

**For discussion on
11 November 2019**

Legislative Council Panel on Welfare Services

**Extra Allowance to Recipients of Social Security Payments,
Working Family Allowance and Individual-based Work Incentive
Transport Subsidy**

Purpose

This paper sets out the arrangements for the Government to provide one-off extra allowance to recipients of social security payments, Working Family Allowance (WFA) and Individual-based Work Incentive Transport Subsidy (I-WITS).

Justification

2. Having regard to the current economic situation and outlook in Hong Kong, and to counter the challenging external and local economic environment, the Financial Secretary announced on 15 August 2019 a series of measures to support enterprises, safeguard jobs and relieve people's burden. The above measures included the provision of an extra allowance to social security recipients, equal to one month of the standard rate of the Comprehensive Social Security Assistance (CSSA) payments or allowance payments under the Social Security Allowance Scheme, which includes Old Age Allowance (OAA), Old Age Living Allowance (OALA) and Disability Allowance (DA). Similar arrangements also apply to recipients of WFA and I-WITS.

One-off Extra Allowance to Recipients of Social Security Payments

3. For CSSA recipients, the extra allowance is equal to one month of standard rate payments. Different standard rates are applicable to different categories of recipients (such as elderly persons, children and adults). The following are examples of the monthly standard rates for different CSSA persons/households –

Example	Monthly standard rate
Single able-bodied elderly person	\$3,585
Single able-bodied adult	\$2,525
A two-member CSSA household comprising one able-bodied elderly person and one severely disabled elderly person	\$7,205
A three-member CSSA household comprising one able-bodied single parent and two able-bodied school children	\$6,985
A four-member CSSA household comprising two able-bodied adults (one of them being family carer) and two able-bodied school children	\$8,035

4. For recipients of OAA (including the Guangdong (GD) Scheme and Fujian (FJ) Scheme), OALA (including the Normal OALA and Higher OALA) and DA (including the Normal DA and Higher DA), the extra allowance is equal to one month of the allowance payment. The monthly rates of the allowances are as follows –

Allowance	Monthly rate
OAA	\$1,385
Normal OALA	\$2,675
Higher OALA	\$3,585
Normal DA	\$1,770
Higher DA	\$3,540

5. Recipients who are eligible for social security payments on the date of approval of the funding proposal by the Legislative Council Finance Committee (FC) would be eligible for the one-off extra allowance. It is estimated that the initiative will benefit about 1.33 million of eligible persons¹ (including 320 000 CSSA recipients, 570 000 OALA recipients², 290 000 OAA (including GD Scheme and FJ Scheme) recipients and 160 000 DA recipients³)⁴.

¹ The number of recipients may not add up to the total owing to rounding.

² Including about 520 000 Higher OALA recipients and about 50 000 Normal OALA recipients.

³ Including about 20 000 Higher DA recipients and about 140 000 Normal DA recipients.

⁴ Recipients may only receive one type of social security payments under the ‘no double benefits rule’. This arrangement also applies to one-off extra allowance.

One-off Extra Allowance to Recipients of WFA

6. Under the WFA Scheme, applicants make applications every six months. Each claim period covers the immediate past six months, and each applicant's eligibility is assessed on a monthly basis during the claim period. Households in receipt of WFA whose applications⁵ were made in the Applicable Period (i.e. from the first day of the month in which FC approves this funding proposal to the date when FC's funding approval is sought; and the six calendar months before that month), and eventually approved, would be eligible for the one-off extra allowance⁶.

7. The extra allowance is equal to the average monthly amount of approved months payable to the recipients in their most recently submitted and eventually approved WFA applications, which varies from case to case depending on the composition, income and working hours of the households of the applicants⁷. It is estimated that the initiative will benefit about 57 000 households in receipt of WFA.

One-off Extra Allowance to Recipients of I-WITS

8. Similar to the arrangements under WFA, recipients of I-WITS whose applications⁸ have been made in the Applicable Period⁹, and eventually approved, would be eligible for the extra allowance. The extra allowance is equal to the average monthly amount¹⁰ of approved months

⁵ For applications sent by post, the date of the post-stamp will be adopted as the application date.

⁶ Under the WFA Scheme, (a) a household cannot receive CSSA concurrently in the same month; and (b) WFA applicants and household members whose working hours have been aggregated for WFA applications cannot receive I-WITS concurrently in the same month. If a WFA household is receiving CSSA on the date of the approval of funding proposal by the Legislative Council; or a household member specified in (b), during the Applicable Period, submitted application for I-WITS and eventually approved, that household is eligible for one single extra allowance, the amount of which is the highest the household is eligible to receive under the WFA, CSSA or I-WITS Scheme as the case may be. Non-WFA applicant and WFA household members whose working hours have not been aggregated for WFA applications are not subject to the above arrangement, and they can receive extra allowance under the I-WITS Scheme.

⁷ Based on past payments of WFA, the average monthly amount ranges from around \$400 to \$10,200.

⁸ For applications sent by post, the date of the post-stamp will be adopted as the application date.

⁹ According to the arrangements of relevant department, WITS applicants may, according to individual circumstances, apply for the subsidy covering the preceding six to 12 calendar months during the Applicable Period.

¹⁰ Each I-WITS recipient receives \$300 or \$600 per claim month.

payable to the recipients in their most recently submitted and eventually approved I-WITS applications. It is estimated that the initiative will benefit about 32 000 recipients of I-WITS.

Financial Implications

9. The one-month extra allowance to eligible recipients of social security payments, WFA and I-WITS entails an estimated expenditure of about \$3,888 million, \$136 million and \$19 million respectively.

Implementation Arrangements

10. The funding proposal will be submitted shortly to the FC for approval in accordance with the established procedures. Upon funding approval is sought, the Social Welfare Department and Working Family and Student Financial Assistance Agency will make necessary adjustments to their computer systems to disburse the one-off extra payments a month after FC's funding approval is sought at the earliest. The payments would be made through the existing allowance payment methods (i.e. normally through auto-pay arrangement to the designated bank accounts of the recipients). Recipients are not required to make separate applications.

11. The relevant departments will suitably publicise the implementation arrangements for various payments and allowances as appropriate.

Advice Sought

12. Members are invited to note this paper.

Labour and Welfare Bureau
Social Welfare Department
Working Family and Student Financial Assistance Agency
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