

**For discussion on  
19 April 2021**

**Legislative Council Panel on Welfare Services**

**One-off Extra Allowance for Recipients of Social Security Payments,  
Working Family Allowance and Work Incentive Transport Subsidy**

**Purpose**

This paper sets out the arrangements for the provision of a one-off extra allowance to recipients of four types of social security payments, Working Family Allowance (WFA) and Work Incentive Transport Subsidy (WITS) as proposed in the 2021-22 Budget.

**Justification**

2. As announced in the 2021-22 Budget, an extra allowance equalling half of a month of the payment or allowance will be provided to eligible recipients of four types of social security payments, including standard rate Comprehensive Social Security Assistance (CSSA) payments, Old Age Allowance (OAA), Old Age Living Allowance (OALA) and Disability Allowance (DA). Similar arrangements will apply to households in receipt of WFA and recipients of WITS.

*One-off Extra Allowance for Recipients of Social Security Payments*

3. For CSSA recipients, the extra allowance is equal to half of the monthly standard rate payment. 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 and corresponding amounts of half-month extra allowances for different CSSA persons/households –

<b>Example</b>	<b>Monthly standard rate</b>	<b>Half-month extra allowance<sup>1</sup></b>
Single able-bodied elderly person	\$3,815	\$1,908
Single able-bodied adult	\$2,685	\$1,343
A two-member CSSA household comprising one able-bodied elderly person and one severely disabled elderly person	\$7,665	\$3,833
A three-member CSSA household comprising one able-bodied single parent and two able-bodied school children	\$7,435	\$3,718

4. Similarly, 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 equal to half of the monthly allowance payment. The monthly rates of the allowances and corresponding amounts of half-month extra allowances are as follows –

<b>Allowance</b>	<b>Monthly rate</b>	<b>Half-month extra allowance<sup>1</sup></b>
OAA	\$1,475	\$738
Normal OALA	\$2,845	\$1,423
Higher OALA	\$3,815	\$1,908
Normal DA	\$1,885	\$943
Higher DA	\$3,770	\$1,885

5. Recipients who are eligible for the above social security payments on the date of passage of the Appropriation Bill 2021 (the Appropriation Bill) will be eligible for this one-off extra allowance. It is estimated that about 1.51 million of eligible persons<sup>2</sup> (including 330 000 CSSA recipients, 690 000 OALA recipients<sup>3</sup>, 300 000 OAA recipients, 28 000 GD Scheme recipients, 9 000 FJ Scheme recipients and 160 000 DA recipients<sup>4</sup>) will benefit<sup>5</sup> from the arrangement.

<sup>1</sup> The amounts of half-month extra allowances have been rounded to the nearest integer.

<sup>2</sup> The number of recipients may not add up to the total owing to rounding.

<sup>3</sup> Including about 630 000 Higher OALA recipients and about 60 000 Normal OALA recipients.

<sup>4</sup> Including about 20 000 Higher DA recipients and about 140 000 Normal DA recipients.

<sup>5</sup> 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 for Households in Receipt of WFA*

6. Under the WFA Scheme, applicants make applications every six calendar months. Each claim period covers the past six months, and each applicant's eligibility is assessed on a monthly basis during the claim period. Households in receipt of WFA whose applications<sup>6</sup> are 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, will be eligible for the one-off extra allowance<sup>7</sup>.

7. The extra allowance is equal to the half of the average monthly amount of approved months payable to the recipients in their most recently submitted WFA applications during the Applicable Period and eventually approved, which varies from case to case depending on the composition, income and working hours of the households of the applicants<sup>8</sup>. It is estimated that about 70 000 households in receipt of WFA will benefit from the arrangement.

### *One-off Extra Allowance for Recipients of WITS*

8. Similar to the arrangements under WFA, recipients of WITS whose applications have been made<sup>6</sup> in the Applicable Period<sup>9</sup> and eventually approved, will be eligible for the one-off extra allowance<sup>10</sup>.

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<sup>6</sup> For applications sent by post, the date of the post-stamp will be adopted as the application date.

<sup>7</sup> 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 WITS concurrently in the same month. If a WFA household is receiving CSSA on the date of passage of the Appropriation Bill; or a household member specified in (b), during the Applicable Period, submitted application for 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 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 WITS Scheme.

<sup>8</sup> Based on past payments of WFA, the average monthly amount ranges from around \$500 to \$10,200.

<sup>9</sup> The claim period for the WITS Scheme is also six calendar months, during which applicant's eligibility is assessed on a monthly basis.

<sup>10</sup> The Legislative Council Finance Committee has approved the reduction of WFA working hour requirements for non-single parent households from June 2021 to May 2022, which include substantially reducing the working hour requirement for Basic Allowance from 144 to 72 hours per month, as well as reducing the working hour requirement for Medium Allowance from 168 to 132 hours per month. In tandem, the Government will abolish the WITS Scheme starting from June 2021 and the last claim month of WITS will be May 2021. WITS applicants can submit their last WITS applications with claim month(s) up to May 2021 on or before 31 August 2021. All

The extra allowance is equal to half of the average monthly amount<sup>11</sup> of approved months payable to the recipients in their most recently submitted WITS applications during the Applicable Period and eventually approved. It is estimated that about 20 000 recipients of WITS will benefit from the arrangement.

## **Financial Implications**

9. The provision of one-off extra allowance to eligible recipients of social security payments, WFA and WITS will entail an estimated expenditure of about \$2,382 million, \$114 million and \$7 million respectively.

10. The Government has included the necessary provision 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 2021-22 draft Estimates for the approval of the Legislative Council in the context of the Appropriation Bill.

## **Implementation Arrangements**

11. Subject to the passage of the Appropriation Bill by the Legislative Council, SWD and WFSFAA will make necessary adjustments to their computer systems. It is expected that the above-mentioned extra allowances would be disbursed a month after the passage of the Appropriation Bill at the earliest. The payments will 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.

12. SWD and WFSFAA will make suitable publicity arrangements on the implementation of various payments.

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recipients of WITS whose applications have been 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 will be eligible for the one-off extra allowance notwithstanding the abolition of the Scheme.

<sup>11</sup> Each WITS recipient receives \$300 or \$600 per claim month.

## **Advice Sought**

13. 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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