

**For discussion
on 28 January 2019**

LEGISLATIVE COUNCIL PANEL ON WELFARE SERVICES

**Adjusting the Eligible Age for
Elderly Comprehensive Social Security Assistance**

Purpose

The Government will adjust the eligible age for elderly Comprehensive Social Security Assistance (CSSA) from 60 to 65 with effect from 1 February 2019. This paper briefs Members the relevant arrangements and the support provided by the Government for CSSA able-bodied adult recipients aged between 60 and 64.

Adjusting the eligible age for elderly CSSA

2. In view of the improved life expectancy of the population of Hong Kong and the trend of extending the retirement age to 65, the Government announced in the Policy Address in January 2017 that the eligible age for elderly CSSA would be adjusted from 60 to 65. The relevant adjustment is one of the social security measures announced in the abovementioned Policy Address. Other measures include raising the asset limits for the Normal Old Age Living Allowance, introducing the Higher Old Age Living Allowance, implementing the Fujian Scheme, etc. In 2018-19, the estimated expenditure of the social security system (including the CSSA Scheme and the Social Security Allowance Scheme) is \$55 billion which almost doubles that of six years ago. The relevant figure has not included the expenditure on the comprehensively enhanced Working Family Allowance (WFA) launched in April 2018. The WFA Scheme has received applications from 50 000 households since its implementation ten months ago. The allowance disbursed is about \$900 million, which is significantly higher than the amount before the enhancements.

3. Upon the completion of preparatory work, the Government will implement the adjustment to the eligible age for elderly CSSA on 1 February 2019. It should be noted that persons aged between 60 and 64 who have received elderly CSSA before 1 February 2019 will be ‘grandfathered’ and will not be affected. The CSSA payments of

persons with disabilities or persons in ill health will not be affected either. They will, regardless of age, continue to receive CSSA payments which are higher than those applicable to able-bodied adults. As at end-November 2018, around 70% of CSSA recipients aged between 55 and 59 were with disabilities or in ill-health.

Support for able-bodied CSSA recipients aged between 60 and 64

4. Generally speaking, the new arrangement will affect eligible able-bodied persons who reach 60 years old on or after 1 February 2019 and able-bodied persons aged between 60 and 64 who have never received elderly CSSA before 1 February 2019. Nevertheless, they will continue to be entitled to the basic living protection as able-bodied adults under CSSA. Apart from standard rates and special grants (including the rent allowance) applicable to able-bodied adults, they will also benefit from the ‘disregarded earnings’ (DE) arrangement under CSSA with the maximum monthly DE level of \$2,500 to encourage them to engage in employment. Moreover, they are entitled to medical fee waiver for public healthcare.

5. Upon the adjustment of eligible age for elderly CSSA takes effect on 1 February 2019, the Social Welfare Department (SWD) will also provide the new Employment Support Supplement to able-bodied adults aged between 60 and 64 to offer better employment support. The amount of this monthly supplement is set at the difference between the CSSA standard rates applicable to elderly singleton and able-bodied adult singleton, i.e. a fixed rate of \$1,060 per person per month starting from 1 February 2019. The amount will be adjusted annually according to the established mechanism. As a complementary measure, this supplement seeks to encourage able-bodied adult recipients aged between 60 and 64 to join the labour market. It is also applicable to employed able-bodied adult recipients in this age group to support them to remain in employment.

6. Separately, SWD will extend the existing services under the Integrated Employment Assistance Programme for Self-reliance under the CSSA Scheme for 12 months from 1 April 2019. The Department will provide comprehensive support for able-bodied adult recipients aged between 60 and 64 under this programme. The Government plans to enhance the coordination among SWD, the Labour Department (LD) and the Employees Retraining Board (ERB) to better support the employment of able-bodied adult recipients. For example, we hope to enable the participating recipients to identify suitable training courses for themselves

and receive information on the latest job vacancies through the provision of one-stop services. We will also review the DE arrangement under CSSA so as to further encourage employment.

7. As a matter of fact, the Government is committed to providing appropriate employment services for mature persons. To encourage employers to hire mature persons aged 60 or above and provide them with on-the-job training, LD has further enhanced and renamed the Employment Programme for the Middle-aged as the Employment Programme for the Elderly and Middle-aged (EPEM) on 1 September 2018. Employers engaging mature job seekers aged 60 or above who have left the workforce or are unemployed are offered a monthly on-the-job training allowance up to \$4,000 per employee for a period of six to 12 months under EPEM. For employers engaging each unemployed job seeker aged 40 to 59 under EPEM, the maximum amount of on-the-job training allowance remains \$3,000 per month for a period of three to six months. EPEM covers both full-time and part-time jobs.

8. Meanwhile, LD implements various employment support measures for mature job seekers such as staging large-scale job fairs for mature job seekers, setting up special counters and organising employment briefings for them at its job centres, establishing a dedicated webpage for mature job seekers under the 'Interactive Employment Service' website, etc. to facilitate their access to updated employment information and search for suitable job vacancies. To meet the needs of some mature persons who are more interested in taking up part-time jobs, district-based job fairs on part-time employment are held at job centres. LD will continue to keep in view the employment needs of mature persons and to provide them employment services effectively. Furthermore, ERB has been providing suitable courses for mature persons. They may also make use of the Continuing Education Fund to further their learning.

Conclusion

9. Members are invited to note the paper.

Labour and Welfare Bureau
Social Welfare Department
Labour Department
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