

**For information**

**Legislative Council Panel on Administration of  
Justice and Legal Services**

**Annual and Biennial Review of Financial Eligibility Limits  
of Legal Aid Applicants**

**PURPOSE**

The annual and biennial review of the financial eligibility limits of legal aid applicants has been completed. This paper informs Members of the outcome of the review.

**BACKGROUND**

2. At present, a person whose financial resources<sup>1</sup> do not exceed \$165,700 is financially eligible for legal aid under the Ordinary Legal Aid Scheme (OLAS), which covers civil proceedings at District Court level and above. The eligibility limit also applies to criminal legal aid under the Legal Aid in Criminal Cases Rules of the Criminal Procedure Ordinance. The corresponding limit for the Supplementary Legal Aid Scheme (SLAS) is \$460,300. The SLAS is a self-financing legal aid scheme available to those whose financial resources are above \$165,700 but do not exceed \$460,300. SLAS covers cases involving personal injury or death and medical, dental or legal professional negligence, where the claim for damages is likely to exceed \$60,000 and employees' compensation claims irrespective of amount.

3. The limits are reviewed annually to take account of movements in Consumer Price Index (C) (CPI(C)), and biennially to take account of changes in litigation costs. The limits were last updated by +2.1% in December 2007 to reflect the change in CPI(C) during July 2006 to July 2007.

---

<sup>1</sup> Financial Resources means the aggregate of an applicant's yearly disposable income and disposable capital. A person's **disposable income** is his gross income minus deductible items as allowed under the Legal Aid Ordinance. A person's **disposable capital** is the sum of his credit balance, money due to him, the market value of non-money resources and the value of business or share in a company, minus deductible items as allowed under the Legal Aid Ordinance.

## **THE ANNUAL REVIEW**

4. The change in CPI(C) during July 2007 to July 2008 is **+6.1%**. Accordingly, the limits will be adjusted upward by 6.1%, i.e. from \$165,700 to \$175,800 for OLAS and criminal legal aid; and adjusted accordingly from \$460,300 to \$488,400 for SLAS. In other words, those with financial resources above \$175,800 but not exceeding \$488,400 will be financially eligible for SLAS.

## **THE BIENNIAL REVIEW**

5. The biennial review takes into account changes in private litigation costs. The Administration has sought assistance from the two legal professional bodies, the Judiciary and the Legal Aid Department (LAD) in conducting the exercise. Private litigation costs are not available from the two legal professional bodies. The Judiciary provides information on the median litigation costs of the non-legally aided cases which have been taxed by the Taxing Masters<sup>2</sup>, and such information is not representative of the overall private litigation costs. As for legally aided civil cases (details at **Annex**), they account for about 34% of all civil cases, and such information is also not representative of the overall private litigation costs. In view of the above, no adjustment is made to the financial eligibility limits.

## **WAY FORWARD**

6. The Legal Aid Services Council noted the outcome of the annual and biennial reviews. To reflect the findings of the review, we will move a Resolution in the Legislative Council in April 2009 to raise the financial eligibility limits for legal aid as set out in section 5 and 5A of the Legal Aid Ordinance, by 6.1%.

**Home Affairs Bureau  
Legal Aid Department  
March 2009**

---

<sup>2</sup> The Judiciary does not possess information on cases where costs are agreed between the parties. There were only 21 non-legal aid cases that were taxed in January to July 2008 in respect of matrimonial, employees' compensation and personal injuries cases, which are the three major categories of civil cases covered by legal aid, which represented less than 1% of the corresponding cases disposed of during the period.

**Annex**

**Legally aided civil cases**

A comparison of the median litigation costs of legally aided civil cases closed during January to July 2006 and those closed during January to July 2008 is set out below. In overall terms, the median costs has **dropped by 5.7%** -

Type of Cases	Median (\$) (No. of Cases)		Change (\$) (%)
	Jan – July 2006	Jan – July 2008	
Matrimonial (MAT)	14,540 (2,438)	14,758 (2,627)	(1.5%)
Employees' Compensation (EC)	79,205 (362)	80,000 (492)	(1.0%)
Miscellaneous Personal Injuries (PI)	185,136 (353)	167,675 (472)	(-9.4%)
Wages Claim in Insolvency (WC)	40,000 (135)	39,059 (499)	(-2.4%)
Others	150,000 (291)	130,000 (324)	(-13.3%)
<b>Weighted average of the changes in median costs</b>	- <b>(3,579)</b>	- <b>(4,414)</b>	<b>(-5.7%)</b>