

**For information  
on 28 February 2006**

## **LEGCO PANEL ON WELFARE SERVICES**

### **Subcommittee on Review of the Comprehensive Social Security Assistance Scheme**

#### **Basic Needs of the Elderly, the Disabled and Children and the Provision of Long-term Supplement**

#### **PURPOSE**

This paper aims to provide information on how the Comprehensive Social Security Assistance (CSSA) Scheme meets the basic needs of the elderly, the disabled and children and the provision of long-term supplement under the CSSA Scheme.

#### **TYPES OF CSSA PAYMENT**

2. The non-contributory and means-tested CSSA Scheme comprises three key elements:
  - (a) different standard rates for broad categories of recipients to meet their normal day-to-day basic needs, with higher rates going to children, the elderly, and people with a disability or in ill-health;
  - (b) non-standard payments in the form of special grants to meet the recipients' special needs on an individual basis, including rent, water/sewage charge, child care centre fees and burial expenses; and
  - (c) a monthly single parent supplement for single parents and community living supplement for severely disabled persons not living in institutions. An annual long-term supplement (LTS) is also paid for cases involving the elderly, the disabled and those in

ill health.

## **BASIC NEEDS OF THE ELDERLY, THE DISABLED AND CHILDREN**

3. The CSSA Scheme, whilst seeking to meet the basic needs of those who cannot support themselves financially, takes special care of the elderly, the disabled and children through the provision of higher standard rates, special grants and supplements.

### The elderly

- (i) The CSSA provides higher standard rates for elderly (defined as a person aged 60 or above) than for able-bodied adults, ranging from \$2,150 to \$3,885 per month per elderly (\$1,000 to \$2,275 higher).
- (ii) Recipients who are old are entitled to other special grants to meet their special needs, such as glasses, dentures, removal expenses, fares to hospital/clinic, and medically recommended diets and appliances.
- (iii) Families with elderly recipients are entitled to receive an annual LTS for the replacement of household and durable goods if they have received assistance continuously for 12 months or more.
- (iv) A burial grant of up to a maximum of \$10,310 is payable to families with deceased elderly.
- (v) The Portable Comprehensive Social Security Assistance (PCSSA) Scheme allows elderly persons who have been in receipt of CSSA for not less than one year to continue to receive their monthly standard rates and annual long-term supplement should they choose to retire to Guangdong or Fujian. As at January 2006, there were about 3 000 recipients having joined the PCSSA Scheme.

### The disabled or those in ill-health

- (i) The CSSA provides higher standard rates for adults who are disabled or in ill-health than for able-bodied adults, ranging from \$1,750 to \$3,530 per month per recipient (\$600 to

\$1,920 higher).

- (ii) Recipients who are disabled or those in ill-health are entitled to other special grants to meet their special needs, such as glasses, dentures, removal expenses, fares to hospital/clinic, and medically recommended diets and appliances.
- (iii) Families with disabled recipients or those in ill-health are entitled to receive an annual LTS for the replacement of household and durable goods if they have received assistance continuously for 12 months or more.
- (iv) With effect from 1 November 2005, a monthly community living supplement of \$100 has been payable to severely disabled CSSA recipients who are medically certified to be 100% disabled or in need of constant attendance and who are not living in institutions. This supplement is payable to them in recognition of the heavier expenses they may incur while living in the community.

### Children

- (i) The CSSA provides higher standard rates for able-bodied children than for able-bodied adults, ranging from \$1,280 to \$1,930 per month per child (\$130 to \$320 higher).
- (ii) School children are entitled to a full range of special grants to meet their educational expenses. These grants cover:
  - school fees (actual fees, or a maximum of full-day kindergarten fee of \$2,298 per month or half-day kindergarten fee of \$1,315 per month);
  - meal allowance for \$195 per month for full-time students who have to take lunch away from home;
  - actual expenses of fares to and from school and examination fees; and
  - a flat-rate grant for each school year, which ranges from \$1,245 to \$3,810 for school-related expenses of different education level such as books, stationery, school uniforms, and other miscellaneous expenses.

- (iii) Hong Kong residents aged below 18 are exempted from any prior residence requirement. This enables children from a new arrival family to be eligible for CSSA regardless of the length of residence of the family.
- (iv) An additional monthly supplement of \$225 is provided to single parent families to recognize the special difficulties which single parents face in bringing up a family.

4. In addition to the special grants and supplements above, the Director of Social Welfare would exercise his discretion under the CSSA Scheme to assist elderly, the disabled and children in need having regard to the situation of each family.

#### CASE NATURE

5. As at December 2005, 34.8% of the total CSSA recipients are aged 60 or over, 43.6% aged between 15-59 and the rest 21.6% are recipients aged under 15. The profile of CSSA recipients with respect to age group and case nature are shown in Charts 1 and 2 below:

Chart 1. Percentage distribution of CSSA recipients by age group, December 1995 and 2005

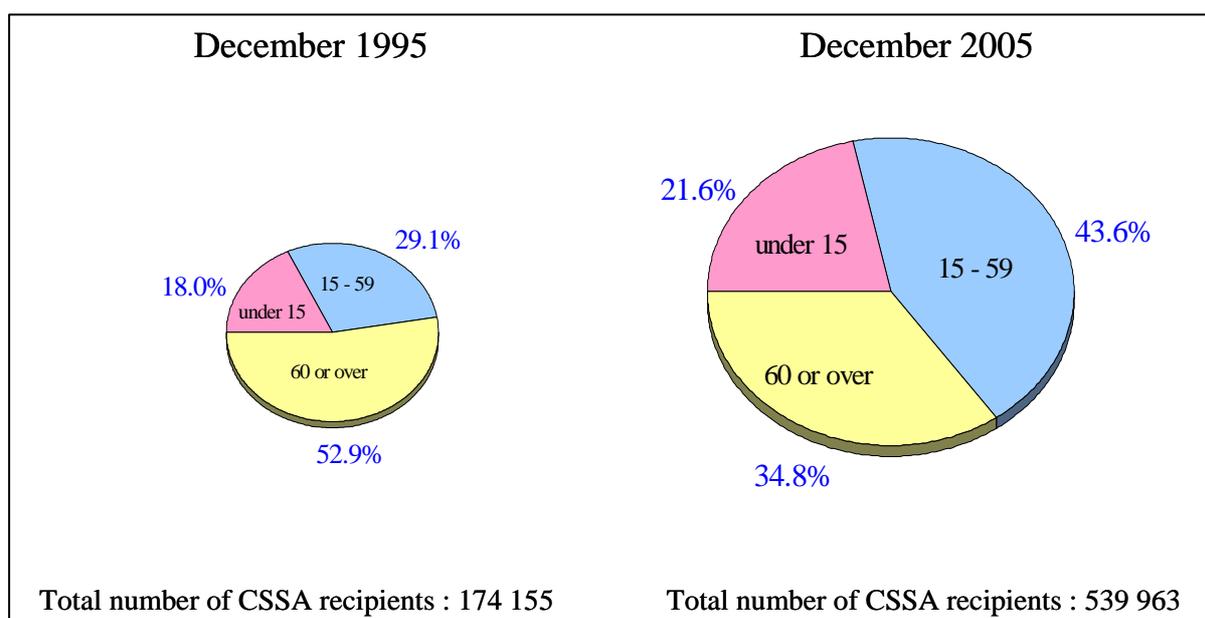
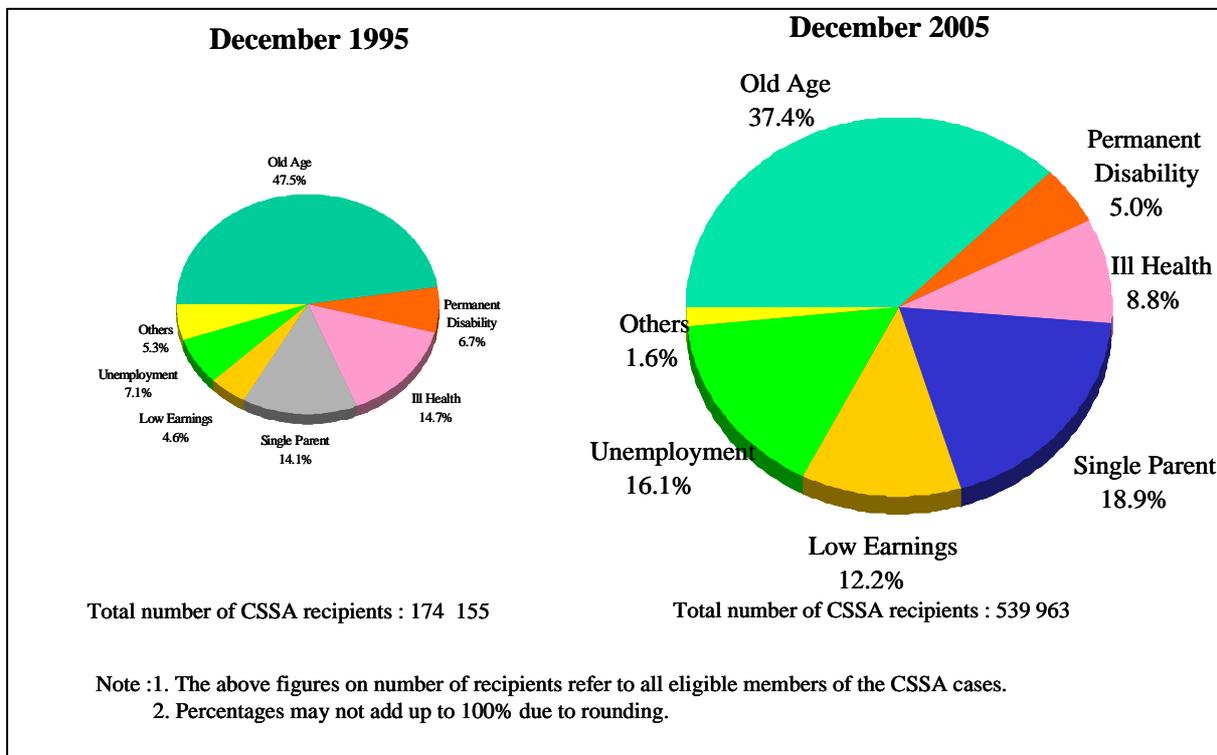


Chart 2. Percentage distribution of CSSA recipients by case nature, December 1995 and 2005



### LONG-TERM SUPPLEMENT (LTS)

6. The annual LTS was introduced in 1978 to provide additional assistance for those who had been on Public Assistance (PA) Scheme (now CSSA Scheme) continuously for at least 12 months to meet the costs of replacing major household and durable goods. The rates were then set at \$250 for single persons and \$500 for families with two or more members, which were considered adequate to meet such costs. In 1988, as part of a package of improvements to the PA Scheme, a higher rate of LTS, at three times of the rate for single persons, was introduced for families with five or more members.

7. The rates of LTS are reviewed annually in accordance with the movements of the Social Security Assistance Index of Prices (SSAIP) to take account of price changes. The 1996 CSSA Review found that the annualized expenditure on replacement of major durable items by larger families (i.e. those with five or more members) was much less than the corresponding LTS rate. Moreover, larger families' expenditure on replacement of major durable items was not significantly different from those of smaller families. The review recommended that the LTS rate for larger families be frozen at the 1996-97

level until it equated with that for families with two to four members. The LTS rate for families with five or more members was subsequently frozen in 1997-98 and 1998-99 as approved by the Financial Committee (FC) of the Legislative Council.

8 As part of a package of measures arising from the 1998 CSSA Review to help unemployed able-bodied recipients back to work and achieve self-reliance, LTS is now only payable to recipients who are old, disabled or medically certified to be in ill-health.

9. In 2004-05, the expenditure on LTS amounted to about \$302 million, representing 1.7% of total CSSA expenditure. With an increase of 0.4% approved by FC in December 2005 to take account of inflation based on the movement of the SSAIP up to October 2005, the rates of LTS for household with different number of eligible recipients as at February 2006 are set out below:

Number of eligible members	LTS
1	\$1,430
2-4	\$2,865
5 or above	\$3,825

#### OVERALL DEVELOPMENT

10. In December 2005, the FC approved a 0.4% increase in the CSSA standard payment rates from 1 February 2006 to take account of inflation in accordance with the movement of the SSAIP up to October 2005. Estimates<sup>#</sup> on average monthly CSSA payment \* (with an increase of 0.4% in standard payment rates w.e.f. 1.2.2006) are as follows:

Number of eligible members	Estimates <sup>#</sup> on average monthly CSSA payment*
1	\$3,468
2	\$5,786
3	\$7,753
4	\$9,118
5	\$10,825
6 and above	\$13,534

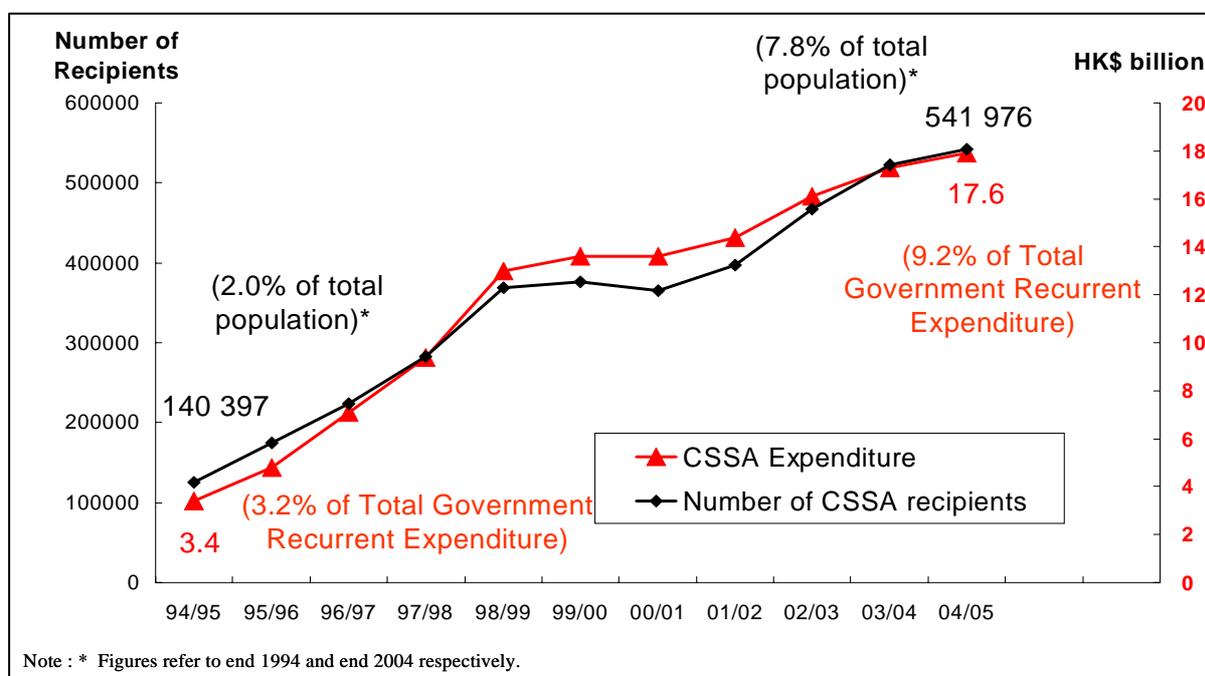
Notes :<sup>#</sup> The estimates are compiled based on CSSA cases during

November 2004 – October 2005 with payment rates adjusted in accordance with those implemented as from 1.2.2006.

\* Refer to the amount when a CSSA case does not have other income.

11. Overall, the number of CSSA recipients increased from 140 400 in 1994-95 to 542 000 in 2004-05, and the associated expenditure on this item increased from \$3.4 billion to \$17.6 billion. CSSA expenditure as a percentage of total government recurrent expenditure increased from 3.2% to 9.2% over the same period. The overall CSSA expenditure and the total number of recipients in the past 10 years are shown in Chart 3.

Chart 3. Overall CSSA expenditure and total number of recipients in the past decade



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

Health, Welfare and Food Bureau  
 Social Welfare Department  
 February 2006