

For Discussion on
9 June 2025

Legislative Council Panel on Welfare Services Review of the Traffic Accident Victims Assistance Scheme

Purpose

This paper briefs Members on the review outcome of the Traffic Accident Victims Assistance Scheme (the Scheme).

Background

2. Following the resolution passed by the Legislative Council in 1978, the Government implemented the Scheme in 1979 according to the Traffic Accident Victims (Assistance Fund) Ordinance, Chapter 229 of the Laws of Hong Kong.

3. The Scheme is administered by the Social Welfare Department (SWD) and funded by the Traffic Accident Victims Assistance Fund (the Fund). The policy intent of the Scheme is to provide a modest but timely relief to ease the financial difficulties of victims of traffic accidents on a non-means-tested basis, regardless of the element of fault leading to the occurrence of the accident. There are five types of grants under the Scheme, namely “Burial Grant”, “Death Grant”, “Disability Grant”, “Injury Grant” and “Interim Maintenance Grant”. Details of the grants are set out in **Annex 1**. Applicants should meet the relevant eligibility criteria, which are set out in **Annex 2**, to receive the assistance payments under the Scheme.

Latest Position

4. The income of the Fund consists of levies on vehicle license fees and driving license fees, contribution from the Government, refund of assistance payments and investment income. Over the past five years (i.e. 2019-20 to 2023-24), the total average income of the Fund was approximately \$398 million, including about \$234 million from the levies and the Government’s contribution. Nevertheless, we observe that with the increase in the number of cases with assistance payments approved in recent years, the total assistance amount has

increased from approximately \$297 million to about \$492 million during the same period. The total annual expenditure of the Fund has increased from \$320 million in 2019-20 to \$520 million in 2023-24, representing an increase of 62.5%. As at 31 March 2024, the Fund's balance stood at \$1.454 billion. If the Fund's income remains relatively stable while the upward trend on expenditure persists, the Fund is expected to deplete in 2032-33.

Review Principle

5. The Government has no intention of abolishing the Scheme or altering its original policy intent. The purpose of the review is to improve the Scheme so that it can provide a modest but timely relief to victims of traffic accidents in a sustainable manner, helping them overcome their short-term financial difficulties. If some families require longer-term financial assistance due to traffic accidents, SWD will provide appropriate support, including referring them to apply for the Comprehensive Social Security Assistance (CSSA) or other assistance under the welfare safety net. We hope that the improved Scheme will ensure proper use of public resources while preventing abuse and fraudulent behavior.

Proposal

6. The Labour and Welfare Bureau and SWD have completed the review and proposed the following measures:

(1) Merge Two Grants of Similar Nature

7. The objectives and eligibility criteria of Injury Grant and Interim Maintenance Grant are similar and their beneficiary groups overlap. Injury Grant aims to provide financial assistance to victims of traffic accidents. The assistance amount depends on the gravity of injuries (i.e. the number of sick leave days certified by a registered medical practitioner), and may last for up to a maximum of 180 days, with an average daily assistance amount of approximately \$388¹. Interim

¹ With effect from 1 April 2025, the assistance amount of Injury Grant for the first ten days is \$839 per day, followed by approximately \$362 of assistance per day for the subsequent 170 days. If a victim claims the maximum of 180 days, the average daily assistance will be around \$388.

Maintenance Grant is designed for those income earners² who have lost their ability to work due to traffic accidents. The assistance amount also depends on the number of sick leave days and may last for up to a maximum of 180 days, with a daily assistance amount of approximately \$530. Applicants of Interim Maintenance Grant must provide documents to prove their income loss. If applicants are employed for paid work, they may apply for both Injury Grant and Interim Maintenance Grant. In case an applicant was granted 180 days of sick leave, the maximum average daily assistance receivable under the two grants would be approximately \$918³. According to SWD's statistics, there were about 9 090 cases receiving Injury Grant under the Scheme in 2023-24, with approximately 30% (2 713 cases) also receiving Interim Maintenance Grant. The total assistance amount of the two grants provided under the Scheme in 2023-24 was approximately \$487 million, accounting for about 99% of the total amount disbursed under the Scheme.

8. We propose to merge the aforementioned two grants into a new grant called Compassionate Grant. Under the principle of prudent financial management⁴, the assistance amount of Compassionate Grant will be calculated based on the income received from the levies and the Government's contribution under the Scheme. That is, an eligible applicant shall receive an average of \$330 per day for a maximum of 60 days of sick leave. Taking into account the levels of assistance from other existing welfare schemes⁵, we consider that the daily assistance amount of \$330 under Compassionate Grant can achieve the policy intent of providing a modest but

² Non-working parents with children aged under 15 can also apply for Interim Maintenance Grant.

³ If an applicant is granted 180 days of sick leave and receives both Injury Grant and Interim Maintenance Grant, he/she is entitled to an average daily assistance amount of \$918, comprising an average daily assistance amount of \$388 under Injury Grant and \$530 under Interim Maintenance Grant.

⁴ As the refund of assistance payments depends on the compensation or other reimbursement obtained by the applicant from other sources for the same traffic accident, and investment income will also decrease as the Fund balance decreases, both the refund of assistance payments and investment income are not stable or enduring sources of revenue for the Fund. Under the principle of prudent financial management, the assistance amount of Compassionate Grant will be calculated based on the income from levies and Government's contributions under the Scheme.

⁵ As at February 2025, the daily assistance amount under Normal Disability Allowance is approximately \$70; for Higher Disability Allowance, it is about \$140 per day. The CSSA provides daily assistance of around \$100 for singleton able-bodied adults aged under 65, while for singleton ill-health/disabled adults aged under 65, the daily assistance ranges from approximately \$142 to \$241, depending on the degree of disability.

timely relief to victims of traffic accidents. The eligibility criteria for Compassionate Grant will remain the same as the current Injury Grant, i.e. no need to consider whether the victim was employed for paid work at the time of the accident.

9. Furthermore, considering that 60 days are sufficient for applicants to apply for other existing assistance schemes (such as the CSSA and Normal/Higher Disability Allowance under the Social Security Allowance Scheme, etc.) which provide a safety net for those with financial difficulties, we propose to adjust the maximum assistance duration from the current 180 days to 60 days.

10. Currently, the assistance amount of each grant under the Scheme is assessed and regularly adjusted based on the payment schedule of the Emergency Relief Fund for grants in respect of death or personal injury, which is approved by the Secretary for Financial Services and the Treasury (SFST) under the delegated authority of the Finance Committee of the Legislative Council (FC) in accordance with the established mechanism. Injury Grant is one of the grants which is adjusted based on the annual percentage change in the Consumer Price Index (A) in the past year⁶, while Interim Maintenance Grant is adjusted according to the average monthly wages (including fringe benefits) of manufacturing workers over the past year. On the basis that the eligibility criteria for Compassionate Grant remains the same as the existing Injury Grant that there is no need to consider the income proof of the victims, we propose to make reference to the adjustment mechanism for Compassionate Grant with Injury Grant, i.e. to conduct annual adjustments based on the change in the Consumer Price Index (A) in the past year, and also to delegate the authority for approving adjustment to the SFST.

(2) Reinstate the Minimum Seven-Day Sick Leave Requirement

11. In the early implementation stage of the Scheme, to be eligible for the assistance under the Scheme, an applicant must obtain a registered medical practitioner's certification that his/her injury requires hospitalisation for no less than seven days or sick leave for at least seven days. The consideration at the time was that such requirement would ensure that public resources were allocated to cases involving more serious injuries and would prevent trivial claims and fraudulent

⁶ The Injury Grant is calculated and adjusted based on the annual percentage change in the Consumer Price Index (A), specifically the difference between the current year's value and the previous year's value.

behavior. The minimum sick leave requirement was adjusted to three days in 1982 when the Fund was affluent. In light of the Fund's latest financial position, we propose to reinstate the relevant requirement to seven days to reflect its original intent.

(3) Restrict Repeated Applications for Compassionate Grant

12. In the three years from 2021-22 to 2023-24, over 2 000 applicants have applied for assistance repeatedly within two years, which involved over 5 000 cases and accounted for about 19% of the total number of cases approved in the three-year period. We propose that an applicant can only apply for Compassionate Grant once within two years. For individuals who have financial difficulties or other welfare needs, SWD will provide appropriate support, including referring them to apply for CSSA or other assistance.

Other Three Grants Remain Unchanged

13. The arrangements for the other three grants under the Scheme (i.e. Burial Grant, Death Grant and Disability Grant) will remain unchanged, including no restrictions on repeated applications, so as to continue to provide a modest but timely financial relief to victims of traffic accidents.

Fraud Prevention Efforts

14. In 2024, SWD referred a number of cases involving submission of forged medical certificates issued by private medical institutions/clinics to the Police for investigation. The Police subsequently initiated a large-scale operation and arrested over 300 individuals involved. The total assistance amount of the cases involved has reached approximately \$14 million. This operation was initiated following the discovery of suspicious cases in the course of application verification procedures conducted by SWD staff according to the established mechanism. SWD will continue to strengthen the checking on supporting documents submitted by applicants and enhance the information verification processes, screening high-risk cases for targeted investigation to prevent fraudulent behavior in obtaining assistance.

Consultation

15. The Traffic Accident Victims Assistance Advisory Committee supports the aforementioned recommendations and fraud prevention efforts.

Financial Implication

16. The annual contribution made by the Government to the Fund is calculated on the basis of 25% of the total levies expected to be collected for the year, taking into account the necessary adjustment for payments made by the Government in previous years based on the levies. Since the proposed measures do not affect the mechanism for calculating Government's contribution, they will not have additional financial implication.

17. We estimate that the annual average number of cases to be approved for assistance under the Scheme is around 10 000. After implementing the proposed Compassionate Grant, it is estimated that a full-year saving of approximately \$270 million could be achieved in 2025-26. Besides, the number of application is expected to decrease after the implementation of the new arrangement. Assuming a drop of 25% in the number of cases, it is projected that an additional saving of approximately \$50 million for the Fund could be achieved for the full year of 2025-26. Taking into account the aforementioned savings, we expect the fund to be financially sustainable after implementing the new arrangement.

Way Forward

18. In March 1991, the FC approved the Government's proposed adjustment to the grants under the Scheme, as detailed in the FC Paper FCR(90-91)177, and took note of the policy objectives and calculation bases for each grant, including their assistance amounts and duration. Subject to Members' support, we will seek FC's approval of the proposals set out in paragraphs 8 to 12 above and take forward the implementation of the new arrangement immediately afterwards.

19. SWD will collaborate with stakeholders and release the latest information through press releases, SWD's website and revised leaflet. SWD will also maintain communication with stakeholders for introducing the new measures under the Scheme.

Advice Sought

20. Members are invited to note and comment on the above proposals.

**Labour and Welfare Bureau
Social Welfare Department
June 2025**

**Traffic Accident Victims Assistance Scheme
Grants**

There are five types of grants under the Traffic Accident Victims Assistance Scheme. Details of the assistance amounts (with effect from 1 April 2025) and payment conditions are as follows:

- (1) **Burial Grant:** \$17,540 per person. If the burial expenses were paid in full or in part by the Government (such as under the Comprehensive Social Security Assistance Scheme) or by any charitable funds, such payment(s) will be deducted from the assistance amount to be disbursed.
- (2) **Death Grant:** (1) Loss of the sole wage earner with dependent family member(s) left behind, \$190,660 for one surviving dependant family member plus \$15,890 for each additional surviving dependant family member, up to a maximum of \$270,110; (2) Loss of wage earner with dependent family member(s) left behind and another wage earner remaining in the family, \$95,330 for one surviving dependant family member plus \$15,890 for each additional surviving dependant family member, up to a maximum of \$174,780; (3) Loss of a parent who was not a wage earner but there are children under 15 years of age, \$95,330 for one surviving child aged under 15 plus \$15,890 for each additional surviving child aged under 15, up to a maximum of \$174,780.
- (3) **Disability Grant:** Assistance amount to be paid according to the degree of disability under the Employees' Compensation Ordinance, up to a maximum of \$228,790.
- (4) **Injury Grant:** Assistance amounts range from \$839 to a maximum of \$69,880, depending on the number of days of sick leave or hospitalisation, for up to 180 days. A medical certificate from a registered medical practitioner is required.
- (5) **Interim Maintenance Grant:** To be provided to individuals who suffered loss of income due to loss of ability to work or to parents without income but have children aged under 15. The assistance amount depends on the number of days of sick leave or hospitalisation to a maximum of \$15,890

per month and limited to 180 days for a total maximum of \$95,340. Applicants must provide medical certificate issued by a registered medical practitioner and employer/income proof (if applicable).

The assistance amount under the Scheme is assessed and regularly adjusted based on the payment schedule of the Emergency Relief Fund for grants in respect of death or personal injury.

Traffic Accident Victims Assistance Scheme
Eligibility Criteria

Each application must meet the following criteria:

- (1) The accident must be a traffic accident as defined under the Traffic Accident Victims (Assistance Fund) Ordinance, Cap. 229 of the Laws of Hong Kong, and has been reported to the Police;
- (2) The victim died as a result of the accident; or was injured from the accident and that the injury sustained by the victim resulted in at least three days of hospitalisation or sick leave as certified by a registered medical practitioner/registered Chinese medicine practitioner;
- (3) The application must be made within six months after the date of the accident;
- (4) The victim is a person having the right to remain in Hong Kong or being permitted to remain in Hong Kong under the Immigration Ordinance, Cap. 115 of the Laws of Hong Kong, and he/she is not in contravention of a limit of stay (if any) in force against him/her at the time of the accident.