

# **立法會**

## ***Legislative Council***

LC Paper No. CB(1)1529/2024(02)

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### **Panel on Welfare Services**

**Special meeting on 22 November 2024**

### **Background brief on social security payment rates and related employment support services**

#### **Purpose**

This paper provides background information and summarizes the major views and concerns expressed by Members on the Comprehensive Social Security Assistance Scheme (“the CSSA Scheme”), the Social Security Allowance Scheme (“the SSA Scheme”), and related employment support services.

#### **Background**

##### The social security system

2. The primary objective of social security in Hong Kong is to meet the basic and special needs of community members requiring financial assistance. The non-contributory social security system, administered by the Social Welfare Department (“SWD”), includes CSSA Scheme and SSA Scheme.<sup>1</sup> The Administration adjusts the CSSA Scheme payment rates and SSA Scheme allowance rates annually based on the inflation or deflation rates reflected by the Social Security Assistance Index of Prices (“SSAIP”)<sup>2</sup> for the period from 1 November to 31 October of the following year. Subject to the Finance Committee’s approval, the new rates take effect on 1 February of the following year.

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<sup>1</sup> SSA includes Normal Disability Allowance, Higher Disability Allowance, Old Age Allowance, and Old Age Living Allowance.

<sup>2</sup> The SSAIP uses a weighting system that reflects CSSA recipients’ expenditures on various goods and services as a proportion of their total spending. It is compiled from data collected in the Household Expenditure Survey on CSSA households and is updated every five years to reflect current spending patterns.

### Rent allowance

3. Rent allowance for CSSA households covers accommodation expenses, equating to the lesser of actual rent paid or the maximum rent allowance (“MRA”) based on eligible household members. The Administration adjusts the MRA annually according to the Consumer Price Index (A) rent index (“CPI(A)”) for private housing, covering the period from 1 November to 31 October of the following year. The new rates take effect on 1 February, alongside the adjusted CSSA and SSA rates.

### **Deliberations of Members**

#### Reviewing the adjustment mechanism of the social security payment rates

4. Some Members suggested **reviewing the adjustment mechanism** to maintain the purchasing power of the social security payments, such as making pre-adjustment changes to standard payment, reverting to an inflation forecast methodology for rate adjustments, or introducing quarterly inflationary adjustment allowances. The Administration advised that the 12-month moving average SSAIP better reflected seasonal impact of prices on consumer goods for setting the standard social security payment rates. As the current annual adjustment mechanism was effective, it saw no need for change. If inflation were to increase, approval would be sought for additional adjustments to standard payment rates ahead of the annual cycle.

#### Data insights and implications for savings and welfare dependency

5. Members suggested **raising the asset limits** under the **CSSA Scheme** to allow CSSA households to save money and help them exit the welfare system. The Administration advised that rigorous means tests could ensure that public resources were targeted at those most in need. The asset limits were adjusted annually according to the established mechanism based on movements in the CPI(A). The table below summarized key figures and trends from 2021 to 2024, highlighting the relationship between **social security rate adjustments** and **government expenditure**. Details on the number of CSSA cases by category from 2013 to 2023, as well as **CSSA recurrent expenditure** and its **percentage of total government recurrent expenditure** from 2013-2014 to 2023-2024, are in **Appendix I**.

Year	% of rate adjustments	No. of CSSA cases	Year	CSSA recurrent expenditure (\$ billion)	% of total Government expenditure
2022	2.6%	206 969	2021-2022	22.1	4.5%
2023	3.4%	200 400	2022-2023	22.6	4.2%
2024	3.1%	-	2023-2024	21.9	4.0%

### Rent allowance

6. Members raised concern that relying solely on the Rent Index for MRA adjustments did not accurately reflect the rental expenses of CSSA households. They called for an **increase in the MRA** to reflect actual rents in public/private rented accommodation. Some Members suggested **separating MRA from CSSA calculations** to ensure that financial assistance covered basic living expenses, and proposed creating **a rent index specifically for subdivided units** for MRA adjustments. According to the Administration, MRA should be set at a reasonable level, not necessarily to cover the rent of most CSSA recipients. It should be noted that MRA was significantly increased on a one-off basis with effect from 1 July 2020, with the highest increase being 27% based on household size.

### Strengthening employment support

7. Members expressed concern about the **high number of unemployed CSSA recipients** despite a **declining overall unemployment rate**, as indicated in **Appendix 2**. They urged the Administration to implement measures to assist able-bodied CSSA recipients in transitioning out of the welfare system. The Administration advised that it had implemented various measures to help unemployed able-bodied CSSA recipients re-enter the employment market. CSSA recipients aged 15 to 59 were required to receive the Employment Support Services (“EmSS”) <sup>3</sup> under the Support for Self-reliance Scheme (“SFS Scheme”) to improve employability. From January to September 2023, about 138 000 recipients participated in EmSS, with about 27 600 securing employment or returning to education, including about 7 690 who left the CSSA net.

<sup>3</sup> The EmSS is operated by non-governmental organizations to assist able-bodied CSSA applicants and recipients in overcoming work barriers and enhancing their employability. The programme provides integrated employment support services on a family basis to help them secure paid employment quickly.

8. Members enquired about the **effectiveness of SFS Scheme** for employment support. They emphasized the need for enhanced services to better assist participants in securing jobs. The Administration advised that in April 2020, SWD enhanced employment support services provided by non-governmental organizations (“NGOs”), including counselling, training, up-to-date job vacancy information, tailored-made support, and job matching. NGOs also provided at least three months of post-employment support for those who secured jobs. The Administration planned to review the SFS Scheme services to incorporate these enhancements into new service contracts.

9. In view that the **income and asset tests** under the CSSA scheme were applied on a **household basis**, employment or income increases of individual family members would affect the eligibility for CSSA. Members enquired whether the Administration would consider **disregarding the income of family members** other than the CSSA applicants and their spouses when applying the income and asset tests so as not to affect the continued eligibility of CSSA claimants; **imposing a time limit** for able-bodied individuals to receive CSSA; as well as **raising the asset limits** appropriately to allow CSSA recipient families to accumulate some savings through work, thereby providing an incentive to encourage them to enter the labour market, become self-sufficient, and leave the CSSA net as early as possible.

10. According to the Administration, the Disregarded Earnings arrangement under the CSSA Scheme provided financial incentives for recipients to seek and maintain employment. Earnings from employment could be disregarded up to a maximum of \$4,000 per month when assessing monthly household income. To verify recipients’ ongoing eligibility, SWD conducted regular reviews, spot checks, investigations, and income and asset tests. Considering that the CSSA Scheme provided a safety net of last resort for those unable to support themselves, imposing a uniform time limit for receiving CSSA might create practical difficulties for recipients as their situations varied.

## **Latest developments**

### Encouraging employment

11. In September 2024, the Administration launched a **three-year “Stepping Stone” - Pilot Scheme on “Subsidy to Encourage Employment of Disabled Recipients under the CSSA Scheme”** to encourage the employment of persons with disabilities (“PWDs”). Subsidized by the Community Care Fund, the scheme provides an additional employment subsidy of **\$500 per month** for employed disabled CSSA recipients, benefiting approximately **6 800 PWDs**.

Providing subsidies to encourage retirement in Guangdong province

12. The **Chief Executive's 2024 Policy Address** announced that a three-year pilot scheme will be launched within 2025 to **subsidize elderly CSSA recipients retiring in Guangdong** to reside in designated residential care homes for the elderly in the province. Each eligible elderly person will receive a **monthly subsidy of \$5,000**, subject to a **quota of 1 000**.

**Relevant papers**

13. A list of the relevant papers on the Legislative Council website is in **Appendix 3**.

Council Business Divisions  
Legislative Council Secretariat  
18 November 2024

## Appendix 1

2013 年年底至 2023 年年底按類別劃分的綜援個案數目  
Number of CSSA cases by category, end 2013 to end 2023

個案類別 Case category												宗 Cases
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	平均每年 變動率 Average rate of change per annum (%)
年老 Old age	151 259 (58.0)	149 149 (58.9)	146 083 (59.8)	144 336 (60.9)	144 198 (62.1)	142 364 (62.9)	136 050 (61.8)	130 647 (58.1)	124 104 (57.2)	116 406 (56.2)	112 344 (56.1)	-2.9
永久性殘疾 Permanent disability	18 391 (7.1)	18 225 (7.2)	17 914 (7.3)	17 602 (7.4)	17 133 (7.4)	16 739 (7.4)	16 923 (7.7)	17 377 (7.7)	17 518 (8.1)	17 315 (8.4)	17 172 (8.6)	-0.7
健康欠佳 Ill-health	25 157 (9.6)	24 973 (9.9)	24 458 (10.0)	24 184 (10.2)	23 632 (10.2)	23 103 (10.2)	23 917 (10.9)	26 056 (11.6)	26 887 (12.4)	27 236 (13.2)	27 727 (13.8)	1.0
單親 Single parent	29 193 (11.2)	29 529 (11.7)	28 403 (11.6)	26 985 (11.4)	25 792 (11.1)	24 697 (10.9)	23 678 (10.8)	24 760 (11.0)	23 785 (11.0)	22 172 (10.7)	20 497 (10.2)	-3.5
低收入 Low-earnings	8 891 (3.4)	7 584 (3.0)	6 335 (2.6)	5 230 (2.2)	4 401 (1.9)	3 589 (1.6)	3 002 (1.4)	2 520 (1.1)	2 217 (1.0)	1 869 (0.9)	1 581 (0.8)	-15.9
失業 Unemployment	21 149 (8.1)	18 650 (7.4)	16 332 (6.7)	14 340 (6.0)	12 741 (5.5)	11 818 (5.2)	12 570 (5.7)	19 506 (8.7)	18 495 (8.5)	18 042 (8.7)	17 184 (8.6)	-2.1
其他 Others	6 734 (2.6)	4 944 (2.0)	4 570 (1.9)	4 379 (1.8)	4 237 (1.8)	4 127 (1.8)	4 035 (1.8)	4 029 (1.8)	3 927 (1.8)	3 929 (1.9)	3 895 (1.9)	-5.3
<b>總計 Total</b>	<b>260 774 (100.0)</b>	<b>253 054 (100.0)</b>	<b>244 095 (100.0)</b>	<b>237 056 (100.0)</b>	<b>232 134 (100.0)</b>	<b>226 437 (100.0)</b>	<b>220 175 (100.0)</b>	<b>224 895 (100.0)</b>	<b>216 933 (100.0)</b>	<b>206 969 (100.0)</b>	<b>200 400 (100.0)</b>	<b>-2.6</b>

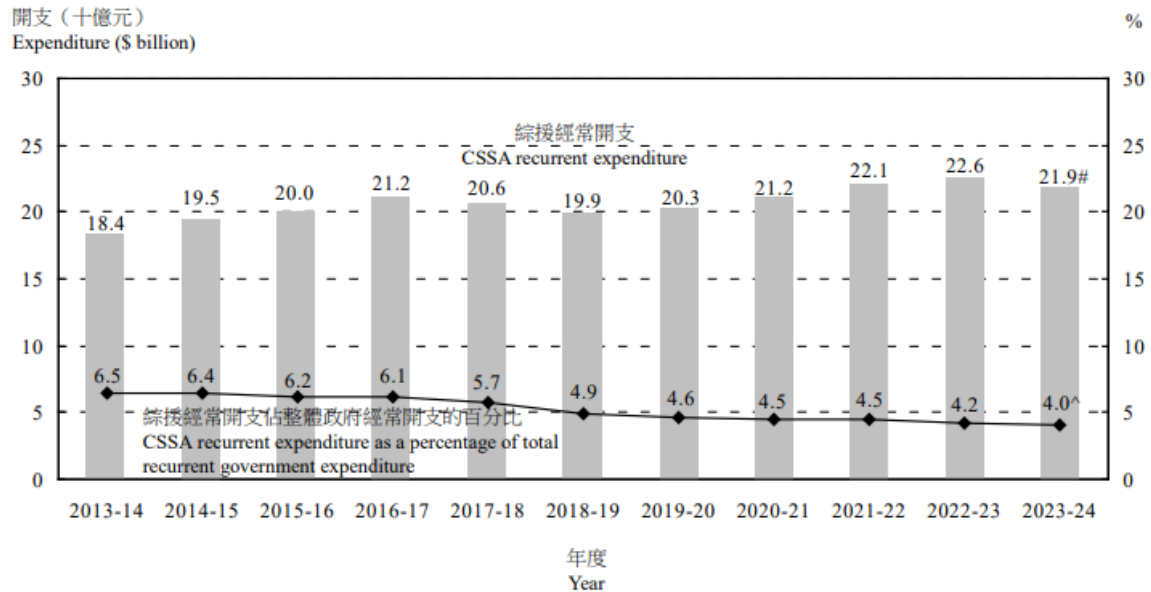
註釋：括號內數字代表佔總計的百分比。

由於四捨五入關係，個別數字加起來可能與總計不符。

Notes: Figures in brackets refer to the percentage to totals.

Figures may not add up to total due to rounding.

**2013-14 年度至 2023-24 年度綜援經常開支及其在整體政府經常開支中的百分比**  
**CSSA recurrent expenditure and its percentage of total recurrent government expenditure, 2013-14 to 2023-24**



註釋：綜援經常開支數字不包括在個別年度向綜援受助人發放的額外一次過的款項。

<sup>^</sup> 在計算有關 2023-24 年度的百分比時，所用的整體政府經常開支總數是修訂預算數字。

<sup>#</sup> 臨時數字。

Notes: Figures on CSSA recurrent expenditure do not include additional one-off payments issued to CSSA recipients in the respective years.

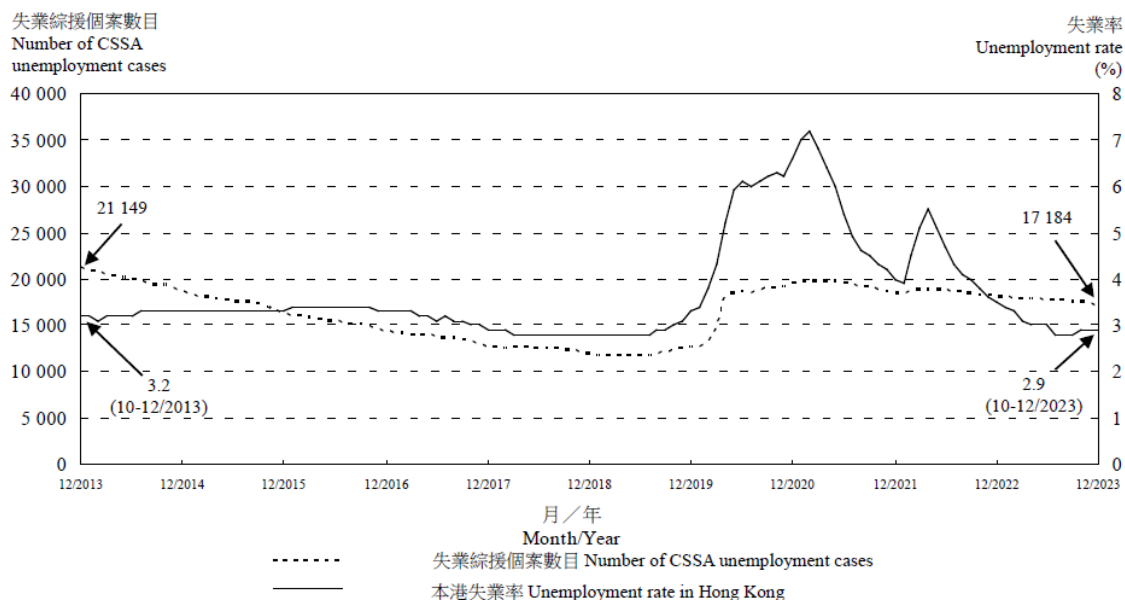
<sup>^</sup> In compiling the percentage in 2023-24, figure on total recurrent government expenditure refers to that in the revised estimates.

<sup>#</sup> Provisional figure.

<https://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=FA100078&scode=390>

## Appendix 2

### 2013 年年底至 2023 年年底失業綜援個案數目及本港失業率 Number of CSSA unemployment cases and unemployment rate in Hong Kong, end 2013 to end 2023



註釋：失業綜援個案數目是指有關月份月底數目。

某月份的失業率數字是指以該月份為止的過去 3 個月經季節性調整失業率數字。

Notes: CSSA unemployment cases refer to the number of cases as at the end of the respective months.

The unemployment rate pertaining to the respective months is the seasonally adjusted unemployment rate for the 3-month period ending that month.

Information extracted from the Census and Statistics Department's feature article "Statistics on Comprehensive Social Security Assistance Scheme"

<https://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=FA100078&scode=390>



## Appendix 3

### Relevant papers on social security payment rates and related employment support services

Committee	Date of meeting	Paper
Panel on Welfare Services	23 November 2020	<a href="#">Agenda</a> Item III: Annual adjustment of social security payment rates under the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme, and issues relating to rent allowance under the Comprehensive Social Security Assistance Scheme <a href="#">Minutes</a>
	14 February 2022	<a href="#">Agenda</a> Item IV: Briefings by the Secretary for Labour and Welfare and the Secretary for Home Affairs on the Chief Executive's 2021 Policy Address <a href="#">Minutes</a>
	11 July 2022	<a href="#">Agenda</a> Item III: Cash welfare for the elderly <a href="#">Minutes</a>
	14 November 2022	<a href="#">Agenda</a> Item V: Annual adjustment to social security payment rates under the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme, issues relating to rent allowance under the Comprehensive Social Security Assistance Scheme, and relaxation of the absence limit under the Social Security Allowance Scheme <a href="#">Minutes</a>

Committee	Date of meeting	Paper
	13 November 2023	<a href="#">Agenda</a> Item IV: Annual adjustment to social security payment rates under the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme, and issues relating to the Comprehensive Social Security Assistance rent allowance and municipal solid waste charging subsidy <a href="#">Minutes</a>
Finance Committee	19 April 2024	<a href="#">Replies to supplementary questions raised by Members in examining the Estimates of Expenditure 2024-2025</a> (Reply Serial No: S-LWB(W)05)

Council Meeting	Paper
20 February 2019	<a href="#">Question 17</a> : Support for Self-reliance Scheme
8 November 2023	<a href="#">Question 9</a> : Comprehensive Social Security Assistance Scheme

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