

LCQ7: Claim for Disabled Dependant Allowance

Following is a question by the Hon Shiu Ka-chun and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (June 20):

Question:

At present, an applicant may not concurrently receive more than one of the various allowances (including Old Age Allowance (OAA), Disability Allowance (DA) and Old Age Living Allowance (OALA)) under the Social Security Allowance Scheme. As such, the Social Welfare Department (SWD) will not arrange medical assessment for those elderly persons who are receiving OALA to ascertain if they are eligible for DA. On the other hand, where a taxpayer claims Disabled Dependent Allowance (the tax allowance) for maintaining a dependent who is not a DA recipient, the Inland Revenue Department (IRD) may demand the taxpayer to submit a Medical Assessment Report issued by the Director of Health or the Chief Executive of the Hospital Authority (medical authorities), certifying that the dependent's disabling condition meets the eligibility requirements for DA in the relevant year of assessment. In this connection, will the Government inform this Council:

(1) of the maximum number of years that may be covered by the aforesaid Medical Assessment Reports issued by the medical authorities based on medical records; whether IRD will refuse a claim for the tax allowance on the grounds that a taxpayer has failed to provide a Medical Assessment Report covering the relevant year of assessment; whether the authorities will review the arrangements for claiming the tax allowance;

(2) whether at present, persons with disabilities may request, on their own and without being arranged by SWD, the medical authorities to issue the above Medical Assessment Reports; if so, of the details; if not, the reasons for that; and

(3) given that elderly persons with disabilities in general have more financial needs than those who are old but without disabilities or those who are not old but with disabilities, whether the authorities will consider afresh disbursing both DA and OAA to elderly persons with disabilities?

Reply:

President,

In consultation with the Labour and Welfare Bureau and the Food and Health Bureau, my reply to the Hon Shiu's question is as follows:

At present, a taxpayer can claim the Disabled Dependant Allowance (DDA)

if he/she maintains a dependant who is eligible to claim an allowance under the Government's Disability Allowance Scheme in any year of assessment. The Inland Revenue Department (IRD) will process the claim for DDA by the taxpayer in respect of the eligible dependant even if the dependant who is eligible for the Disability Allowance (DA) does not claim such an allowance or has opted for the Old Age Living Allowance (OALA).

Taxpayers need not submit any proof when claiming the DDA. The IRD may require individual taxpayers to submit evidence of the dependant's eligibility for the DA in reviewing the applications. If the dependant has applied to the Social Welfare Department (SWD) for the DA, the taxpayer can provide the file number of the dependant's application as proof. If the dependant has not claimed an allowance under the Government's Disability Allowance Scheme (including those eligible for the DA but have opted for the OALA), the IRD will send a review letter to the taxpayer and request the taxpayer to submit a medical assessment issued by a registered medical practitioner certifying that the disability condition is assessed in accordance with the definition of such a condition under the Comprehensive Social Security Assistance (CSSA) Scheme or the Social Security Allowance Scheme, so as to substantiate that the disability condition of the dependant warrants the DA in the relevant year. To facilitate the taxpayer to submit a proper Medical Assessment Report to substantiate the DDA claim, the IRD will send a medical assessment form issued by the SWD for the purpose of assessing the DA application together with the review letter. The taxpayer is not required to request the SWD to arrange for his/her dependant to convert to DA or issue the medical assessment form afresh. The medical assessment form completed and signed by the registered medical practitioner can already satisfy the IRD's requirement as evidence for the purpose of claiming the DDA.

For questions (1) and (2), the IRD must ensure that the deduction of the DDA complies with section 31A of the Inland Revenue Ordinance. If a taxpayer fails to provide a Medical Assessment Report covering the year of assessment concerned in respect of the dependant during the review, the IRD cannot accept the claim for DDA in respect of the dependant in that year of assessment. Based on the IRD's past experience, taxpayers were in general able to provide the required Medical Assessment Reports during the review of DDA claims. In fact, the Medical Assessment Reports for review cases are acceptable by the IRD so long as the Reports can indicate that the year of assessment concerned is covered by the disability duration. While the existing review procedures are operating smoothly, the IRD will review the arrangements with relevant bureaux and departments when necessary.

For question (3), DA and Old Age Allowance (OAA) under the Social Security Allowance Scheme are non-contributory and non-means-tested. These two schemes are addressing the special needs of the respective target groups of beneficiaries, and a person should not receive both allowances concurrently. For instance, persons with severe disabilities, regardless of age, generally require more assistance and care from others when compared to elderly persons without disabilities, and hence the rate of DA (monthly payments of Normal DA and Higher DA are \$1,720 and \$3,440 respectively) is

higher than that of OAA (\$1,345 per month). Moreover, this arrangement is in line with the "no double benefits" rule, which ensures the sustainability of the social security system. The Government has no plan to change this rule.

Elderly persons with disabilities who have financial needs may consider applying for the means-tested OALA (monthly payments of Normal OALA and Higher OALA are \$2,600 and \$3,485 respectively) or the CSSA Scheme having regard to their circumstances and wishes. At present, the average CSSA monthly payment for an elderly singleton is \$6,394. In general, elderly persons with disabilities are provided with higher payment rates than able-bodied elderly persons.