

Cash Allowance Trial Scheme

Transport and Housing Bureau

January 2021



Background and Policy Objective

- **Chief Executive’s announcement in early 2020 -**
 - To provide cash allowance on a trial basis to eligible General Applicant (GA) households not living in public housing, not receiving the Comprehensive Social Security Assistance (CSSA) and who have waited for public rental housing (PRH) for more than three years, until they are offered the first PRH allocation
 - Rate of cash allowance to be determined by making reference to the level at half of the CSSA rent allowance ceiling
 - Review to be conducted three years after implementation
- **Policy objective -**
 - To alleviate the difficulties on livelihood faced by grassroots families who have been waiting for PRH for a prolonged period of time
 - Proposed cash allowance is not a “rental subsidy”
- **2020 Policy Address -**
 - Aim to start receiving applications in mid-2021 and disbursing cash allowance from July 2021 onwards

Eligibility

- a) are **GA households** who have fulfilled the **general eligibility criteria for PRH allocation**[^]
- b) are living in Hong Kong but **not living in public housing***
- c) are **not receiving CSSA***
- d) have been **waiting for PRH for more than three years**
- e) have not requested, on their own volition, for putting on hold their PRH application
- f) are not holding a valid Green Form Certificate for purchase of a subsidised sale flat in lieu of PRH allocation; and
- g) have **not yet been provided the first PRH flat offer**

[^]GA households are those applications with two persons and above, as well as those under the single elderly persons priority scheme. Non-elderly one-person PRH applicants are not eligible for the Scheme

*Some household members may be living in public housing and/or receiving CSSA. In such cases, only those who are living in public housing and/or receiving CSSA will be considered ineligible

Eligibility

- The following persons are regarded as **living in public housing** and hence are **not eligible** -
 - a) tenant(s) and/or authorised occupant(s) of rental units provided by the Hong Kong Housing Authority (HKHA)/ Hong Kong Housing Society
 - b) persons living in interim housing provided by HKHA
- How to determine “have been **waiting for PRH for more than three years**” -
 - same mechanism being used to determine the relative position of GA households on the PRH waiting list for PRH allocation
- This mechanism is also used to determine the average waiting time for PRH as announced by HKHA from time to time

Level of Cash Allowance

- Amount of cash allowance to be disbursed will **depend on the number of eligible household members**
- Making reference to the CSSA Maximum Rent Allowance (MRA) effective from 1 July 2020, the proposed cash allowance levels, after **halving the MRA**, are as below -

Number of Eligible Household Members	CSSA MRA (effective from 1 July 2020)	Proposed Cash Allowance (rounded up to the nearest \$50)
1	\$2,475	\$1,250
2	\$4,370	\$2,200
3	\$5,245	\$2,650
4	\$5,910	\$3,000
5	\$6,590	\$3,300
6 or above	\$7,675	\$3,850

- The actual cash allowance levels upon launch of the Scheme will depend on any further adjustment(s) of the MRA before mid-2021

Implementation

Issuing notification letters and application forms -

- To issue notification letters and application forms in the second half of June 2021 to all GA households who will have waited for PRH for more than three years by July 2021
- To issue notification letters and application forms in the second half of July 2021 to those who will have waited for PRH for more than three years by August 2021, and so on

Implementation

- GA households should have already provided detailed information when submitting their PRH applications. **The procedures for application and processing will be streamlined as far as possible**
- Apart from ascertaining that applicants are not receiving CSSA and not living in public housing, the Housing Department will **rely on preliminary vetting** conducted before registration **of PRH applications**, as well as **self-declaration** to be made by applicants on continuing to meet the income and asset limits, etc. for PRH application
- To conduct **random checks** to guard against abuse

Implementation

- Cash allowance to be **disbursed on a monthly basis via bank transfer**
- The **start month for calculating cash allowance** will be determined by the date that the GA household has met all eligibility criteria, or the submission date of the completed application forms, **whichever is later, with 1 July 2021 being the earliest start date** for calculating cash allowance
- Estimated lead time of processing straightforward cases will be about **one to three months**

Implementation

- Mid-2021: **Around 90 000 GA households may be eligible**
- Additional GA households will become eligible when they have waited for PRH for more than three years
- At the same time, some GA households will cease to receive cash allowance after being provided with the first PRH flat offer or for other reasons
- Disbursement of cash allowance will **cease for all when this three-year trial scheme has ended in mid-2024**

Financial Implications

- Disbursement of cash allowance entails an estimated **non-recurrent expenditure of some \$8 billion**
- To seek the Legislative Council's approval of the required funding in the context of the Appropriation Bill

