

For information

Legislative Council Panel on Welfare Services

Extra Allowance for Recipients of Social Security Payments and Individual-based Work Incentive Transport Subsidy

Purpose

This paper informs Members of the Government's initiative to provide a one-off extra allowance for recipients of social security payments and Individual-based Work Incentive Transport Subsidy (I-WITS).

Justification

2. The Financial Secretary proposed a series of relief measures in his 2020-21 Budget on 26 February 2020 to ease the financial burden of the public. One of the measures is the provision of an extra allowance for recipients of social security payments, equalling one month of the standard rate Comprehensive Social Security Assistance (CSSA) payments or allowance payments under the Social Security Allowance (SSA) Scheme, which includes Old Age Allowance (OAA), Old Age Living Allowance (OALA) and Disability Allowance (DA); and applying similar arrangements for recipients of I-WITS.

One-off Extra Allowance for Recipients of Social Security Payments

3. For CSSA recipients, the extra allowance is one month of standard rate payments. Different standard rates are applicable to different categories of recipients (such as elderly persons, children and adults). Standard rates under the CSSA Scheme and rates of allowance under the SSA Scheme are adjusted annually on 1 February according to the established adjustment mechanism. The Government has submitted a paper to the Finance Committee (FC) on the proposed adjustment to CSSA and SSA rates with effect from 1 February 2020. The following are examples of the monthly standard rates for CSSA persons/households with retrospective effect from 1 February 2020 subject to FC's approval –

Example	Monthly standard rate
Single able-bodied elderly person	\$3,715
Single able-bodied adult	\$2,615
A two-member CSSA household comprising one able-bodied elderly person and one severely disabled elderly person	\$7,465
A three-member CSSA household comprising one able-bodied single parent and two able-bodied school children	\$7,235
A four-member CSSA household comprising two able-bodied adults (one of them being family carer) and two able-bodied school children	\$8,330

4. For recipients of OAA (including the Guangdong (GD) Scheme and Fujian (FJ) Scheme), OALA (including the GD Scheme and FJ Scheme) and DA, the extra allowance is one month of the allowance payment. Subject to FC's approval, the monthly rates of the allowances with retrospective effect from 1 February 2020 are as follows –

Allowance	Monthly rate
OAA	\$1,435
Normal OALA	\$2,770
Higher OALA	\$3,715
Normal DA	\$1,835
Higher DA	\$3,670

5. Recipients who are eligible for social security payments on the date of passage of the Appropriation Bill 2020 (the Appropriation Bill) will be eligible for the one-off extra allowance. It is estimated that about 1.39 million of eligible persons¹ (including 320 000 CSSA recipients, 600 000 OALA recipients², 270 000 OAA recipients, 28 000 GD Scheme recipients, 9 000 FJ Scheme recipients and 150 000 DA recipients³) will benefit⁴.

One-off Extra Allowance for Recipients of I-WITS

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

² Including about 560 000 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.

6. Under the I-WITS Scheme, applicants make application every six months. Each claim period covers the immediate past six months, and the applicants' eligibility is assessed on a monthly basis during the claim period. I-WITS applicants whose applications⁵ were made in the Applicable Period (i.e. from the first day of the month in which the Appropriation Bill is passed to the date of passage of the Appropriation Bill; and the six calendar months before that month), and eventually approved, would be eligible for the one-off extra allowance.

7. The extra allowance is the average monthly amount of approved months payable to the applicants⁶ in their I-WITS applications which were most recently submitted in the Applicable Period, and eventually approved. It is estimated that about 27 000 I-WITS recipients would benefit.

Financial Implications

8. The one-off extra allowance to eligible recipients of social security payments and I-WITS entails an estimated expenditure of about \$4,209 million and \$16 million respectively.

9. The Government has included the necessary funding for the Social Welfare Department (SWD) and Working Family and Student Financial Assistance Agency (WFSFAA) to implement the payment of the one-off extra allowance in the 2020-21 draft Estimates for the approval of the Legislative Council in the context of the Appropriation Bill.

Implementation

10. Subject to the passage of the Appropriation Bill, SWD and WFSFAA will make necessary adjustments to their computer systems. It is expected that the above-mentioned extra payments would be disbursed a month after the passage of the Appropriation Bill 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.

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

⁶ Each I-WITS recipient receives \$300 or \$600 per claim month.

11. The relevant departments will make suitable publicity arrangements on the implementation of various payments.

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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