

**‘Disregarded Earnings’ under
Comprehensive Social Security Assistance (CSSA) Scheme**

**‘Disregarded Earnings’ under
Comprehensive Social Security Assistance (CSSA) Scheme**

DISREGARDED EARNINGS

The provision of ‘disregarded earnings’ (DE) under the CSSA Scheme aims to encourage CSSA recipients to find and maintain employment. DE refers to the earnings from employment that are disregarded when assessing the amount of assistance payable to a CSSA recipient.

The total monthly family income (i.e. earnings from employment plus CSSA) of CSSA recipients with employment is always higher than that of those relying entirely on CSSA. Work is the best route to self-reliance. Participation in paid employment can help people not only to build better lives for themselves and their family members, but also to provide their children with an active, valuable role model.

Eligibility requirement for DE

All categories of recipients in cases which have been on CSSA for not less than two months are eligible for DE benefits.

DE benefits

CSSA recipients meeting the eligibility requirement are entitled to the following DE benefits:

(A) Monthly DE

Monthly earnings from employment can be partially disregarded up to a maximum of \$2,500 per month, calculated as follows :

<u>Earnings</u>	<u>Level of disregard</u>	<u>Maximum amount to be disregarded</u>
First \$800	100%	\$800
Next \$3,400	50%	\$1,700
\$4,200 or above	The first \$800 and half of next \$3,400	\$2,500

(B) Total disregard of the first month’s income from a new job

The first month’s income earned from a new job can be totally disregarded (on condition that the recipient has not benefited from this provision during the past two years).

For enquiries

For more information about the CSSA Scheme, please contact our Social Security Field Units or visit our Homepage at <http://www.swd.gov.hk>.

Examples

Example 1 : Part A

A 4-member family comprises the unemployed able-bodied applicant, his wife who is a homemaker, and two children aged 16 and 7 respectively. The elder child is a full-day secondary school student and needs to take lunch away from home while the younger child is studying in a half-day primary school. Monthly expenses of the family include rent of \$3,500, water/sewage charges and fares to and from school of \$400 for the two children. The amount of monthly assistance payable to this incomeless family is :

Recognized needs under CSSA :

	(\$)
✧ Standard rates (for an able-bodied adult, a family-carer and 2 able-bodied children)	5,815
✧ Special grants for	
➤ rent	3,500
➤ water/sewage charges	44.8
➤ meal allowance for the student	220
➤ traveling expenses to and from school	400
= Assistance payable	<u><u>9,980</u></u>

(rounded up to the nearest dollar)

Example 1 : Part B

After relying on CSSA for half a year, the applicant finds a full-time delivery job with a monthly salary of \$5,000. Since his first month's income earned from a new job can be totally disregarded, the first month's salary received by him does not affect the amount of assistance payable to the family (i.e. \$9,980). The total monthly income of the family starting from the following month is:

Recognized needs under CSSA :

	(\$)
✧ Standard rates (for an able-bodied adult, a family-carer and 2 able-bodied children)	5,815
✧ Special grants for	
➤ rent	3,500
➤ water/sewage charges	44.8
➤ meal allowance for the student	220
➤ traveling expenses to and from school	400
Total :	<u>9,979.8</u>

Minus

Assessable income :

Monthly income - Maximum amount of DE (i.e. \$5,000 - \$2,500)	<u>2,500</u>
= Assistance payable	<u>7,480</u>

(rounded up to the nearest dollar)

Total family income = Earnings from employment + CSSA payment (i.e. \$5,000 + \$7,480)	<u><u>12,480</u></u>
---	----------------------

Example 2 : Part A

A 3-member single-parent family comprises the mother and two children aged 14 and 12 respectively. The mother is a full-time housewife. The two children attend full-day secondary school and take lunch away from home. Monthly expenses of the family include rent of \$3,200, water/sewage charges and fares to and from school of \$450 for the two children. The amount of monthly assistance payable to this incomeless family is :

Recognized needs under CSSA :

	<u>(\$)</u>
◇ Standard rates (for 1 single parent and 2 able-bodied children)	5,065
◇ Single parent supplement	255
◇ Special grants for	
➤ rent	3,200
➤ water/sewage charges	28.8
➤ meal allowance for the students	440
➤ traveling expenses to and from school	450
= Assistance payable	<u><u>9,439</u></u>

(rounded up to the nearest dollar)

Example 2 : Part B

After relying on CSSA for 1 year, the single parent decides to take up a part-time cleansing job in the morning with a monthly wage of \$1,800 since her two children are attending full-day secondary school. As her first month's income earned from a new job can be totally disregarded, the first month's salary received by her does not affect the amount of assistance payable to the family (i.e. \$9,439). The total monthly income of the family starting from the following month is :

Recognized needs under CSSA :

	<u>(\$)</u>
◇ Standard rates (for 1 single parent and 2 able-bodied children)	5,065
◇ Single parent supplement	255
◇ Special grants for	
➤ rent	3,200
➤ water/sewage charges	28.8
➤ meal allowance for the students	440
➤ traveling expenses to and from school	450
Total :	<u>9,438.8</u>

Minus

Assessable income :

\$1,800 - \$1,300 (income disregarded)*	500
*income disregarded: $\$800 + (\$1,800 - \$800) \div 2 = \$1,300$	
= Assistance payable	<u>8,939</u>

(rounded up to the nearest dollar)

Total family income = Earnings from employment + CSSA payment
(i.e. \$1,800 + \$8,939)

10,739

(February 2009)