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Panel on Welfare Services

Background brief prepared by the Legislative Council Secretariat for the meeting on 10 June 2019

Measures to encourage employment under the Comprehensive Social Security Assistance Scheme

Purpose

This paper gives a brief account of past discussions of the Panel on Welfare Services ("the Panel") on measures to encourage employment under the Comprehensive Social Security Assistance ("CSSA") Scheme.

Background

Support for Self-reliance Scheme

2. According to the Administration, the Support for Self-reliance ("SFS") Scheme is a programme under the CSSA Scheme which aims to encourage and assist the following able-bodied CSSA applicants aged 15 to 64 to secure employment to move towards self-reliance while providing them with financial assistance:

- (a) applicants being unemployed or with monthly earnings or working hours less than the prescribed level set by the Social Welfare Department ("SWD") (thereafter referred to as "unemployed CSSA applicants"); and
- (b) single parents and child carers with their youngest child aged 12 to 14.

The SFS Scheme comprises the Integrated Employment Assistance Programme for Self-reliance ("IEAPS") and the disregarded earnings ("DE") arrangement.

Integrated Employment Assistance Programme for Self-reliance

3. Since January 2013, SWD has commissioned non-governmental organizations ("NGOs") to operate IEAPS,¹ so as to provide one-stop employment service and support to unemployed CSSA applicants, as well as to assist them to overcome difficulty in finding jobs and strengthen their employability.

Unemployed CSSA applicants aged 15 to 59 are required to 4. undertake to participate in related activities under IEAPS. If they refuse to sign the Job Seeker's Undertaking or fail to comply with any of the requirements stated in the Job Seeker's Undertaking, SWD will: (a) cease to process their applications for CSSA; (b) terminate further CSSA payment to them and other members of their households if they are already receiving CSSA; and (c) recover from them overpaid CSSA payment, if any, arising from the non-compliance. On the other hand, for single parents and child carers aged 15 to 59 on CSSA with their youngest child aged 12 to 14, SWD will deduct \$200 per month from their CSSA payment ("the deduction arrangement") if they fail to comply with the requirements under IEAPS. As regards unemployed CSSA applicants aged between 60 and 64, the Administration has suspended the deduction arrangement for them having regard to public views and would revisit the deduction arrangement after completing the review of supplements and special grants under the CSSA Scheme by end-2019.

Arrangement of disregarded earnings

5. The purpose of the DE arrangement is to encourage CSSA recipients to seek and stay in employment. Under this arrangement, a portion of the CSSA recipient's monthly earnings from employment will not be deducted from his/her CSSA entitlement. As at February 2019, the maximum amount of the monthly DE is \$2,500 per month.

Employment Support Supplement

6. Under the CSSA Scheme, SWD provides a monthly employment support supplement for able-bodied adult recipients aged between 60 and 64 to encourage them to join the labour market and remain in employment. The amount of supplement is set at the difference between the monthly

¹ If unemployed CSSA applicants aged 15 to 59 have found employment with hours no less than 120 per month and earnings no less than the prescribed level set by SWD, or unemployed CSSA applicants aged 60 to 64 found employment with hours no less than 60 per month, or single parents and child carers on CSSA with their youngest child aged 12 to 14 found employment with hours no less than 32 per month, they need not to participate in the SFS Scheme for employment support services.

CSSA standard rates applicable to singleton able-bodied elderly and singleton able-bodied adult recipients, which is a fixed rate of \$1,060 per person per month from 1 February 2019.

Deliberations by Members since 2016-2017 session

7. The Panel has discussed about the measures to encourage employment under the CSSA Scheme at its various meetings since November 2016. Questions were also asked by Members at the Council meetings of 20 and 27 February 2019 and motions were passed at the Council meetings of 16 January and 29 May 2019. Members' major concerns and views and the Administration's response are summarized in the ensuing paragraphs.

Implementation of the Integrated Employment Assistance Programme for Self-reliance

8. In response to Members' enquiries about the effectiveness of IEAPS, the Administration advised that from January 2013 to end-November 2018, out of the 95 774 person-times participated in IEAPS, 20 365 of them had successfully secured employment or returned to mainstream schooling. Amongst the 20 365, 4 317 had left the CSSA net after their participation in IEAPS. The Administration also pointed out that IEAPS had not only enabled participants to acquire up-to-date employment and retraining information, but also provided counselling service and other relevant welfare support to its participants.

Employment support service for able-bodied recipients of Comprehensive Social Security Assistance aged between 60 and 64

9. Members were of the view that some elderly persons were in physical sub-health state and could not work long hours. Given that these elderly persons were not eligible disabled CSSA recipients, Members suggested that instead of requiring CSSA recipients aged between 60 and 64 to participate in IEAPS, the Administration should only encourage them to take up employment.

10. The Administration advised that even though some elderly persons were not assessed to be in ill-health from the medical perspective, they might have difficulty in engaging in employment due to health issues. SWD would exercise discretion in such cases. In addition, CSSA recipients aged between 60 and 64 who had secured employment with no less than 60 working hours per month were not required to participate in IEAPS. 11. In view of the difficulty encountered by CSSA recipients aged between 60 and 64 in securing employment, some Members suggested that the Administration should introduce effective complementary measures, such as the provision of travelling allowance, to help them seek employment.

12. The Administration advised that through participating in IEAPS, able-bodied CSSA recipients aged between 60 and 64 might obtain up-to-date labour market information, benefit from job placements, and receive personalized and focused employment services according to their needs. To this end, the Administration had announced the extension of the service period of IEAPS with its current service mode to end-March In addition, the Administration would strengthen the collaboration 2020. among SWD, the Labour Department, the Employees Retraining Board and NGOs, so as to provide more comprehensive employment and retraining services to able-bodied adult CSSA recipients. The Administration further advised that participants of IEAPS would be offered a Temporary Financial Aid up to \$2,000 within a period of two years to cover the costs of seeking employment, including transportation expenses.

13. At its meeting of 29 May 2019, the Council passed a motion urging the Administration to, inter alia, (a) enhance the employment support for elderly persons aged between 60 and 64; (b) provide designated employment programmes and retraining courses for elderly persons aged between 60 and 64; (c) offer subsidies to elderly persons aged between 60 and 64 who had taken up employment again; and (d) provide the \$2 concessionary transport fare to elderly persons aged between 60 and 64.

Arrangement of disregarded earnings

14. Some Members suggested that the DE arrangement should be enhanced to provide an incentive for CSSA recipients to take up employment. They called on the Administration to increase the amount of DE on a yearly basis and peg such amount with the duration of employment, i.e. the longer the duration of employment, the higher amount of earnings would be treated as DE.

15. The Administration advised that while the DE arrangement provided economic incentive to encourage recipients to find and sustain employment, it might delay recipients' exit from the CSSA net if it was too generous. The Administration would review the DE arrangement in 2019, so as to consider how to strike a balance between further encouraging employment among CSSA recipients and the proper use of public money. In addition, SWD had implemented a three-year pilot scheme entitled "Incentive Scheme to Further Encourage CSSA Recipients of the Integrated Employment Assistance Programme for Self-reliance to Secure Employment" under the Community Care Fund ("CCF") in 2014 to provide incentive grants to CSSA recipients when their accumulative earnings above the maximum level of DE reached a prescribed target. After the expiry of the Incentive Scheme in 2017, SWD had been conducting an evaluation study on the Incentive Scheme. Another three-year pilot scheme entitled "Pilot Scheme on Raising the Maximum Level of Disregarded Earnings for Recipients with Disabilities under the Comprehensive Social Security Assistance Scheme" ("the Pilot Scheme for disabled CSSA recipients") had also been implemented since October 2016 under CCF to encourage disabled CSSA recipients to engage in employment by raising the maximum level of DE by 60% from \$2,500 per month to \$4,000 per month. The evaluation results of both schemes would be reported to the CCF Task Force in future.

16. At its meeting of 16 January 2019, the Council passed a motion urging the Administration to, inter alia, review and relax the DE arrangement and regularize the Pilot Scheme for disabled CSSA recipients.

Latest position

17. The Administration will brief members on the scope and arrangements for reviewing the measures to encourage employment under the CSSA Scheme at the Panel meeting on 10 June 2019.

Relevant papers

18. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2 <u>Legislative Council Secretariat</u> 5 June 2019

Relevant papers on measures to encourage employment under the Comprehensive Social Security Assistance Scheme

Meeting	Date of meeting	Paper
Panel on Welfare Services	14 November 2016 (Item IV)	Agenda Minutes
	12 February 2018 (Item VI)	Agenda Minutes LC Paper No. CB(2)1227/17-18(01)
	19 March 2018 (Item I)	Agenda Minutes
	12 November 2018 (Item IV)	Agenda Minutes
	28 January 2019 (Item I)	Agenda Minutes
	11 February 2019 (Item IV)	<u>Agenda</u> <u>Minutes</u> <u>LC Paper No.</u> <u>CB(2)771/18-19(01)</u> <u>LC Paper No.</u> <u>CB(2)1133/18-19(01)</u>
Legislative Council	16 January 2019	Wording of the motion passed
	20 February 2019	Official Record of <u>Proceedings (Pages</u> <u>123-126)</u>
	27 February 2019	Official Record of Proceedings (Pages 44-50)
	29 May 2019	Wording of the motion passed

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