

COMMISSION ON POVERTY

Ad Hoc Group on the Elderly in Poverty

Asset limits for the elderly under Comprehensive Social Security Assistance Scheme

Purpose

This paper aims to provide information on the asset limits for the elderly (60 years of age or above) under the Comprehensive Social Security Assistance (CSSA) Scheme.

Background

2. The CSSA Scheme is designed to provide a safety net of last resort for those who cannot support themselves financially for various reasons such as old age, ill health, unemployment, low earnings and single parenthood. The CSSA Scheme is non-contributory but means-tested. To qualify for assistance, an applicant must satisfy the prescribed eligibility criteria, including, among others, the income and assets tests.

Current Arrangements

Asset limits for the elderly

3. The primary objective of setting asset limits for CSSA applicants is to allow those on CSSA to possess or accumulate some savings to provide for emergencies and personal disposal. Those with assets above such levels cannot be considered needy and would be screened out. Following the 1998 CSSA Review, the eligibility requirement for able-bodied persons has been tightened. Elderly, disabled persons or persons medically certified to be in ill-health are allowed a higher asset limit than the able-bodied persons.

4. If the elderly applicant is living with family members, the application has to be made on a household basis. The total income and assets of

all family members in the same household are taken into account in determining the family's eligibility for assistance. The total value of the assets, including cash, bank savings, investments in stocks and shares, and other readily realizable assets, held by the elderly applicant and his/her family members must not exceed the following limits:

Elderly, disabled persons or persons medically certified to be in ill-health		Able-bodied adults/children	
No. of such members	Asset limit (\$)	No. of such members	Asset limit (\$)
1	34,000	1	14,500
2	51,000	2	29,000
3	68,000	3	43,500
4	85,000	4 or above	58,000
5	102,000		
6	119,000		

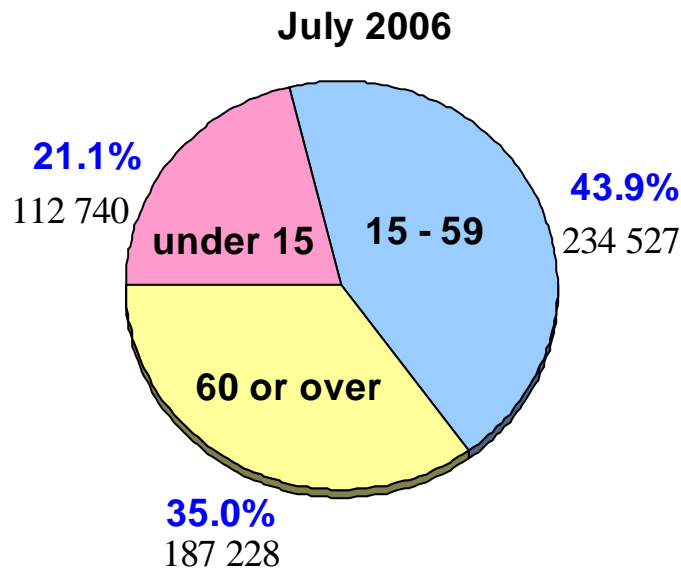
5. The asset limits for CSSA are revised from time to time in accordance with the movement of the Consumer Price Index (A)(CPI(A)).

Key Statistics

Elderly CSSA recipients by age and case nature

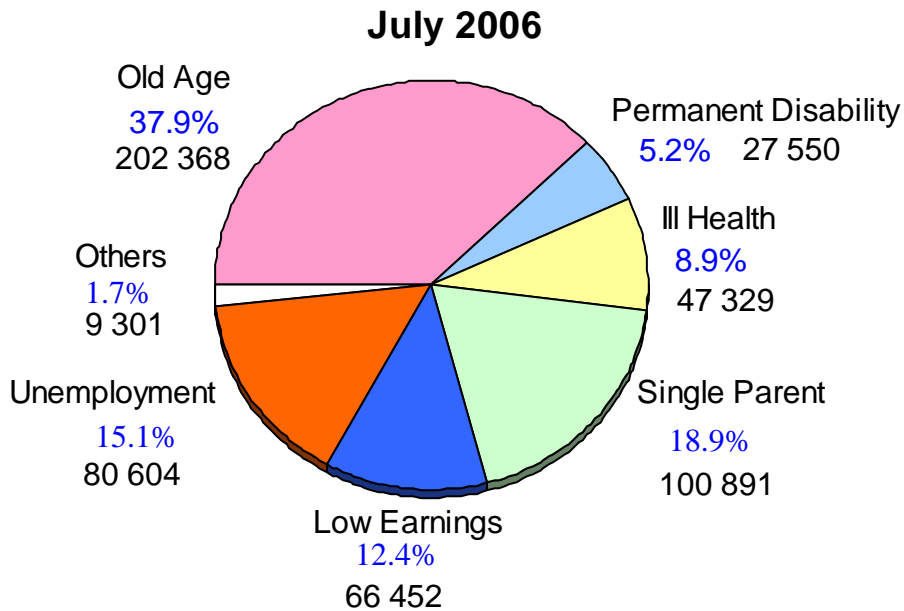
6. As at the end of July 2006, 187 228 elders aged 60 or above were on CSSA, which account for 35% of all CSSA recipients. Statistics of CSSA recipients by age and case nature are shown in the charts below:

Chart 1: Breakdown of CSSA recipients by age



Total number of CSSA recipients: 534 495

Chart 2: Breakdown of CSSA recipients by case nature



Total number of CSSA recipients: 534 495

Notes:

- (1) Percentage may not add up to 100% due to rounding.
- (2) The difference between the number of CSSA recipients in the elderly case category (202 368) and that of 60 years of age or above (187 228) can be

explained by the fact that an old age elderly case may include younger members of the family, and an elderly may apply for CSSA under other categories such as ill health or permanent disability.

Expenditure on CSSA old age cases

7. Government expenditure on CSSA old age cases in 2005-06 was \$8.1 billion. The number of recipients and Government expenditure on CSSA old age cases over the past few years are set out in the table below:

	Number of elderly recipients (end of year)	Expenditure on CSSA old age cases (\$ billion)
2002-2003	172 073	7.9
2003-2004	179 811	8.0
2004-2005	184 617	8.0

Average monthly CSSA payment for elders

8. In accordance with CSSA rates as revised from February 2006, the estimated average monthly CSSA payment for a single elder is about \$3,700. Details of the average monthly CSSA payment for all CSSA cases by number of eligible members are as follows:

Number of eligible members	Estimates [#] on average monthly CSSA payment* (\$)
1	3,468
2	5,786
3	7,753
4	9,118
5	10,825
6 and above	13,534

Notes:

#The estimates are drawn from CSSA cases during the period of November 2004 – October 2005 with payment rates adjusted from 1.2.2006.

* Refer to the amount when a CSSA case does not have other income.

Health, Welfare and Food Bureau
Social Welfare Department
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