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**Panel on Welfare Services**

**Background brief prepared by the Legislative Council Secretariat  
for the meeting on 9 May 2011**

**Additional provision for social security recipients**

**Purpose**

This paper provides background information and gives an account of the discussions of the Panel on Welfare Services ("the Panel") on the Administration's one-off relief measures to provide recipients of Comprehensive Social Security Assistance ("CSSA") and Social Security Allowance ("SSA") with welfare assistance.

**One-off measures to provide additional payments to CSSA and SSA recipients**

2007-2008 financial year

2. The Financial Secretary ("FS") proposed in the 2007-2008 Budget Speech delivered on 28 February 2007 the provision of one additional month of standard rate payments for CSSA recipients and one additional month of allowance for SSA (comprising Old Age Allowance ("OAA") and Disability Allowance ("DA")) recipients. The additional payments were disbursed on 30 May 2007.

2008-2009 financial year

3. To share the fruits of the economic prosperity, FS announced in the 2008-2009 Budget the proposal to provide social security recipients with one additional month of CSSA standard rate payments and one additional month of DA. FS also proposed to provide each OAA recipient with a

one-off grant of \$3,000. The additional payments were effected in June 2008.

4. To ease the impact of rising prices on CSSA households, the Administration also proposed to adjust the CSSA standard rates in accordance with the existing mechanism<sup>1</sup> ahead of the normal annual adjustment cycle in 2008-2009. Following the approval of the Finance Committee ("FC"), the CSSA standard rates were increased by 4.4% with effect from 1 August 2008.

5. During the Question and Answer Session at the Legislative Council ("LegCo") on 16 July 2008, the Chief Executive announced a package of relief measures, including the provision of one additional month of the standard rate payments for CSSA recipients, one additional month of allowance for DA recipients, and two additional months of allowance for OAA recipients. The additional payments were effected in September 2008.

#### 2009-2010 financial year

6. On 26 May 2009, FS announced a package of additional relief measures which included, among other things, the provision of one additional month of the standard rate payments for CSSA recipients and one additional month of allowance for SSA (comprising OAA and DA) recipients. According to the Administration, this one-off measure was proposed in consideration of the profound impact of the financial turmoil on different walks of life including the grassroots. The additional payments were effected in September 2009.

#### 2010-2011 financial year

7. FS announced in the 2010-2011 Budget a series of one-off relief measures which include, among other things, the provision of one additional month of the standard rate payments for CSSA recipients and one additional month of allowance for OAA and DA recipients. The additional payments were effected in July 2010.

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<sup>1</sup> The CSSA payment rates are adjusted annually in February taking into account the movement of the Social Security Assistance Index of Prices ("SSAIP") in the past 12 months. SSAIP is compiled by the Census and Statistics Department to measure inflation according to the expenditure pattern of CSSA households.

## **Deliberations by the Panel**

8. The Panel was briefed on 30 March 2007, 17 March 2008, 8 June 2009 and 12 April 2010 on the Administration's respective proposals to provide one-off relief measures to recipients of CSSA and SSA which required funding support from FC.

9. While expressing support for additional relief measures for the disadvantaged, some members were concerned about the long-term effectiveness of the proposed one-off measures to assist CSSA and SSA recipients. Pointing out that the Administration had provided recipients of CSSA and SSA with one-off relief measures consecutively in the past years, these members were of the view that the Administration should address the crux of the problem and consider adjusting upwards the standard payment rates of CSSA and SSA rates if the current payment levels were proven to be inadequate for the recipients even at times of economic downturn. Members were also gravely concerned about the impact of rising inflation on CSSA recipients. They strongly requested the Administration to conduct a comprehensive review of the CSSA and SSA payment rates.

10. The Administration advised that the proposed additional payment was a one-off relief measure. The decision to provide additional one-off payments in the past few years was based on individual circumstances on each occasion. This did not mean that the Administration considered the existing CSSA and SSA payment rates inadequate. The standard rates of CSSA and SSA would continue to be reviewed annually in accordance with the established adjustment mechanism. The Administration would seek the FC's approval to adjust the standard payment rates ahead of the annual adjustment cycle if movements of SSAIP and other economic indicators pointed to persistently high inflation.

11. Some members also raised concern that the one-off relief measure could not provide immediate and direct assistance to the low-income group and the unemployed, who did not benefit from the package of relief measures but were the most severely affected group under the financial turmoil. These members considered that the Administration should provide concrete assistance, such as unemployment subsidy, to the unemployed.

12. According to the Administration, the main focus of its measures to tackle the economic downturn was to preserve jobs. In this respect, the Labour Department had launched a series of measures to strengthen employment assistance and support. CSSA was not the only source of

assistance available for those in need. Where there were proven needs, other forms of assistance, such as emergency relief, temporary cash grants from charitable trust funds and assistance in kind were available. The Social Welfare Department staff would, having regard to individual circumstances, render appropriate assistance to those in need.

#### Latest development

13. FS announced in the 2011-2012 Budget a series of one-off measures which included, among other things, the provision of one additional month of the standard rate payments for CSSA recipients and one additional month of allowance for OAA and DA recipients. The Administration will brief the Panel on the funding proposal on 9 May 2011 before seeking the approval of FC.

#### **Relevant papers**

14. A list of the relevant papers on the LegCo website is in the **Appendix**.

Council Business Division 2  
Legislative Council Secretariat  
3 May 2011

## Appendix

### Relevant papers on additional provision for social security recipients

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Welfare Services	30 March 2007 (Item II)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Finance Committee	20 April 2007 (Item 3)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	17 March 2008 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Finance Committee	16 May 2008 (Item 2)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Legislative Council	16 July 2008	<a href="#">Official Record of Proceedings Page 11</a>
Panel on Welfare Services	8 June 2009 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Finance Committee	19 June 2009 (Item 6)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Panel on Welfare Services	12 April 2010 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Finance Committee	14 May 2010 (Item 2)	<a href="#">Agenda</a> <a href="#">Minutes</a>

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