Legislative Council Panel on Administration of Justice and Legal Services

Annual Review of Financial Eligibility Limits of Legal Aid Applicants

PURPOSE

The 2010 annual review of the financial eligibility limits (FELs) 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 resources¹ do not exceed \$175,800 is financially eligible for legal aid under the Ordinary Legal Aid Scheme (OLAS), which covers civil proceedings at District Court level and above. The corresponding limit for the Supplementary Legal Aid Scheme (SLAS) is \$488,400.

THE 2010 ANNUAL REVIEW

- 3. The FELs are reviewed annually to take account of movements in Consumer Price Index (C) (CPI(C)), so as to maintain their real values. The change in the CPI(C) recorded during the 2010 review period, i.e. July 2009 to July 2010, was +2.6%.
- 4. The Administration is seeking legislative amendments pursuant to the 5-yearly review of the FEL to substantively increase the FEL for OLAS from \$175,800 to \$260,000; and the FEL for SLAS from

-

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.

\$488,400 to \$1,300,000. The annual adjustment to the FELs by 2.6%, if introduced, may take effect in March 2011, but its effects will soon be neutralized in April/May 2011 when the imminent amendment exercise pursuant to the five-yearly review is complete. In view of the above, the Administration will not make adjustments to the FELs pursuant to the 2010 annual review exercise to avoid revising the FELs twice in consecutive months.

5. Members are invited to note the outcome of the review.

Home Affairs Bureau Legal Aid Department February 2011