

**For meeting on
12 June 2000**

Legislative Council Panel on Welfare Services

**Issues arising from review of the
Comprehensive Social Security Assistance (CSSA) Scheme**

Purpose

This paper summarizes views of the Administration on issues raised by the Subcommittee on Issues Arising from the Review of the Comprehensive Social Security Assistance (CSSA) Scheme.

Background

2. A review of the CSSA Scheme was conducted in 1998, with an objective of providing additional assistance to help and encourage able-bodied CSSA recipients to become self-reliant. A package of measures, including the Support for Self-reliance (SFS) Scheme, was implemented in June 1999.

3. At the meeting of the LegCo Panel on Welfare Services on 13 December 1999, Members agreed to set up a Sub-committee to discuss with the Administration issues arising from the 1998 CSSA Review. During 17 January 2000 to 29 March 2000, representatives of the Health and Welfare Bureau (HWB), the Social Welfare Department (SWD) attended four of the Subcommittee meetings to provide the required information and exchange views on implementation of the package of measures.

Issues Discussed

To require applicants to apply for CSSA on a household basis

4. The objective of CSSA is to provide cash assistance to bring the income of needy individuals and families up to prescribed level to

meet their basic and essential needs. When assessing a family's eligibility for CSSA, we take into account the resources and the needs of the whole family.

5. Family is a core unit in Chinese community. Members of the same family provide support to each other, including financial support. The income-earners should take up responsibility of supporting their family members who have no financial means. Requiring persons who are living with family members to apply for CSSA on a household basis encourages mutual support within a family, and ensures equity and fairness to all families. It prevents people from abusing the welfare system by singling out any economically non-productive members, who may be old, sick, disabled or unemployed, to apply for CSSA on their own, thus shifting the responsibility of supporting their family members to other taxpayers. Where the total income of a family is assessed to be insufficient to meet its total recognized needs, financial assistance is provided to bridge the gap. We consider this system fair and equitable.

6. There are special circumstances in which we will consider an elderly CSSA application on its own merit, though the elderly person is living with his family. For example, if the elderly person has a poor relationship with his family and it would cause him undue hardship to have to rely on his family for financial support. SWD will also refer the elderly person and his family members for appropriate services, including counselling by professional social workers. Apart from guidelines issued to the frontline staff, SWD has also held sharing sessions to explain to the staff the proper approach in handling these cases.

7. In making applications for CSSA, elderly persons may now choose to be the principal applicants. As explained above, it is however necessary to verify the income of all family members to ensure assistance is provided for those in genuine needs. Nevertheless, if the family members can produce sufficient documentary evidence (such as wages slips, bank statements, etc.) to prove their income, certification from employers would not be required.

8. Since it is a long established policy to require all CSSA applicants to apply on a household basis, SWD has not maintained separate statistics on cases where the elderly CSSA applicants are living with family members. However, we have since January 2000 started to collect statistics on such applications. Out of 162 new applications

received from January to April 2000, financial assistance was granted to 46 cases. As to the remaining cases, 82 withdrew their applications after the arrangement was explained to them and 34 were found not eligible. For the voluntary withdrawal cases, the policy has been explained clearly to the applicants and they were asked to approach Social Security Field Units (SSFUs) again should they require financial assistance in future. The reason for withdrawal, if willingly disclosed by the applicant, will be recorded in respective case files. The SSFUs have made arrangements to facilitate easy retrieval of these cases for future reference when necessary.

Disregarded earnings for employable able-bodied CSSA recipients

9. The provision of disregarded earnings is to allow the CSSA recipient to keep a portion of his earnings, thereby providing an incentive for him to find work and continue working. The current maximum amount to be disregarded is \$1,805 a month, which is equivalent to the CSSA standard rate of a single able-bodied adult.

10. There has been a suggestion to increase the amount of earnings to be disregarded. However, we did not consider that a higher level of disregarded earnings appropriate as it would broaden the CSSA net. In addition, a higher disregarded earning would push the total resources of some CSSA families with employed members further above market wages and might have inadvertently encourage long term dependence on the CSSA.

11. To encourage unemployed CSSA recipient to seek work, from June 1999 onwards, the first month's income earned by a CSSA recipient from a new job is totally disregarded. The CSSA recipient is allowed to enjoy this benefit only once every two years to discourage unnecessary turnovers. There has been another suggestion to relax the rule so that the recipient can benefit from this provision once every year. We consider that the current rule is quite generous as few countries have a comparable provision. In addition, the recipient is still entitled to a monthly disregard of his income up to \$1,805 in the subsequent months.

12. An employable able-bodied CSSA recipient is currently entitled to monthly earnings disregard of up to \$1,805 on condition that he is working no less than 120 hours and earning no less than \$3,200 a month. To encourage able-bodied CSSA recipients to take up any paid job available, we have proposed in the "Promoting Self-reliance Strategy" package to remove from the eligibility criteria the minimum

requirements on income and working hours with effect from 1 July 2000.

Special grants and long-term supplement (LTS) for able-bodied recipients

13. To guard against reliance on CSSA becoming a preferred option for able-bodied recipients, the Administration in the 1998 CSSA Review considered it necessary:

- (a) to pay LTS only to cases involving the old, disabled and the sick and according to the number of such members in the family;
- (b) to provide special grants for able-bodied recipients to cover essential expenses including rent, water charge, schooling expenses, childcare centre fees and burial expenses; and
- (c) to adjust the standard rates of able-bodied recipients of households with more than two such members.

14. The estimated average monthly CSSA payments, after adjustment of standard rates, LTS and special grants for able-bodied recipients, are still close to or even slightly higher than the average monthly expenditure of non-CSSA households in the lowest 25% expenditure group. We expected that CSSA recipients would budget carefully to meet their various needs as other low-income families do. However, under exceptional circumstance, the Director of Social Welfare (DSW) can consider exercising his discretion to approve a discretionary payment of special grant for CSSA recipients.

Special grants to cover rent deposit and household items

15. CSSA recipients who are old, disabled or certified to be in ill-health are eligible for special grants for rent deposit and other essential household items where the need arises.

16. We recognize that some unemployed able-bodied street sleepers may have special difficulty in finding a job because of the lack of a contact address and employers' prejudice against job seekers who are homeless. In recognition of such special difficulty faced by them, we can consider a discretionary payment in cases where the recipients are genuinely in need of additional financial assistance to meet the payment of rent deposits and essential household items. A discretionary payment

to cover such expenses can also be considered in cases of battered wives who move out of the matrimonial homes empty-handed and are resourceless to build new homes. From June 1999 to February 2000, a total of 93 applications for special grants for rent deposit and purchase of essential furniture items were approved.

Special grant to cover after-school-care programme (ASCP) fees

17. SWD provides various support services to families with children. School social workers and caseworker of Family Services Centres offer counselling and other appropriate assistance to children having behavioural or emotional problems. Parents who need assistance in supervising their children at home may seek help from social workers and take part in family life education programmes to improve their parenting skills. Single parents on CSSA are also given financial assistance so that they may stay at home to take care of their children until their youngest child reaches 15.

18. Only in exceptional cases will DSW consider exercising his discretion to approve a discretionary grant to meet ASCP fees, e.g. when there are strong reasons arising from problems with the able-bodied child himself or with the family setting to justify ASCP attendance. Between June 1999 to February 2000, 19 cases were granted CSSA special grants to cover ASCP fees.

19. In our “Promoting Self-reliance Strategy” package, we plan to provide fee assistance to CSSA and other low-income families in which the parent is going to take up paid employment or attend training/re-training programmes and the child would otherwise be left unattended at home after school.

DSW's discretionary power

20. In exceptional cases meriting special consideration, DSW can consider exercising his discretion to approve a discretionary payment for able-bodied recipients to meet, for example, the payment of a rent deposit or ASCP fees as explained above. The discretionary power is delegated to officers of SWD at a senior level, namely District Social Welfare Officers (DSWOs), who oversee both social security and social work services at district level. This is to ensure that the discretionary power is fairly, sensibly and consistently exercised. Guidelines on exercise of discretion have been issued to the frontline staff and they have been reminded to put up deserving cases to DSWOs for consideration. Regular sharing sessions with the DSWOs have also been arranged to

ensure uniform and consistent practice in different districts.

21. CSSA recipients who do not think that their cases have been properly dealt with by staff of the SSFU may lodge complaints with the respective DSWOs. They may also appeal to the Social Security Appeal Board (SSAB) if they are not satisfied with the decisions made by SWD.

Residential properties in the Mainland

22. To ensure that financial assistance is only provided for those in genuine needs, we take into account the total value of the assets held by the family, including any residential property in or outside Hong Kong. If a property is not saleable, it is not included in the asset test. Documentary evidence on the value of property should be obtained as far as possible.

23. We recognize the difficulty in obtaining assessments of the value of properties in the Mainland. In cases where no supporting evidence is available, the Senior Social Security Officer of the respective region can decide whether to accept the applicant's self-declared value as a last resort.

One-year residence requirement for new arrivals

24. To be eligible for CSSA, an applicant must be a Hong Kong resident who has resided in Hong Kong for at least one year before the date of application. People who come to Hong Kong for settlement should consider carefully whether they would have sufficient means to support themselves after their arrival.

25. DSW has the discretionary power to waive the one-year residence requirement in cases of genuine hardship where the CSSA applicant cannot satisfy the one-year residence requirement. SWD has issued guidelines to the staff and reminded them of the proper approach in handling cases involving new arrivals. For example, new arrivals having no other source of income/assistance available to them would normally be considered for granting of assistance under the discretion.

26. Between May 1999 and April 2000, SWD has received 766 applications from new arrivals who had lived in Hong Kong for less than a year. Out of these cases, discretion has been exercised to approve payment in 206 cases.

The chronically ill

27. In determining whether a CSSA applicant is ill health, we rely on public doctor's medical judgment as to the applicant's working capacity. Applicants who are certified as ill-health would receive appropriate CSSA standard rates and would be exempted from the Support for Self-reliance (SFS) Scheme. If an applicant is not satisfied with the decision of SWD based on the result of a medical assessment, he can lodge an appeal with the SSAB, which will arrange a medical board to review the result of the medical assessment.

28. Some CSSA recipients are able to work full-time, even though they may have health problems, e.g. high blood pressure, diabetes, anaemia, etc. Under the SFS Scheme, we adopt a flexible approach in helping those 'chronically ill' recipients certified to have 'full-time' working capacity. Staff will as far as possible assist them to look for jobs which they are capable of doing, and flexibility will be exercised to exempt them from participation in particular types of community work, where necessary.

Way Forward

29. Initial result of the SFS Scheme was encouraging. Up to the end of April 2000, over 17 000 unemployed able-bodied CSSA recipients have enrolled in the SFS Scheme. About 1 600 participants (9% of total participants) have secured employment, 650 left the CSSA net and the others transferred to the 'low-earnings' category. This shows that most CSSA recipients would like to be self-reliant. With proper assistance provided, they are able to seek work and become self-reliant eventually.

30. We plan to implement a Promoting Support for Self-reliance Strategy to provide more assistance for CSSA recipients to become reliant. Additional support services will also be provided for socially disadvantaged groups to prevent them from falling into the CSSA net.

Health and Welfare Bureau
June 2000