

LCQ14: Special Needs Trust

Following is a question by the Hon Maggie Chan and a written reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (January 15):

Question:

The Special Needs Trust Office (SNT0) was established in December 2018 to enable parents of persons with special needs to entrust the Director of Social Welfare Incorporated as the trustee of the Special Needs Trust (SNT) for managing their assets under a trust after their passing, and making regular disbursements to carers or institutions looking after their children in accordance with their wishes. There are views pointing out that the core objectives of the SNT services are to pool together assets from different trust accounts for management and investment in a bid to lower the management fees, and to establish a safe and reliable asset management mechanism with low asset threshold. In this connection, will the Government inform this Council:

- (1) whether it has compiled statistics on the number of persons with special needs in Hong Kong who meet the eligibility criteria for the beneficiaries of the SNT since 2019, as well as their age distribution;
- (2) of the number of applications for acting as the settlors under the SNT submitted to the SNT0 since 2019 and, among such applications, the number of cases in which approvals were given to set up the trust accounts, the trust accounts were activated and closed, together with a breakdown by age group of the settlors and the beneficiaries;
- (3) of the current threshold amount for the first payment of funds when the SNT accounts are opened; the average amount of funds deposited into the trust accounts activated upon the death of the settlors (i.e. the Further Payment) since 2019;
- (4) of the total accumulated balance of the SNT since 2019; its investment portfolios and returns, as well as the percentage of its investment management fees and other costs in the value of the SNT;
- (5) whether the Government will review the mechanism of the SNT services; and
- (6) whether the SNT0 has organised publicity and promotional activities to attract more parents of persons with special needs to open trust accounts; if so, whether it has assessed the effectiveness of such activities?

Reply:

President,

The Government established the Special Needs Trust Office (SNT0) in

December 2018, with the Director of Social Welfare Incorporated acting as the Trustee of the Special Needs Trust (SNT), to provide reliable and affordable trust services to ensure the long-term care of children with special needs after their parents' passing. Beneficiaries of the SNT include persons with intellectual disabilities (including Down syndrome), mental disorders, or autism.

In response to the Hon Maggie Chan's question, our reply is as follows:

(1) The Social Welfare Department (SWD) does not maintain statistics on persons with special needs that fulfil the eligibility criteria as Beneficiaries of the SNT or their age distribution.

(2) As at December 31, 2024, the SNT0 has received a total of 88 applications, of which 18 have led to the setting up of SNT and trust accounts. Upon the death of the Settlor, the Trustee (i.e. SWD) will activate the relevant trust account. Since 2019, the SWD has not activated any trust account and has not recorded any cases of termination of trust accounts.

The age groups of Settlers and Beneficiaries (persons with special needs) who have set up SNT since 2019 are tabulated as follows:

Age group (at the time of establishing the trust)	Number of persons	
	Settlor	Beneficiary
11 to 20	—	1
21 to 30	—	4
31 to 40	—	8
41 to 50	—	3
51 to 60	4	2
61 to 70	10	—
71 to 80	3	—
81 to 90	1	—
Total:	18	18

(3) Under the existing mechanism, when a Settlor sets up a trust account, the minimum amount of the First Payment shall be no less than:

- (i) the estimated expenses for the continuous implementation of the care plan for 12 months, plus the prevailing annual fee for the first year; or
- (ii) the financial limit of the monthly living expenses for a mentally incapacitated person for 12 months set by the Guardianship Board, plus the prevailing annual fee for the first year.

The annual fee for the first year is subject to annual adjustment on October 1, based on changes in relevant expenses. Using the current financial limit of monthly living expenses (HK\$20,000) set by the Guardianship Board as an example, the First Payment shall be no less than HK\$260,000, that is 12

months of living expenses (HK\$20,000 x 12), plus the annual fee for the first year of HK\$20,000. The required First Payment for each year since 2019 is tabulated as follows:

From October 1 every year	Financial limit of the monthly living expenses set by the Guardianship Board x 12	Annual fee for the first year	Required First Payment
2019	\$17,000 x 12 =\$204,000	\$21,000	\$225,000
2020	\$17,500 x 12 =\$210,000	\$21,000	\$231,000
2021	\$18,000 x 12 =\$216,000	\$20,000	\$236,000
2022	\$18,100 x 12 =\$217,200	\$20,000	\$237,200
2023	\$20,000 x 12 =\$240,000	\$20,000	\$260,000
2024	\$20,000 x 12 =\$240,000	\$20,000	\$260,000

As no trust account has been activated due to the death of a Settlor so far, the SWD does not have the relevant information on the average amount of funds deposited into accounts activated.

(4) As at March 31, 2024, the balance of the Trust Fund was HK\$8.88 million, consisting entirely of Settlers' First Payments and accrued interest. The Trust Fund is held in fixed deposits and savings accounts. The interest income of the Trust Fund for 2023â€²24 is HK\$215,210. The investment of the Trust Fund is managed by the SWD. The SWD will not charge management fees until the trust accounts are activated. The Trust Fund has not incurred any expenses to date.

(5) The SWD has maintained communication with parents of persons with special needs and relevant stakeholders through various channels, and actively seeks their feedback. The SWD will continue to review the implementation of the SNT, including the required First Payment, and will enhance related arrangements in a timely manner.

(6) The SNTO has been actively organising briefings, seminars and workshops for parents of persons with special needs and relevant stakeholders. A dedicated SNT webpage has been set up on the SWD's website (www.swd.gov.hk/en/pubsvc/rehab/cat_fundtrustfinaid/snto/), using multimedia to help relevant stakeholders understand the details. The SNTO also proactively visits parent self-help organisations, parents/relatives resource centres, rehabilitation service units, special schools and relevant district organisations/groups, as well as attends radio programmes and holds poster design competitions, etc, to introduce and promote the SNT. In addition, the SNTO also produces various publicity materials to raise public

awareness of the SNT.