

**For information  
on 12 December 2005**

## **LEGCO PANEL ON WELFARE SERVICES**

### **Review of the Disability Allowance under the Social Security Allowance Scheme**

#### **PURPOSE**

This paper aims to provide supplementary information on application and operational procedures of the Disability Allowance (DA) under the Social Security Allowance Scheme (SSA Scheme).

#### **BACKGROUND**

2. At the meeting of the Welfare Panel on 14 November 2005, Members agreed to further discuss the DA Scheme at the next Panel meeting.

#### **SPECIFIC ISSUES**

3. We have considered the views raised at the last meeting. Our responses to the specific points are set out below. The general principles and operation of the DA Scheme outlined in LC Paper No. CB(2)298/05-06(05) for the last meeting are also relevant.

##### **(A) Definition of “severely disabled”**

4. DA was first introduced in 1973 to provide some form of financial assistance on a non-contributory and non-means-tested basis for the severely disabled. It was intended to encourage families to take care of family members with severe disabilities; and enable the beneficiary to make some contribution to the family budget.

5. Against this background, a person is considered to be ‘severely disabled’ when he/she is certified by the Director of Health or the Chief Executive, Hospital Authority (or under exceptional circumstances by a registered medical practitioner of a private hospital) as being in a position broadly equivalent to a person with a 100% loss

of earning capacity according to the criteria in the First Schedule of the Employees' Compensation Ordinance (Cap 282). Chronically ill persons including those suffering from visceral diseases can be eligible for DA if they are medically certified to be 'severely disabled' within the meaning of the DA under the SSA Scheme.

6. The main objective of DA is to provide some form of financial assistance on a non-contributory and non-means-tested basis for severely disabled persons. Unlike the Comprehensive Social Security Assistance (CSSA) Scheme, such financial assistance is not directly related to the financial position of the applicant or the actual amount of medical and other expenses arising from a particular disability. On the other hand, in addition to standard rates, disabled CSSA recipients can receive a wide range of special grants to address their needs arising from disability including rehabilitation, surgical and medical needs. CSSA recipients can also have free medical service at public hospitals/clinics.

(B) Handling of Unsuccessful Applications

7. For unsuccessful DA applications, SWD will issue to the applicant a notification letter spelling out the reasons for ineligibility, which may include (i) failure to meet the residence requirement (ii) not severely disabled and (iii) not being in need of constant attendance or receiving care in a government or subvented institution (for HDA cases).

8. An applicant who is not satisfied with SWD's decision based on the result of a medical assessment can lodge an appeal with the Social Security Appeal Board (SSAB) within four weeks immediately following the date of notification of the decision from SWD. The SSAB will arrange with the Hospital Authority for the appellant to undergo a medical re-assessment to be processed by an independent medical assessment board. The SSAB is an independent body whose members are appointed by the Chief Executive.

(C) Recipients admitted into government or subvented residential institution

9. In 1988, a higher rate of DA (i.e. HDA) was introduced for severely disabled persons who are in need of constant attendance from others but are not receiving such care in a government or subvented residential institution. This is to further foster continued care for their disabled family members by providing them with additional financial assistance to meet applicants' needs of constant care and attention. The policy requiring recipients admitted into a government or subvented residential institution to receive NDA only is meant to prevent double benefit.

10. DA is non-means-tested, financial assistance provided through HDA is not related to the actual amount of expenditure incurred by the recipient whilst staying at home.

(D) Management of Overpayment Cases

11. Each successful DA applicant is given a package of essential information to help them understand the basic rules governing eligibility for the allowance and their obligations. The package includes the SSA Scheme Pamphlet and a Notice to DA Applicants that provides detailed information on the eligibility criteria and the applicant's responsibilities to report changes. The notice to the successful applicant is attached at Annex.

12. For prudent management of public funds, it is necessary for SWD to follow its usual practice of recovering any overpayment incurred by the recipients. When handling these cases, SWD staff will find out the reasons leading to overpayment and discuss with the recipient or appointee to agree on a reasonable repayment plan. SWD would also take into consideration the financial situation of the recipients concerned so as to ensure that the repayment arrangements would not lead to undue hardship. The vast majority of overpayment cases have been satisfactorily settled by this means.

13. At the heart of our social security system is the concept of the applicant's responsibility for providing accurate information to the Social Welfare Department (SWD), in order to determine the eligibility of the applicants. The applicants also sign the application and review forms to acknowledge that the information submitted is accurate. SWD is unable to preclude every possibility of omission of reporting changes and the provision of inaccurate information by the applicants, and it would require a disproportionate amount of manpower and resources to preclude this if indeed it were possible. As recommended by the Director of Audit in his Report No.32 in 1999, we have adopted a risk management approach coupled with data-matching and cross-reporting systems to minimize the chances of overpayment.

(E) Review of DA

14. We keep under constant review the DA arrangements including the approving and reviewing procedures, and improvement would be made when the need arises.

**STATISTICS ON DA AND ITS FINANCIAL IMPLICATION**

15. At the end of October 2005, there were 111 782 recipients of DA, of whom 97 443 were recipients of NDA and 14 339 were HDA recipients. Overall, the number of DA cases increased from 66 655 in 1993-94 to 109 959 in 2004-05, representing an increase of 65%. The government expenditure on DA increased from \$780 million in 1993-94 to \$1.6 billion in 2004-05. Details of the number of DA cases and government expenditure are shown in the table below:

Financial year	No. of NDA cases*	No. of HDA cases*	Expenditure on DA cases (\$ Million)
1993/94	55 237	11 418	780.0
1994/95	53 397	10 303	773.4
1995/96	56 816	11 364	914.7
1996/97	59 971	12 293	1,036.6
1997/98	63 509	13 542	1,181.8
1998/99	67 411	14 330	1,321.0
1999/2000	74 737	14 880	1,419.8
2000/2001	82 556	14 295	1,567.1
2001/02	87 961	15 206	1,659.5
2002/03	90 793	14 489	1,707.5
2003/04	92 934	14 176	1,577.6
2004/05	95 686	14 273	1,586.6

Note : \* Figures refer to March of the respective financial years.

16. Members are invited to note the contents of the paper.

**Health, Welfare and Food Bureau**  
**Social Welfare Department**  
**December 2005**

**Notice to Disability Allowance (DA) Applicants**

**(A) Points to note during application**

Disability Allowance comprises Normal Disability Allowance (NDA) and Higher Disability Allowance (HDA). The monthly allowance payable is \$1,120 for NDA and \$2,240 for HDA. Applicants for DA are not subject to a means test.

**(I) Documents required for application**

		For applicants aged below 18	For applicants aged 18 or above
1.	The original and photocopy of the applicant's identity document (e.g. birth certificate or Hong Kong Identity Card)	✓	✓
2.	Photocopy of bank passbook (the page showing the account name and account number) of the applicant (joint account is not applicable)	Not applicable	✓
3.	Applicant's travel documents including Passport, HKSAR Re-entry Permit, Certificate of Identity, Home Visit Permit, HKSAR Document of Identity for Visa Purposes, Hong Kong Entry Permit and One-way Permit, etc.	✓	✓
4.	Applicant's hospitalization record and follow-up card	✓	✓
5.	The original and photocopy of the identity document of the applicant's parent/guardian	✓	Not applicable
6.	Photocopy of bank passbook (the page showing the account name and account number) of the applicant's parent/guardian (joint account is not applicable)	✓	Not applicable

(If the applicant is aged below 18 without a parent or legal guardian or is an adult aged 18 or above who has been medically certified to be unfit to make a statement, an appointee will be appointed by the Director of Social Welfare to act on his/her behalf.)

**(II) Eligibility Criteria**

An applicant is eligible for the allowance if he/she:

		NDA	HDA
1.	satisfies the following residence requirements: (i) he/she must have been a Hong Kong resident for at least seven years; and (ii) he/she must have resided in Hong Kong continuously for at least one year immediately before the date of application (absence from Hong Kong up to a maximum of 56 days during the one-year period is treated as residence in Hong Kong). <u>Note:</u> (1) Persons whose presence in Hong Kong is unlawful or persons who are permitted to stay in Hong Kong for a purpose other than residence (for example, imported workers or visitors) are excluded from the Scheme. (2) Persons who have become Hong Kong residents before 1 January 2004 are exempted from the residence requirement in (i) above. (3) Hong Kong residents aged below 18 applying for Disability Allowance are exempted from the residence requirements in (i) and (ii) above.	✓	✓
2.	is not receiving Old Age Allowance or Comprehensive Social Security Assistance.	✓	✓
3.	is not under detention or imprisonment.	✓	✓
4.	is certified by the Director of Health or the Chief Executive, Hospital Authority (or under exceptional circumstances by a registered medical practitioner of a private hospital) to be severely disabled and his/her disabling condition will persist for at least 6 months.	✓	✓
5.	is certified by the Director of Health or the Chief Executive, Hospital Authority (or under exceptional circumstances by a registered medical practitioner of a private hospital) to be in need of constant attendance from others in his/her daily life but is <u>not</u> receiving such care in a government or subvented residential institution (including a government subsidized place in a contract home or purchased from a residential care home for the elders under the Enhanced Bought Place Scheme) or a medical residential institution under the Hospital Authority, or boarding in a special school under the Education and Manpower Bureau.	Not applicable	✓

**(B) Points to note after receipt of allowance**

**(I) Arrangement of medical re-assessment for continued payment**

Before the expiry of last medical certification, staff of the Department will contact the applicant to arrange medical re-assessment to establish his/her continued eligibility for the allowance. Applicants who have been medically certified to be severely disabled permanently are normally not required to undergo medical re-assessment.

**(II) Responsibilities of the applicant**

Any change in circumstances of the applicant may affect his/her DA entitlement. Therefore, whenever there is a change of the following, the applicant or guardian/appointee or the applicant's friend/relative should report immediately to the Social Security Field Unit so that timely adjustment to the amount of allowance can be made:

1. absence from Hong Kong exceeding the permissible limit (see Note);
2. detention or imprisonment;
3. death; or
4. admission to or discharge from a government or subvented residential institution (including a government subsidized place in a contract home or purchased from a residential care home for the elders under the Enhanced Bought Place Scheme) or a medical residential institution under the Hospital Authority, or boarding in a special school under the Education and Manpower Bureau (applicable to HDA applicants only).

In case of home removal, the new address and telephone number of the applicant should also be reported immediately to the Department. The Department will transfer the case to the appropriate office, where necessary.

The information provided by the applicant or his/her guardian/appointee must be true, correct and complete. A person who knowingly or wilfully provides false statement or withholds any information in order to obtain the allowance by deception commits a criminal offence. He/She is also breaking the law if he/she has the deliberate intention of not reporting the changes of given information which may cause a reduction of the amount of allowance payable or disqualification for the allowance. The applicant or guardian/appointee may be liable to prosecution. Furthermore, any overpaid allowance must be refunded to the Department.

The Department conducts data matching with other government departments and organizations (including the Immigration Department, Correctional Services Department and Hospital Authority) to cross check information given by the applicants. The Department also conducts random checks on DA cases through home visits as and when necessary. The applicant or his/her guardian/appointee should cooperate fully with the visiting officers of the Department.

**Note: Permissible Limit of Absence from Hong Kong During Receipt of Payment**

With effect from 1 October 2005, the permissible limit of absence from Hong Kong for a DA recipient in each payment year is relaxed from 180 days to 240 days. Where a DA recipient has resided in Hong Kong for not less than 90 days in a payment year starting on or after 1 October 2005, his/her temporary absences from Hong Kong will not affect the payment of allowance on condition that the total number of days of absence in the year does not exceed 240 days.

If the start day of a payment year falls on any date from 2 October 2004 to 30 September 2005 and the recipient has resided in Hong Kong for not less than 90 days in the year, the permissible limit of absence from Hong Kong for him/her in that year is calculated according to the following formula:

$$\begin{array}{l} \text{Total number of days} \\ \text{from the start day of} \\ \text{the payment year to} \\ \text{30 September 2005} \end{array} \times \frac{180 \text{ days}}{365 \text{ days}} + \begin{array}{l} \text{Total number of days} \\ \text{from 1 October 2005} \\ \text{to the end date of the} \\ \text{payment year} \end{array} \times \frac{240 \text{ days}}{365 \text{ days}} = \begin{array}{l} \text{Permissible limit of} \\ \text{absence from Hong Kong} \\ \text{in the payment year} \\ \text{(rounded up)} \end{array}$$

- (1) For the purpose of calculating a recipient's absence from Hong Kong, the first payment year refers to the 12-month period from the date when the recipient starts to receive the allowance. For example, if a person started to receive DA from 3 October 2005, the first payment year is from 3 October 2005 to 2 October 2006, the second payment year from 3 October 2006 to 2 October 2007 and so forth.
- (2) Absence from Hong Kong means leaving Hong Kong for the Mainland, Macau or overseas countries/territories.

Casefile Reference : \_\_\_\_\_

Name of Applicant : \_\_\_\_\_

**Information Materials on  
Social Security Allowance (SSA) Scheme**

I acknowledge receipt of the following information materials on the SSA Scheme :

- Pamphlet on the SSA Scheme
- Notice to Old Age Allowance applicants
- Notice to Old Age Allowance applicants aged 65-69
- Notice to Disability Allowance applicants
- Other information material(s) (please specify) \_\_\_\_\_  
\_\_\_\_\_

\*Signature/Thumbprint of  
\*Applicant/Guardian/Appointee : \_\_\_\_\_

Signature of  
Investigating Officer : \_\_\_\_\_

Name of  
\*Applicant/Guardian/Appointee : \_\_\_\_\_

Name of Investigating  
Officer : \_\_\_\_\_

Date : \_\_\_\_\_

Please put a '✓' in the appropriate box

\* Delete as appropriate