

ITEM FOR FINANCE COMMITTEE

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 General non-recurrent

New Item “Additional provision for social security recipients”

Members are invited to approve a new non-recurrent commitment of \$2,821 million for providing a one-off extra payment to recipients of –

- (a) Comprehensive Social Security Assistance (CSSA), equal to one month of the CSSA standard rates; and
- (b) Social Security Allowance (SSA), equal to one month of Old Age Allowance (OAA) (including those payable under the Guangdong (GD) Scheme), Old Age Living Allowance (OALA) and Disability Allowance (DA),

subject to the passage of the Appropriation Bill 2016.

PROBLEM

We need to implement the one-off extra payment for social security recipients announced in the 2016-17 Budget.

PROPOSAL

2. We propose to provide a one-off extra payment to social security recipients, equal to one month of the CSSA standard rates for CSSA recipients, and equal to one month of OAA (including those payable under the GD Scheme), OALA or DA for SSA recipients, subject to the passage of the Appropriation Bill 2016.

/JUSTIFICATION

JUSTIFICATION

3. Taking into account the current macro environment, Government's fiscal capacity and the need to boost the economy in the short term, the Financial Secretary proposed in the 2016-17 Budget to provide a one-off extra allowance to social security recipients as one of the relief measures¹.

4. For CSSA recipients, the extra payment will be equivalent to one month of the standard rates for different categories of recipients, including elderly persons, children or able-bodied adults. For recipients of OAA (including those payable under the GD Scheme), OALA and DA, the extra payment will be equivalent to one month of the allowance. The monthly standard rates for different types of CSSA recipients, the monthly rates of allowances under SSA Scheme and examples of one-off extra allowances to households under CSSA Scheme are set out in the Enclosure².

Encl.

5. This one-off relief measure is estimated to benefit about 1.18 million people, including 360 000 CSSA recipients, 220 000 OAA recipients, 20 000 GD Scheme recipients, 440 000 OALA recipients and 130 000 DA recipients³.

6. Subject to the Finance Committee's approval, the Social Welfare Department will make the necessary adjustments to its computer system. The one-off extra payments will be disbursed shortly after the passage of the Appropriation Bill 2016.

FINANCIAL IMPLICATIONS

7. The proposal will entail one-off expenditure of \$2,821 million in 2016-17 for the Government.

/PUBLIC

¹ Apart from the one-off extra allowance for social security recipients, the Financial Secretary has also announced in the 2016-17 Budget the introduction of two relief measures in the form of tax concessions, including one-off reduction of salaries tax and tax under personal assessment, as well as one-off waiver of rates.

² The amounts have taken into account a 4.4% increase in CSSA standard payment rates and rates of allowances under SSA Scheme in accordance with the established adjustment mechanism. The adjustment would take retrospective effect from 1 February 2016 and the back payment would be disbursed after the passage of the Appropriation Bill 2016.

³ Figures may not add up to the total due to rounding.

PUBLIC CONSULTATION

8. The one-off extra payment for social security recipients was announced in the 2016-17 Budget. On 11 April 2016, the Labour and Welfare Bureau briefed the Panel on Welfare Services on the proposal. Members supported the proposal in principle. Nevertheless, the Panel passed a motion requesting the Government to provide an extra payment equal to two months of the CSSA standard rates or allowances under the SSA Scheme.

Labour and Welfare Bureau
Social Welfare Department
April 2016

**Standard rates under
the Comprehensive Social Security Assistance Scheme
and allowances under the Social Security Allowance Scheme**

A. Standard Rates under the Comprehensive Social Security Assistance (CSSA) Scheme

1. *Elderly persons aged 60 or above and non-able-bodied recipients*

	Amount per month ¹ (\$)	
	Single person	Family member
(a) Elderly person aged 60 or above		
Able-bodied/50% disabled	3,340	3,150
100% disabled	4,040	3,575
Requiring constant attendance	5,690	5,220
(b) Ill-health/Disabled adult aged under 60		
Ill-health/50% disabled	3,340	3,150
100% disabled	4,040	3,575
Requiring constant attendance	5,690	5,220
(c) Disabled child		
50% disabled	3,760	3,280
100% disabled	4,460	3,990
Requiring constant attendance	6,095	5,630

/2.

¹ The amounts have taken into account of a 4.4% increase in accordance with the established adjustment mechanism. The adjustment would take retrospective effect from 1 February 2016 and the back payment would be disbursed after the passage of the Appropriation Bill 2016.

2. Able-bodied recipients aged under 60

Category	Amount per month¹ (\$)
(a) Adult	
<i>Single parent/Family carer</i>	
– in a family comprising not more than two able-bodied adults/children	2,560
– in a family comprising three able-bodied adults/children	2,310
– in a family comprising four or more able-bodied adults/children	2,050
<i>Others</i>	
Single person	2,355
Family member	
– in a family comprising not more than two able-bodied adults/children	2,100
– in a family comprising three able-bodied adults/children	1,895
– in a family comprising four or more able-bodied adults/children	1,690
(b) Child	
Single person	2,830
Family member	
– in a family comprising not more than two able-bodied adults/children	2,345
– in a family comprising three able-bodied adults/children	2,105
– in a family comprising four or more able-bodied adults/children	1,880

/B.

B. Allowances under the Social Security Allowance Scheme

	Amount per month¹ (\$)
(a) Old Age Allowance (including those payable under the Guangdong Scheme)	1,290
(b) Old Age Living Allowance	2,495
(c) Disability Allowance (DA)	
1. Normal DA	1,650
2. Higher DA	3,300

C. Examples of one-off extra allowances for households under CSSA Scheme

Single elderly person (aged 60 or above)	\$3,340
Single able-bodied adult	\$2,355
A 2-member CSSA family comprising one elderly person and one 100% disabled elderly person	\$6,725
A 3-member CSSA family comprising one single parent and two school children	\$6,520
A 4-member CSSA family comprising two able-bodied adults (one of them being a family carer) and two school children	\$7,500
