 or above)	3,200	6,400

¹ The amounts have taken account of the 4.7% increase in CSSA standard payment rates in accordance with the established adjustment mechanism. The adjustment would take retrospective effect from 1 February 2015 upon the passage of the Appropriation Bill 2015.

Single able-bodied adult	2,255	4,510
A 2-member CSSA family comprising one elderly person and one 100% disabled elderly person	6,440	12,880
A 3-member CSSA family comprising one single parent and two school children	6,245	12,490
A 4-member CSSA family comprising two able-bodied adults (one of them being a family carer) and two school children	7,185	14,370

4. For recipients of OAA, OALA and DA, the extra payment will be equivalent to two months of the allowance. The monthly rates of allowances and the extra payments to be received are as follows² –

	Monthly Rate of Allowance (\$)	Extra Payment (\$)
OAA	1,235	2,470
OALA	2,390	4,780
Normal DA	1,580	3,160
Higher DA	3,160	6,320

5. It is estimated that about 1.18 million people, including 390 000 CSSA recipients, 200 000 OAA recipients, 20 000 GD Scheme recipients, 440 000 OALA recipients and 130 000 DA recipients, will benefit from this proposal.

Financial implications

6. The estimated financial implication of the one-off payments is \$5.543 billion (including \$2.377 billion for CSSA standard rates and

² The amounts have taken account of the 4.7% increase in the rates of allowances in accordance with the established adjustment mechanism. The adjustment would take retrospective effect from 1 February 2015 upon the passage of the Appropriation Bill 2015.

\$3.166 billion for allowances under the Social Security Allowance Scheme). The funding proposal will be submitted to the Finance Committee (FC) of the Legislative Council for approval subject to passage of the Appropriation Bill 2015.

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. With reference to the actual time required for the adjustment last year, we estimate that the extra payment could be effected four weeks after the FC's approval of the funding proposal at the earliest.

**Labour and Welfare Bureau
Social Welfare Department
April 2015**