



扶貧委員會
COMMISSION ON POVERTY

扶貧委員會秘書處 Secretariat to the Commission on Poverty (CoP)

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10 May 2007

Clerk to the Finance Committee
Legislative Council
3rd floor, Citibank Tower
3 Garden Road
Hong Kong

Attn: Miss Becky Yu

Dear Miss Yu,

Finance Committee
Follow-up to meeting on 27 April 2007
FCR (2007-08)6 - Pilot Transport Support Scheme

Thank you for your letter of 30 April 2007. The response of the Administration to the points raised in your letter is as follows -

- (a) The Social Welfare Department (SWD) has confirmed that the allowances of the pilot Transport Support Scheme (TSS) will not be counted as income of applicants and recipients under the Comprehensive Social Security Assistance Scheme.
- (b) While there is neither an easy formula nor a common definition of "take-home pay", it has been stated in the Finance Committee (FC) paper that when there are doubts or arguments in determining the monthly income limit of \$5,600, we will make reference to the definition of wages under the Employment Ordinance (EO). This definition is objective and should be acceptable to workers and applicants. Under this definition, the employee's contribution to the Mandatory Provident Fund (MPF) will be counted as part of wages.

However, for the purpose of implementing the pilot TSS, we agree with Members' view that the employee's contribution to the MPF should be excluded in assessing the income limit of \$5,600.

This arrangement has taken into account the fact that some low-pay workers will not receive pay slips and their only income proof may be bank books or statements showing usually the amount after deduction of the employee's contribution to MPF. The TSS Working Group has accepted that the net amount shown on these income proof be used in determining the income level in general in order to keep the application procedures and verification process simple and easy. This is also in line with the SWD's current practice of not counting employee's contribution to MPF (subject to a maximum of 5%) when assessing the CSSA applicant's income level.

- (c) It has been stated in the FC paper that the review will be conducted at the end of the one-year pilot, i.e., mid-2008. We have no plan at this stage to engage an independent organisation for the review.
- (d) We note Members' suggestions and will ensure that the scope of the review is comprehensive enough so that a meaningful assessment of the TSS can be made.
- (e) The guidelines on the processing of applications under TSS are now under preparation, and will be issued to the FC Secretariat for Members' reference once available.

Yours sincerely,



(Stephen Fisher)

Secretary to the Commission on Poverty

c.c. Secretary for Financial Services and the Treasury
(Attn: Ms Doris Ho
Mr Alfred Fok)