

本署檔號 Our ret:**LA/ADM/55/15 (C) IX**

來函檔號 Your ret:

法律援助署的信頭
Letterhead of Legal Aid Department

電話 Tel: 2867 3010

圖文傳真號 Fax: 2877 5122

29 January 1999

The Honourable Margaret Ng,
New Henry House,
10/F,
19 Ice House Street,
Hong Kong

Dear

Further to our telephone conversation, I enclose some calculations illustrating how computation of disposable income and payment of contribution by the aided persons under the supplementary legal aid scheme will be affected by our proposals arising from the Legal Aid Policy Review.

Please do not hesitate to let me know if you require any further information or clarification.

Yours sincerely,

(S.Y. Chan)
Director of Legal Aid

**Contribution and Fees Payable by
Legally Aided Persons (A/P) under SLAS**

Example

I. APPLICATION STAGE

	<u>Proposed</u>	<u>Current</u>
Application fee	\$1,000	\$1,000
Registration fee	Nil	\$1,000
Interim contribution	\$42,425	Nil

II. UPON CONCLUSION OF THE CASE

Assuming litigation costs is \$350,000

- (a) If A/P loses case, no further contribution is payable. In other words, the A/P's liability is \$43,425 \$2,000
- (b) If A/P succeeds, contribution payable by the aided person = litigation costs + (15% x damages recovered from opposite party)
- costs recovered from opposite party
 - contribution paid under (I)

Assuming:

damages from opposite party is \$1,000,000

costs from opposite party is \$315,000

litigation costs	\$350,000	\$350,000
<u>plus</u> 15% of damages	\$150,000	\$150,000
<u>less</u> costs from opposite party	(\$315,000)	(\$315,000)
<u>less</u> contribution paid	(\$42,425)	Nil
<u>less</u> refund of application and registration fees	(\$1,000)	(\$2,000)
contribution payable by client, i.e. deductible from damages	\$141,575	\$183,000
Amount payable to the client = Damages - amount payable by client	\$858,425	\$817,000
In other words, the A/P's net gain = Damages - costs unrecovered -(15% of damages)	\$815,000	\$815,000

III. IMPACT ON SLAS FUND

	<u>Proposed</u>	<u>Current</u>
(a) If the case is unsuccessful		
Income from A/P contribution and fee	\$43,425	\$2,000
<u>less</u> litigation cost	<u>(\$350,000)</u>	<u>(\$350,000)</u>
Amount subsidized by SLAS Fund	(\$306,575)	(\$348,000)
(b) If the case is successful		
Costs recovered from O/P	\$315,000	\$315,000
Costs recovered from A/P	\$35,000	\$35,000
(\$350,000 - \$315,000)		
15% contribution from A/P	<u>\$150,000</u>	<u>\$150,000</u>
	\$500,000	\$500,000
<u>less</u> litigation cost	<u>(\$350,000)</u>	<u>(\$350,000)</u>
Net contribution to SLAS Fund	\$150,000	\$150,000

Example of Computing Disposable Income

Financial Position of Applicant

Applicant's monthly salary	\$20,000
Applicant's spouse monthly salary	\$5,000
Applicant has 2 sons aged 2 and 5	
Monthly Rent	\$10,000
Applicant's saving in bank	\$30,000
Applicant's spouse savings in bank	\$10,000
Applicant holds 200 shares of HK Bank (current market value \$175 per share)	

Means Test

Scenario

- (A) Based on proposed method of calculation using average expenditure of the lowest 50% households (excluding rent payable) as personal allowance deductible.
- (B) Based on current method of calculation of disposable income using CSSA standard as personal allowances deductible.

Using the figures for personal allowances in para.11 of the Consultation Paper for illustration purpose:

		(A)	(B)
Disposable Income per month	Salary	\$25,000	\$25,000
	<u>less</u> personal allowances	\$8,666	\$6,084
	<u>less</u> rent	\$10,000	\$10,000
	Total	\$6,334	\$8,916
Disposable Capital	savings	\$40,000	\$40,000
	<u>Add</u> shares	\$35,000	\$35,000
	Total	\$75,000	\$75,000
Disposable Financial Resources	disposable income	\$6,334	\$8,916
		× 12	× 12
	<u>Add</u> disposable capital	\$75,000	\$75,000
	Total	\$151,008	\$181,992
Result of Means Test	Applicant's financial resources	below	exceed
		\$169,700:	\$169,700:
		<u>pass</u>	<u>fail</u>