

# **Community Care Fund**

## **Pilot Scheme on Raising the Maximum Level of Disregarded Earnings for Recipients with Disabilities under the Comprehensive Social Security Assistance Scheme**

### **Evaluation Report**

#### **Background**

The Community Care Fund (CCF) has launched a “Pilot Scheme on Raising the Maximum Level of Disregarded Earnings for Recipients with Disabilities under the Comprehensive Social Security Assistance Scheme (Pilot Scheme) since 2016 to encourage recipients with disabilities under the Comprehensive Social Security Assistance (CSSA) Scheme to secure employment. Under the Pilot Scheme, CSSA recipients with disabilities who are currently employed are encouraged to look for jobs with higher salaries, while those who are currently unemployed are encouraged to join the labour force.

#### **Implementation of the Pilot Scheme**

2. The three-year Pilot Scheme launched in October 2016 with the total funding provision of \$47.25 million and is anticipated to benefit about 3 000 persons per month. The Pilot Scheme is administered by the Social Welfare Department (SWD). The Commission on Poverty approved in July 2019 to extend the Pilot Scheme under the current mode of operation for 12 months to end-September 2020 for further review.

3. Disregarded Earnings (DE) refers to the earnings from employment that are disregarded when assessing the amount of assistance payable to a CSSA recipient. Under the CSSA Scheme, all categories of recipients in cases which have been on CSSA for not less than two months are eligible for the DE benefits. The current arrangement is that the first \$800 of the monthly earnings from employment of a CSSA recipient is totally disregarded, while up to half of the next \$3,400 of his/her earnings (i.e., \$1,700) is also disregarded, adding up to a total of \$2,500 per month at the maximum.

4. Under the Pilot Scheme, the maximum level of DE is raised such that the first \$1,200 of the monthly earnings from employment of a disabled CSSA recipient will be totally disregarded, while up to half of the next \$5,600 of his/her earnings (i.e., \$2,800) will also be disregarded, adding up to a total DE of \$4,000 per month at the maximum. The difference between the raised DE and the recipient's earnings already been disregarded under the current DE arrangement of the CSSA Scheme is the amount of “additional DE” payable to a beneficiary under the Pilot Scheme. Each eligible person can hence receive a monthly subsidy of \$1,500 at the maximum and the subsidy is disbursed on a quarterly basis. A CSSA recipient with

disabilities must meet the following criteria in order to benefit from the Pilot Scheme:

- (i) he/she is receiving CSSA and medically certified to be disabled or in ill-health;
- (ii) he/she is engaged in paid employment and entitled to the DE arrangement under the CSSA Scheme; and
- (iii) he/she is medically certified to be disabled or in ill-health continuously while enjoying the raised DE under the Pilot Scheme.

5. Eligible CSSA recipients with disabilities are not required to submit applications. SWD will assess the amount of “additional DE” payable to the recipients under the Pilot Scheme based on their earnings from employment which recorded in the Computerised Social Security System (CSSS). Having verified relevant details of the cases, SWD will deposit on a quarterly basis the payments of the “additional DE”, in the form of a subsidy, directly into the bank accounts that the eligible CSSA recipients use for receiving CSSA payments.

## **Evaluation Study**

6. Making reference to the methodology adopted in the evaluation on the effectiveness of other CCF programmes, SWD commenced the evaluation on the effectiveness of the Pilot Scheme in January 2020 and was completed in March 2020. The effectiveness of the Pilot Scheme was mainly evaluated through analysing the number of beneficiaries, the amount of subsidy disbursed, how the subsidies were used by beneficiaries, feedbacks from beneficiaries as well as the enquiries and comments from public. The data was collected based on the record of the CSSA recipients’ earnings from employment which recorded in the CSSS, through the surveys conducted with beneficiaries and from the public enquiries and comments received.

## **Analysis of Evaluation Results**

7. SWD has analysed the collected information and data for the evaluation. The results of the evaluation are as follows:

### **(a) Statistical Data on the Beneficiaries**

8. During the implementation period of the Pilot Scheme since 2016, SWD verified the eligibility of 8 229 persons by virtue of the data in the CSSS, and paid the subsidy to eligible beneficiaries accordingly. As at the end-December 2019, a total of about \$37.19 million was disbursed to eligible CSSA recipients with disabilities.

### **(b) Survey on the Beneficiaries**

9. SWD conducted telephone survey to 100 beneficiaries in January 2020 by random sampling, with a view to understanding their use of subsidy and their

comments of the Pilot Scheme.

(c) Satisfaction on the Pilot Scheme which encouraging CSSA recipients with disabilities to join the labour force

10. According to the evaluation report, up to 81% interviewees agreed that the Pilot Scheme could encourage CSSA recipients with disabilities who are currently unemployed to join the labour force or those who are employed to look for jobs with higher salaries, while minority of the interviewees (6%) disagreed with it. The remaining of the interviewees (13%) had no other comments on the Pilot Scheme.

(d) Use of Subsidy<sup>1</sup>

11. After acquiring the subsidy of the Pilot Scheme, majority of the interviewees (92%) spent the “additional DE” on daily living expenses, while 25% of the interviewees spent the subsidy on job-related expenses (such as meals, travelling expenses). The remaining 17% of the interviewees spent the subsidy on rental expenses.

(e) Comments on the Pilot Scheme

12. Majority of the interviewees (93%) were satisfied with the arrangement of the Pilot Scheme. Among the 100 interviewees, 29% of them expressed some comments, it included 16% of them wished to increase the subsidy amount, 8% of them proposed to relax the eligibility criteria, suggested a monthly disbursement of subsidy and increased the publicity, another 7% of them respectively proposed to extend the subsidy period and the Pilot Scheme be regularised, etc.

(f) Public Enquiries and Comments

13. In the course of implementing the Pilot Scheme, SWD has set up an enquiry hotline to provide support and information regarding the Pilot Scheme to the concerned public. As at end-December 2019, SWD has received a total of 2 254 enquiries on the Pilot Scheme, the majority of which were concerned about eligibility criteria, subsidy amount, subsidy payment date and acknowledgement of receipt of the subsidy. Some enquiries also provided comments on the Pilot Scheme such as proposing to increase subsidy amount and change disbursement schedule to a monthly basis.

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<sup>1</sup> Under the above item (d) and (e), an interviewee may put forward more than one view and each view would be categorised and counted. As the percentages in respect of various views were calculated with 100, being the total number of interviewees, taken as the base, they may not add up to 100%.

## Conclusion

14. Based on the above survey data, more than 80% of the surveyed CSSA recipients with disabilities agreed that the Pilot Scheme can encourage persons with disabilities to look for jobs with higher salaries, and those who are currently unemployed to join the labour force. At the same time, more than 90% of the interviewed CSSA recipients with disabilities were satisfied with the arrangement of the Pilot Scheme, and some recipients also hoped that the subsidy period of the Pilot Scheme can be extended or regularised. In this regard, it is believed that the arrangement of raising the maximum level of DE can provide financial incentives for CSSA recipients with disabilities to encourage them to seek employment and continue to work, which also reflects that the Pilot Scheme has facilitated employment of persons with disabilities to some extent.

15. After acquiring the subsidy of the Pilot Scheme, more than 90% of the interviewed CSSA recipients with disabilities mainly used it in daily livings, job-related expenses and rental expenses. Although some recipients expressed their hope to increase the subsidy amount, it is believed that the Pilot Scheme can alleviate their financial burden to some extent.

16. Based on the above survey data and results analysis, the Pilot Scheme is conducive to encouraging those who are employed to look for jobs with higher salaries, and those who are currently unemployed to join the labor force. The regularisation of the arrangement on raising the DE will provide continuous support on the needs of those concerned.

17. In the 2019 Policy Address, the Government has put forward a host of improvement measures to enhance the CSSA Scheme, including, among others, raising the monthly maximum amount of DE by 60% from \$2,500 to \$4,000 per month (i.e. the same DE arrangement as that of the Pilot Scheme) as well as increasing the maximum level of earnings to be totally disregarded from a new job from the first month's income to the first two month's income every two years. The proposals for funding allocation were approved by the Legislative Council Finance Committee on 29 May 2020 and the Government will implement the relevant measures as soon as possible. In this connection, the Government proposes to further extend the Pilot Scheme for four months from October 2020 to end-January 2021 under the current mode of operation.

Social Welfare Department  
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