

政府總部
勞工及福利局
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政府總部



LABOUR AND WELFARE BUREAU
GOVERNMENT SECRETARIAT

Central Government Offices
Tim Mei Avenue
Tamar, Hong Kong

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8 June 2021

Ms Maisie LAM
Clerk to the Legislative Council Panel on Welfare Services
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Ms Lam,

**Legislative Council Panel on Welfare Services
Follow-up to Meeting on 19 April 2021 on Old Age Living Allowance**

At the meeting of the Legislative Council Panel on Welfare Services on 19 April 2021, Members requested the Government to provide the timetable for implementing the enhancements to Old Age Living Allowance (OALA). I am authorised to reply as follows.

In January 2020, the Chief Executive (CE) announced a number of livelihood initiatives, including the proposals of combining the Normal OALA and Higher OALA and adopting the higher payment rate (Normal OALA currently at \$2,845 per month and Higher OALA at \$3,815 per month), as well as relaxing the asset limits of OALA significantly, viz. from \$365,000 under Normal OALA or \$159,000 under Higher OALA to \$500,000 for elderly singletons, and from \$554,000 under Normal OALA or \$241,000 under Higher OALA to \$750,000 for elderly couples after standardising the payment rate. The two proposed enhancements involve significant recurrent expenditure. It is estimated that the Government's recurrent expenditure on OALA will increase from about \$30 billion to

\$35 billion per year, i.e. by \$5 billion or a 16% increase. The Government also requires substantial administrative and staffing resources to cope with the significant increase in number of applications.

Subsequently, the CE announced in the 2020 Policy Address Supplement that, in light of the significant financial implications of the two aforementioned OALA enhancements, the timing of implementation will be reassessed. Therefore, the additional resources and expenditure required for implementing the two measures have not been included in Social Welfare Department's 2021-22 Estimates of Expenditure.

Given Hong Kong's population ageing will continue and the two measures will involve significant recurrent expenditure, the present and projected Government's overall fiscal position is to be taken into account in the assessment. The Government will announce the assessment outcome at an appropriate juncture.

Yours sincerely,



(Isaac SIN)

for Secretary for Labour and Welfare