

For discussion on  
11 February 2019

**Legislative Council Panel on Welfare Services**  
**Payments under the**  
**Comprehensive Social Security Assistance Scheme**

**Purpose**

This paper briefs Members on the payments under the Comprehensive Social Security Assistance (CSSA) Scheme, including supplements and special grants.

**Background**

2. The CSSA Scheme aims to provide a safety net to meet the basic needs of those who are unable to support themselves financially because of old age, illnesses, disabilities, single parenthood, unemployment, low income, etc. Having regard to the design of the Scheme as mentioned above, CSSA applicants are subject to means testing. The means test is conducted on a household basis, which is in keeping with the concept of promoting mutual support among family members.

3. As at end-December 2018, there were 226 437 households (involving 323 023 recipients) under the CSSA Scheme. In 2018-19, we expect that the recurrent expenditure on the CSSA Scheme would be around \$20 billion.

4. The overall number of CSSA cases has dropped to a record low since 2000. In particular, the number of unemployment and low income cases are the lowest since 1996 and 1997 respectively. Both registered an 80% decrease as compared with their respective historic peaks. The trend, on the one hand, might be attributed to the recent economic condition of Hong Kong and the continuously low unemployment rate. On the other hand, it reflects the spirit of self-reliance among Hong Kong people and reminds us of the need to keep up with our employment assistance to able-bodied persons who have ability to work, so as to provide them with effective support. Meanwhile, we note that the number of CSSA elderly cases is also decreasing as opposed to the rapidly ageing population of

Hong Kong. A drop of around 6% was registered over the past five years. Apart from overall economic factors, it may be related to a number of recently introduced or enhanced elderly cash assistance measures<sup>1</sup> which enable elderly persons to apply for different allowances and schemes other than CSSA, according to their personal circumstances.

## **Financial Assistance under the CSSA Scheme**

5. The Social Welfare Department (SWD) provides different standard rates, supplements and special grants according to the number of household members and their circumstances. For example, able-bodied adult recipients are eligible for a number of special grants, including rent allowance, water and sewage charge allowance, burial grants, child-care grants and school grants, according to their needs. Single parents are entitled to the Single Parent Supplement. Furthermore, SWD provides the Employment Support Supplement to eligible able-bodied adult recipients aged between 60 and 64 from 1 February this year with a view to encouraging them to join the labour market and remain in employment. These supplements and special grants as well as items particularly applicable to recipients who are elderly, disabled or in ill health are set out at **Annex**.<sup>2</sup>

6. The standard payment rates under CSSA is adjusted on an annual basis taking into account the movements of the Social Security Assistance Index of Prices (SSAIP) to maintain the purchasing power of CSSA payments. Moreover, SWD will update the weighting system of the SSAIP (i.e. the proportion of the relative expenditures of individual categories of goods and services covered by the Index) with the data obtained from the Household Expenditure Survey on CSSA households every five years to better reflect the expenditure patterns of CSSA recipients. The base year of the current weighting system is 2014/15. In terms of CSSA payments, the average CSSA monthly assistance for a four-person household in 2018 was \$15,182.

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<sup>1</sup> The measures include the Normal Old Age Living Allowance and the Guangdong Scheme introduced in 2013, and the Higher Old Age Living Allowance and the Fujian Scheme introduced in 2018.

<sup>2</sup> CSSA recipients will also benefit from the disregarded earnings (DE) arrangement, i.e. recipients will have part of their monthly earnings from employment disregarded in the CSSA assessment. In other words, they will have extra income on top of their CSSA payments. Recipients will be entitled to the maximum DE level of \$2,500 if their employment earnings reach \$4,200. Moreover, SWD will provide suitable employment support for unemployed able-bodied adult recipients under the 'Integrated Employment Assistance Programme for Self-reliance' according to their situation and needs. In addition, CSSA recipients are entitled to medical fee waiver for public healthcare.

7. The Government has been keeping in view the various arrangements under the CSSA Scheme and introducing targeted measures to better address the needs of CSSA recipients. For example –

- (a) from the 2014/15 school year, regularising a Community Care Fund (CCF) programme to increase the grants for school-related expenses for primary and secondary students of CSSA households by \$1,000;
- (b) from April 2014, including post-secondary students of CSSA households in the calculation of rent allowance so that a family's entitlement to rent allowance will not be affected if it has member(s) receiving post-secondary education;
- (c) from October 2016, implementing a three-year pilot scheme under the CCF to encourage disabled CSSA recipients to engage in employment by raising the maximum level of disregarded earnings by 60% from \$2,500 per month to \$4,000 per month;
- (d) from February 2017, while maintaining the requirement that applications for CSSA must be made on a household basis, abolishing the arrangement for relatives concerned to make a declaration on whether they provide the elderly persons who apply for CSSA on their own (e.g. any elderly person who does not live with his/her children) with financial support (the so-called 'bad-son statement'); and
- (e) in November 2017, relaunching the 'Subsidy for CSSA Recipients Living in Rented Private Housing' for two years, and adjusting the arrangements so that the actual rent paid by eligible CSSA households is taken into account in calculating the amount of subsidy.

8. It should be noted that the CSSA Scheme is only one of the components of the Government's cash assistance policy. We have put in place various measures to cater for the different needs of needy persons. In particular, the expenditure on cash assistance programme targeting at elderly group (i.e. persons aged 65 or above), including the expenditure arising from the Old Age Allowance and recently introduced Normal Old Age Living Allowance (OALA) and Higher OALA, has exceeded the overall expenditure on all age groups under the CSSA Scheme. Such expenditure is expected to continue to grow significantly owing to the ageing population of Hong Kong.

## **Conclusion**

9. Members are invited to note this paper.

Labour and Welfare Bureau  
Social Welfare Department  
January 2019

**Supplements and Special Grants under the  
Comprehensive Social Security Assistance Scheme**

**Supplements**

- Applicable to able-bodied adults/ children recipients – single parent supplement and the employment support supplement which is provided to able-bodied adult recipients aged between 60 and 64 starting from 1 February this year.
- Applicable to recipients who are elderly, disabled or in ill-health – single parent supplement, long-term supplement, community living supplement, residential care supplement and transport supplement.

**Special Grants**

- Applicable to able-bodied adults/ children recipients – rent allowance, water and sewage charge allowance, burial grant, child-care grants and school grants.
- Applicable to recipients who are elderly, disabled or in ill-health – housing and related grants (including rent allowance, water and sewage charge allowance, grant for rent deposit, grant for water, electricity and gas/ LPG deposits for accommodation in public housing, domestic removal grant, grant to cover telephone installation fees, grant to cover monthly telephone charges, etc.), family grants (i.e. grant to cover fare to and from hospital/ clinic and other essential travelling expenses and burial grant), medical and rehabilitation grants (including special diet allowance, grant to cover costs of medical, rehabilitation, surgical appliances and hygienic items, grant to cover costs of glasses, grant to cover costs of dental treatment, etc.), child-care grants and school grants.