

**For discussion on
10 June 2013**

LC Paper No. CB(2)1275/12-13(03)

Legislative Council Panel on Welfare Services

Guangdong Scheme

Purpose

The Administration will introduce in the 4th quarter of this year the Guangdong (GD) Scheme under the Social Security Allowance Scheme to provide Old Age Allowance (OAA) for eligible Hong Kong (HK) elderly people who choose to reside in GD. This paper briefs Members on the latest progress of the Administration's preparation for implementing the GD Scheme.

Key features of the GD Scheme

2. GD is the preferred destination of HK residents who choose to retire on the Mainland. Elderly people who have moved to GD can still maintain close contact with their relatives and friends in HK and obtain support more easily. Moreover, there are unique and close ties between GD and HK in geographical, economic and social terms, and such close ties and unique relationship have been enshrined in the Framework Agreement on Hong Kong/Guangdong Co-operation signed in April 2010. It is against this background that the Administration will introduce the GD Scheme to provide OAA for eligible HK elderly people who choose to reside in GD to meet their special needs arising from old age.

3. The GD Scheme shares largely the same eligibility criteria as OAA in HK, and has the same 305-day permissible limit of absence from GD per payment year for successful applicants, i.e. the beneficiaries will be required to reside in GD (instead of HK) for at least 60 days for obtaining a full-year payment of the allowance.

4. Under the GD Scheme, applicants aged between 65 and 69 are required to meet income and asset requirements. The total income limits per month for single person and married couple are HK\$6,880 and HK\$10,940 respectively, while the total assets limits for single person and married couple are HK\$193,000 and HK\$292,000 respectively.

Successful applicants under the GD Scheme will receive HK\$1,135 per month. The thresholds and the allowance amount will be adjusted annually under the established mechanism.

Implementation plan

5. The Social Welfare Department (SWD) plans to launch the GD Scheme in the 4th quarter of 2013. To facilitate elderly applicants who have settled in GD, SWD will put in place the following measures –

- (a) **Special one-off arrangement:** A special one-off arrangement will be made in the first year of implementing the GD Scheme, which will allow applicants who satisfy all other eligibility criteria and have resided in GD continuously for one year (with a grace period of 56 days) immediately before submitting an application to benefit from the Scheme without the need to satisfy the one-year continuous residence rule applicable in HK.
- (b) **Application arrangements:** All applicants for the GD Scheme, whether or not they are existing OAA recipients, are required to approach SWD's designated office in HK to complete the application procedures in person to ensure that the information required is provided by the applicants and that they fully understand their obligation as a participant of the Scheme (e.g. submitting the annual postal review form, staying in GD for not less than 60 days in a payment year to receive a full-year payment of the allowance, providing updated address to SWD or the agent appointed by SWD promptly after moving to another place, etc.). To facilitate applicants, especially those already residing in GD, SWD would advise them to submit their applications by post. Upon receipt of an application, SWD will make appointment with the applicant to complete the application procedures in person in HK. SWD will launch publicity and start receiving applications one to two months in advance of the formal launch of the GD Scheme to allow sufficient time for applicants to make applications. Apart from making application forms and related information available on SWD's website and Social Security Field Units (SSFUs) in HK, SWD will also explore making application forms available at suitable locations in GD.

- (c) **Arrangements for those unfit to travel to HK:** For those elderly people who can produce documentary proof that they are unfit to travel to HK for health reasons, special arrangements will be made to assist them to proceed with the applications so that they will not have to return to HK to complete the application procedures.
- (d) **Designated Office:** SWD will set up a new designated SSFU in Sheung Shui to centrally handle all applications for the GD Scheme. The office will be located close to the Sheung Shui MTR station. This arrangement will facilitate standardised and more efficient processing of applications and monitoring of case progress. Where necessary, special arrangements will be made for applicants residing in HK to complete the application procedures at an SSFU in their neighbourhood.
- (e) **Publicity:** SWD will publicise the GD Scheme to target beneficiaries in both HK and GD through various means including broadcasting Announcement in the Public Interest (API) through the electronic media in HK and issuance of press release. SWD will also consider showing the television API on cross-boundary coaches. Besides, SWD will set up a webpage for GD Scheme and upload frequently asked questions to it. Designated enquiry hotline for GD Scheme will also be set up to answer enquiries from the public. With the assistance of the Hong Kong Economic and Trade Office in GD and the Information Services Department of the HKSAR Government, SWD will issue press releases and publicity material to the mainstream media in GD with a view to reaching HK elderly people residing therein.

Agent for the GD Scheme

6. SWD has appointed International Social Service Hong Kong Branch as the agent for the GD Scheme on a term contract for three years. The agent will be responsible for interviewing applicants in GD who are unfit to travel to HK for health reasons, including verification of all supporting documents produced by these applicants such as address proof and income and asset proof (for applicants aged 65 to 69). The agent will also be responsible for conducting annual case review for participants of the GD Scheme. Spot checks by means of home visits of at least 20% of the cases and postal reviews for all the remaining cases

will be conducted by the agent annually. In addition, the agent will be responsible for handling reporting of changes in personal circumstances of GD Scheme participants and handling enquiries from the participants or other individuals/groups in GD.

Financial implications

7. Since whether an eligible person will apply for the GD Scheme depends on individual circumstances, and as we do not have information on the income and asset levels of potential participants of the GD Scheme aged 65 to 69, we are unable to assess how many elderly people could meet the income and asset requirements. Hence, we have no accurate estimate as to the number of beneficiaries under the GD Scheme. Nonetheless, for planning purpose, we have assumed that about 30 000 elderly people will join the GD Scheme initially. On this basis, the additional OAA payment to them is estimated at about \$395 million per annum.

Way Forward

8. SWD introduced the Old Age Living Allowance (OALA) in April this year, which aims to supplement the living expenses of HK elderly people aged 65 or above who are in need of financial support. After implementing OALA and the GD Scheme for a period of time, we will explore the feasibility of allowing elderly people who choose to reside in GD to receive OALA therein.

9. The purpose of the GD Scheme is to facilitate OAA recipients' residing in GD and its target recipients are elderly people. As for the Disability Allowance (DA), since from the rehabilitation policy angle the standards of rehabilitation service on the Mainland and in HK are different, we consider it premature at this juncture to extend the GD Scheme to DA recipients.

10. SWD is pressing ahead at full steam the preparatory work of the GD Scheme with a view to launching it in the 4th quarter of this year.

Labour and Welfare Bureau
Social Welfare Department
June 2013