

Fourth-term Commission on Poverty convenes third meeting

The Chief Secretary for Administration, Mr Matthew Cheung Kin-chung, chaired the third meeting of the fourth-term Commission on Poverty (CoP) held online this afternoon (March 9).

Members noted the implementation progress of various assistance programmes and the financial position of the Community Care Fund (CCF), and endorsed the following two proposals:

1. Further refinement to the means test mechanism of the CCF Medical Assistance Programmes

Following the announcement in the 2020 Policy Address to further refine the means test mechanism of the CCF Medical Assistance Programmes, the CoP endorsed several refinements to the mechanism, with details as follows:

- i. The calculation of annual disposable financial resources (ADFR) for recurrent applications is modified, with the drug expenses paid by the patient for the last treatment course included as allowable deduction of the patient's household disposable income, and to include only 80 per cent of the patient's household disposable income (inclusive of monthly allowable deductions) in the calculation of households' ADFR;
- ii. New allowable deduction items are added for all drug subsidy applications, including school fees on tertiary education for full-time students aged 25 or below and maintenance payments. The calculation of income for all drug subsidy applications is also adjusted to exclude double pay, year-end payment, bonus and gratuity, as well as monthly payout amount of reverse mortgage/policy reverse mortgage, in the calculation of income; and
- iii. The validity period of the financial assessment of the first application is extended from 12 months to 18 months on the condition that the patient contribution is not more than \$2,000. Patients will make the same amount of contribution upon annual renewal of application without the need for financial assessment. If patients consider that there is a need for financial reassessment owing to the change in financial condition of their households, they could make such a request anytime during the application period. In addition, the Hospital Authority will waive the requirement to submit financial documents if the patient has been referred a second application within one to two months after the first application.

The refinements above will commence in the second quarter of this year.

2. Additional funding for the One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving Comprehensive Social Security Assistance (CSSA) programme

The CoP endorsed earlier a provision of \$2,565.91 million under the CCF

to introduce two rounds of the One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA programme in 2020 and 2021. Owing to the impact brought by social unrest and the COVID-19 epidemic, Hong Kong's economy has been deteriorating and the unemployment and underemployment rates remain high. The number of applications for the first-round subsidy is projected to exceed the estimated number of applications by about 20 per cent (i.e. around 127 000 beneficiary households in total). On this basis, the CCF Secretariat estimated that the number of applications received under the second-round subsidy will increase by 40 per cent compared to the first-round subsidy (i.e. around 177 800 beneficiary households in total). To cater for the projected additional beneficiary households, the CoP endorsed the additional provision of \$571.83 million, including an additional funding of \$34.46 million for administrative fees. The total estimated expenditure for the two rounds of subsidy is about \$3,137.74 million.

Members were also briefed on the proposed measures to further assist the financial needy individuals and families. These measures include the reduction of the working hour requirements of the Working Family Allowance (WFA) Scheme and the relaxation of the asset limits of the Short-term Food Assistance Services Project (STFASP), both of which were on a time-limited basis.

Having regard to the challenges brought by the COVID-19 epidemic, the Government recommended reducing, on a one-year time-limited basis, the minimum WFA working hour requirement for non-single-parent households substantially in the following manner:

Types of allowances	Existing requirement of total monthly working hours (Hours)	Recommended requirement of total monthly working hours (Hours)
Basic Allowance	144 to less than 168	72 to less than 132
Medium Allowance	168 to less than 192	132 to less than 192
Higher Allowance	192 or more	Unchanged at 192 or more

In the case of a four-person household with two children, if their aggregated monthly working hours fall between 72 and 131, they may receive up to \$3,800 WFA per month under the proposal.

In addition, newly unemployed and underemployed individuals and families may be ineligible for the STFASP if their assets exceed the asset limit. In this regard, the Government proposed that the asset limits of the STFASP should be relaxed and pitched to those of the WFA Scheme on a one-year basis. For illustration, the asset limit of an individual is proposed to be relaxed from \$99,000 to \$266,000, and that of a four-person household from \$264,000 to \$548,000.

The estimated financial implications of the two proposals are around \$1,384 million. The Government will submit the two proposals to the Legislative Council Finance Committee (FC) for approval of their financial implications as soon as possible. Subject to the FC's approval, these measures may be implemented in June this year at the earliest.

At the meeting, members agreed that the Government should relax the eligibility criteria of existing support measures amid the worsening economy and employment situation, so as to provide timely assistance to financial needy individuals and families. Members also shared their views and suggestions on providing further assistance to financial needy individuals and families at the meeting.