

LCQ6: Assistance provided for unemployed

Following is a question by the Dr Hon Fernando Cheung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (May 6):

Question:

To cope with the coronavirus disease 2019 epidemic, a number of government departments have twice implemented special work arrangements in recent months, with certain public services being suspended or curtailed. Some members of the public have relayed that the Social Security Field Units of the Social Welfare Department (SWD) have recently been crowded with a large number of people queuing up to submit applications for the Comprehensive Social Security Assistance (CSSA). In this connection, will the Government inform this Council:

(1) whether it will consider afresh establishing an unemployment assistance, so that persons who have been affected by the epidemic and become unemployed do not need to apply for CSSA; if not, of the reasons for that;

(2) given that the SWD has set a performance pledge in respect of processing CSSA applications, i.e. under normal circumstances, all procedure for CSSA applications can be completed within four weeks provided that applicants can produce all the necessary information, of the average and median numbers of days taken to complete all the procedure for new CSSA applications, in each month since January this year;

(3) given that the number of CSSA applications is expected to rise with a rising unemployment rate, whether the SWD has plans to deploy additional manpower and other resources so that the aforesaid performance pledge can still be met; if so, of the details; if not, the reasons for that;

(4) given that the Government will implement, for a time-limited period of six months, an unemployment support scheme under the CSSA framework, during which the asset limits of CSSA applicants who are able-bodied adults will be relaxed by 100 per cent, whether CSSA recipients under such scheme will be required to meet the original requirement on asset limits after six months in order to continue to receive CSSA; and

(5) whether it will consider extending the measure to relax the asset limits by 100 per cent to cover elderly CSSA, so that unemployed persons of all ages may receive the assistance needed?

Reply:

President,

Since the outbreak of the coronavirus disease 2019 (COVID-19) in the community, the Government has implemented a series of disease control measures in view of the development of the pandemic. These measures include special work arrangement for civil servants and various arrangements to minimise social contact, etc. In this connection, the Social Security Field Units (SSFUs) of the Social Welfare Department (SWD) have put in place restrictive measures on public services involving face-to-face contact since early February 2020 to reduce the risk of community infection. Nevertheless, the SWD has been implementing special measures, such as facilitating applicants to make use of the application drop boxes outside the SSFUs, or to provide application information by post, fax or email to ensure timely processing of applications for the Comprehensive Social Security Assistance (CSSA) and Social Security Allowance (SSA) (including the Old Age Allowance (OAA), Old Age Living Allowance (OALA) and Disability Allowance (DA)) and timely disbursement of the relevant payments to eligible applicants and existing recipients. The SSFUs have also continued to arrange meetings with individual applicants as necessary in order to actively process their applications without delay. In view of the Government's announcement on the gradual resumption of public services made on April 28, 2020, all SSFUs of the SWD have resumed opening to the public in full since May 4, 2020.

My reply to the question raised by the Member is as follows:

(1) As stated in the reply of the Chief Secretary for Administration to a written Legislative Council (LegCo) question on April 29, 2020, there are currently no mechanisms/ systems in place to disburse unemployment assistance fund promptly in Hong Kong. These mechanisms/ systems include: (1) a pay-as-you-go income tax system; (2) a contributory social insurance system; or (3) a central provident fund system. It will take time if we were to establish such a mechanism/ system, and imminent needs cannot be relieved expeditiously. As an expedient measure, the Government will launch a time-limited unemployment support scheme (for a period of six months) through the CSSA system. The asset limits for able-bodied applicants will be temporarily increased by 100 per cent and the value of an owner-occupied residential property of able-bodied households will be disregarded according to the established arrangement with a view to providing immediate financial assistance for those unemployed who are most in need. In addition, employees are qualified for severance payment or long service payment if they satisfy the conditions stipulated in the Employment Ordinance. Meanwhile, under the Love Upgrading Special Scheme of the Employees Retraining Board, the existing maximum amount of monthly allowance during the training period is \$4,000 per eligible trainee (who are unemployed or underemployed). The amount will be increased to \$5,800 with effect from May 25, 2020 subject to the completion of the legislative amendment.

(2) and (3) Generally, if CSSA applicants or their guardians/ appointees can provide all the necessary information, the application procedures can be completed in four weeks. During the period when the SSFUs shortened their opening hours, the SWD processed CSSA applications as usual with the aforementioned special measures. In view of the fact that each application

involves different circumstances, the SWD does not maintain relevant information on the time for approving the applications.

(4) Having considered the unprecedented challenges posed by the COVID-19 in Hong Kong, the Chief Executive announced on April 8, 2020 the second round of anti-epidemic measures including the provision of a time-limited unemployment support scheme through the CSSA system. The Finance Committee of the LegCo approved the related funding on April 18, 2020. The SWD will temporarily relax the CSSA asset limits for able-bodied persons (including able-bodied adult singletons and able-bodied adults and children under family cases) by 100 per cent for six months. The relevant scheme will be effective from June 1 to November 30, 2020 (i.e. the asset limits will revert to the existing level from December 1, 2020). Moreover, under the existing CSSA arrangement, the value of an owner-occupied residential property of households with able-bodied persons will be disregarded for a grace period of 12 months. This arrangement will also apply to applicants under the six-month unemployment support scheme. It is roughly estimated that the above-mentioned scheme will benefit about 40 000 households and involve a total expenditure of about \$3,520 million.

(5) The purpose of the aforementioned unemployment support scheme is to provide timely and basic assistance to abled-bodied persons who face unemployment in these difficult times through the existing CSSA system. As mentioned above, it is a temporary and time-limited special arrangement.

As for other persons in need, the Government has provided a range of assistance for elderly persons, persons with disabilities and low-income working families under the SSA Scheme (including the OALA, OAA and DA) and the Working Family Allowance Scheme. With the launch of the Normal OALA in 2013 and the Higher OALA in 2018, the entire OALA now supports some 570 000 elderly persons aged 65 or above, with 520 000 of them receiving the Higher OALA (currently at \$3,585 per month) and the remaining 50 000 receiving the Normal OALA (currently at \$2,675 per month). The annual expenditure incurred by the OALA alone amounts to \$23 billion.

Furthermore, the 2020-21 Budget has proposed a one-off extra payment which is equivalent to one month of payment to eligible persons who are receiving social security payments (including all elderly persons receiving these payments (e.g. the OALA)).