

LCQ10: Eligibility for receiving Old Age Allowance

Following is a question by the Hon Leung Che-cheung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (June 13):

Question:

Regarding the eligibility for receiving the Old Age Allowance (OAA), will the Government inform this Council:

(1) as the current eligibility criteria for OAA include the requirement that the applicant must have resided in Hong Kong continuously for at least one year immediately before the date of application, but those elderly people who have moved to reside in Guangdong or Fujian Provinces are not required to meet the requirement, whether it knows the number of Hong Kong elderly people residing in other provinces of the Mainland in each of the past three years who were ineligible for receiving OAA due to their failure to meet the requirement; and

(2) whether it will consider afresh lowering the age threshold for receiving OAA from 70 to 65, and whether it has assessed (i) the number of elderly people aged between 65 and 69 to be benefited and (ii) the implication on the public expenditure, as a result of the implementation of this measure?

Reply:

President,

The current social security system (including the Comprehensive Social Security Assistance Scheme and various allowances under the Social Security Allowance (SSA) Scheme) is non-contributory and entirely funded by the Government's general revenue, which involves substantial public funds. My reply to the Member's question is as follows:

(1) The non-means-tested Old Age Allowance (OAA; currently at \$1,345 per month) under the SSA Scheme provides cash allowance to eligible elderly persons aged 70 or above to meet their special needs arising from old age. There are pre-application residence requirements under the SSA Scheme, including the requirement that an applicant must have resided in Hong Kong for at least one year (with a grace period of 56 days in the year) immediately before the date of application (one-year continuous residence (OYCR) in Hong Kong requirement). Separately, there is also residence requirement during receipt of allowance. The above requirements ensure that the relevant payments are only granted to Hong Kong residents who have a long-term connection with Hong Kong, so as to ensure long-term sustainability of the social security system.

The Government appreciates that some Hong Kong elderly persons, especially those who came to Hong Kong from the Mainland at a younger age, may choose to reside on the Mainland after their retirement. To provide assistance to these elderly persons, the Government launched the Guangdong Scheme and Fujian Scheme in October 2013 and April 2018 respectively to enable eligible Hong Kong elderly persons who choose to reside in Guangdong or Fujian to receive OAA without having to return to Hong Kong every year (to fulfil the residence requirement during receipt of allowance). The above arrangement is only applicable to eligible elderly persons residing in Guangdong and Fujian mainly because there are more Hong Kong people residing in these two provinces. In terms of geographical proximity and community bonding, elderly persons residing in Guangdong and Fujian could maintain a close connection with their relatives and friends in Hong Kong and more readily obtain support. Moreover, the two provinces are uniquely and closely connected with Hong Kong on the social, economic and transport fronts.

Under the above OYCR in Hong Kong requirement, elderly persons who have already resided in Guangdong or Fujian need to return to and stay in Hong Kong for one year in order to meet the eligibility criteria of the Guangdong Scheme/Fujian Scheme. To facilitate these elderly persons, the Government has implemented a special one-off arrangement under the Guangdong Scheme and Fujian Scheme to allow applicants who have resided in Guangdong/Fujian continuously for one year (with a grace period of 56 days in the year) immediately before the date of application to benefit from the Guangdong Scheme/Fujian Scheme without the need to comply with the OYCR in Hong Kong requirement, provided that they have met all other eligibility criteria. Under the Guangdong Scheme, the special one-off arrangement was introduced in the first year of implementation (i.e. from October 1, 2013 to September 30, 2014) and has been relaunched on July 1, 2017 (which will last until June 30, 2018). Under the Fujian Scheme, the special one-off arrangement is implemented in its first year (i.e. from April 1, 2018 to March 31, 2019).

Regarding Member's request for information, the Social Welfare Department does not maintain the number of Hong Kong elderly people residing in other provinces/municipalities of the Mainland who were ineligible for receiving OAA because of the OYCR in Hong Kong requirement.

(2) In view of an ageing population, the Government has to ensure prudent use of public funds in order to provide targeted support for needy elderly persons. According to the Census and Statistics Department's projection, excluding foreign domestic helpers, the number of elderly persons aged 70 or above would increase from about 0.77 million in 2016 by over a million to about 1.86 million in 2036. In 2066, the number of elderly persons aged 70 or above is projected to reach 2.18 million, which is about three times of that in 2016. In the face of a growing elderly population, the number of OAA beneficiaries and public funds involved would continue to increase. Having considered the sustainability of the social security system, the Government has no plan to lower the age requirement of OAA.