

LCQ20: Payments made by sheltered workshops to trainees

Following is a question by the Hon Shiu Ka-chun and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (January 23):

Question:

At present, trainees with disabilities (trainees) who receive vocational training at sheltered workshops may receive monthly incentive payments and training allowances. On the other hand, when calculating the amount of money payable to recipients of the Comprehensive Social Security Assistance (CSSA), the Social Welfare Department (SWD) makes a deduction by some of the recipients' employment earnings; for people with disabilities, the first \$1,200 of monthly earnings may be totally disregarded while half of the next \$5,600 may be disregarded (i.e. the maximum total amount of disregarded earnings is \$4,000 per month, and all earnings beyond \$6,800 per month are not disregarded). As SWD regards the training allowances received by the trainees as employment earnings, some trainees temporarily stop going to sheltered workshops for training after they have earned a training allowance of \$6,800 or more in a month. Besides, sheltered workshops are not required to pay trainees training allowances at a rate not lower than the statutory minimum wage (SMW) rate. In this connection, will the Government inform this Council:

- (1) Of the mechanism for setting and adjusting the amount of the incentive payment; whether the amount was adjusted in the past five years; if so, of the number and magnitudes of adjustments; whether it has plans to review the amount; if so, of the details; if not, the reasons for that;
- (2) Whether it knows the maximum, minimum, average and median amounts of monthly training allowances paid to the trainees at present;
- (3) Whether it has compiled statistics on the number of trainees in each of the past five years who were CSSA recipients and were paid a training allowance of over \$6,800 in certain month(s) of the year; if so, of the details; if not, whether it will compile such statistics expeditiously;
- (4) Why SWD, in calculating the amounts of CSSA payments payable to trainees who are CSSA recipients, regards training allowances received by them as employment earnings, and whether SWD will review and change that practice, so as to avoid trainees temporarily stopping to receive training lest their CSSA payments will be deducted; and
- (5) As sheltered workshops receive purchase orders like a factory and trainees are engaged in production work like factory workers, why the trainees are not protected under the SMW regime; how the authorities tell clearly whether the trainees are engaged in production work or are receiving

training in a workshop, so as to prevent persons with disabilities from being exploited?

Reply:

President,

My consolidated reply to the Member's question is as follows:

(1) The purpose of incentive payment is mainly to encourage persons with disabilities to attend vocational rehabilitation training programmes. In 2008, the rate of incentive payment per day was \$21 and has been increased to the current rate of \$26.5 in November 2014. The formula for the adjustment of incentive payment endorsed by the Finance Committee of the Legislative Council is at the Annex.

Given that the service mode of sheltered workshops has been adopted for many years, the Government announced in the 2018 Policy Agenda that the need and feasibility of developing a new service mode for sheltered workshops would be explored, with a view to better addressing the vocational training needs of service users.

(2) As at the end of March 2018, the average monthly training allowance for each sheltered workshop trainee was about \$850. The Social Welfare Department (SWD) does not have statistical information on the minimum, maximum and median amounts of monthly training allowance for individual trainees.

(3) The SWD does not have statistical information on the number of sheltered workshop trainees who were Comprehensive Social Security Assistance (CSSA) recipients and received a training allowance higher than \$6,800 in certain month(s) of the year.

(4) The CSSA Scheme provides a safety net of last resort for those who cannot support themselves financially so as to help them to meet their basic needs. In this regard, means tests are required under the scheme to ensure the prudent use of public funds. At the same time, the scheme caters for the special needs of persons with disabilities through the provision of higher standard rates, special grants and supplements.

Moreover, if sheltered workshop trainees are CSSA recipients, the incentive payments received can be excluded from being counted as income. However, the amount of such payments can only be up to \$26.5 per trainee per day. Other than the incentive payments, other amounts received from sheltered workshops can also be disregarded under the disregarding earnings (DE) arrangement under the scheme, subject to a maximum of \$2,500 per month. Furthermore, the Community Care Fund launched a three-year pilot scheme in October 2016 under which the maximum DE level for CSSA recipients with disabilities has been raised to further encourage them to secure employment. Together with the DE of \$2,500 mentioned above, the maximum level of the DE for CSSA recipients with disabilities under the pilot scheme is \$4,000 per month.

(5) Sheltered workshops aim to provide persons with disabilities who are not

yet able to take up open employment because of their physical or mental limitations with suitable vocational rehabilitation training in a specially designed environment, in which they can learn to adjust to normal work requirements, develop social skills and interpersonal relationships, explore economic potential and get prepared for potential advancement to supported or open employment in future. The SWD allocates funding for incentive payment to service operators according to the number of service places provided by individual sheltered workshops. At present, trainees receiving training at sheltered workshops are offered an incentive payment so as to encourage their attendance and participation in training for their own benefit. Trainees receive incentive payments for attending the training at sheltered workshops. The incentive payments provided by the SWD are not salaries.