

Old Age Living Allowance FAQs

Income and Assets

31. What do income and assets include?

Income includes wages from employment, income from handiwork, business, etc. (including salaries, wages, monthly commissions or bonuses received, and monthly income from self-employment); retirement benefits/pensions; net income on rentals collected; and payout from the annuity scheme(s). While monthly or occasional contributions (including pocket money or contributions for living expenses) from family members / relatives / friends and monthly payments received under reverse mortgage schemes are excluded, any savings / cash in hand accumulated from unused or unspent amount will be treated as assets.

Assets include land and non-owner-occupied properties, cash in hand, bank savings, investments in stocks and shares (including bonds, trust fund, interest in any business of sole proprietorship, partnership or firms / limited companies and accrued retirement benefits), vehicle for investment (e.g. taxi and public light bus) and its business licence, and gold bars and gold coins, etc. (jewellery for self-use are disregarded). Owner occupied property, columbarium niche for future self-use and the cash value of insurance schemes are excluded. Please visit “Income and Asset Limits for OALA under Eligibility Criteria” for the details of income and assets.

32. What are accrued retirement benefits?

Accrued retirement benefits refer to retirement benefits currently held in Mandatory Provident Fund (MPF) Scheme(s)^(Note) or other retirement scheme(s). The estimated total amount of such accrued benefits can be based on information in the latest benefit statement(s) issued by the MPF trustee(s) or other retirement schemes trustee(s) / administrator(s) or information obtained through other relevant documents. For applicant's spouse / cohabiting partner (if applicable) aged below 65, the accrued retirement benefits of the spouse / cohabiting partner are disregarded under the asset test while the monthly mandatory contributions to MPF Scheme(s) or other retirement scheme(s) are disregarded under the income test.

(Note) According to the provisions of the MPF Scheme, once MPF members attain the retirement age of 65, they can withdraw all their accrued retirement benefits in a lump sum on their own accord.

33. If elderly persons transfer their assets to their family member(s) before making the declaration in order to meet the prescribed limit of assets, will they be eligible for Normal OALA / Higher OALA? Will they be considered as having made false declaration in future case reviews?

OALA aims at alleviating poverty and supplementing the living expenses of elderly persons with financial needs. Therefore, applicants are required to declare their and their spouse's / cohabiting partner's (if applicable) income and assets honestly. Their income and assets must not exceed the prescribed limits at the time of the declaration in order to meet the eligibility criteria.

Aiming at helping those with genuine needs, OALA has been designed to be convenient in the application and on the basis of trust. It is a matter of personal and family decision as to how elderly persons would manage their assets. Elderly persons are advised to take into account the risks involved and handle this matter carefully. If an elderly applicant intentionally withholds or omits any relevant information, he / she may have breached the law and be liable to prosecution. SWD will also duly recover any overpayment so incurred.

34. How will the value of assets be assessed if an applicant holds a joint account with his / her family member(s)? Are ancestral houses and columbarium niches regarded as assets? Are earnings from collecting and selling carton papers, with no proof of income, regarded as income?

Assets include those in Hong Kong, Macao, the Mainland and overseas separately or jointly owned by the applicant and / or his / her spouse / cohabiting partner (if applicable) or jointly owned with other person(s). If an applicant holds a joint account with his / her family member(s), the value of the assets concerned will generally be apportioned by half, unless both parties specify the proportional share of the assets in a joint declaration. As for properties, only the value of one residential property which is the applicant's principal place of residence in Hong Kong and one parking

space for self-use are regarded as “owner-occupied properties” and are disregarded under the asset test. Other properties, including ancestral houses, separately or jointly owned by the applicant and / or his / her spouse / cohabiting partner (if applicable) or jointly owned with other person(s) are regarded as non-owner-occupied properties and should be taken into account for assessment of assets. A columbarium niche for future self-use is generally excluded from the assessment of assets.

Income / earnings generated from any kind of work undertaken by the applicant and / or his / her spouse / cohabiting partner (if applicable) should be declared.

- 35. Will contributions from relatives or friends be counted as income or assets? My mother has been living in a self-occupied flat for over 20 years. She is now 86 years old and has several hundred thousand dollars life savings which she won't use as long as she is alive. Each month she has about \$6,000 for her living, with \$4,000 from my younger brother and about a thousand dollar of "fruit money". Will she be eligible for the Normal OALA / Higher OALA?**

Contributions (including pocket money or contributions for living expenses) from family members, relatives or friends are not counted as income under the OALA. However, contributions (including pocket money or contributions for living expenses) accumulated as savings will be regarded as assets. If the total value of income / assets is lower than the prescribed limits, he / she will be eligible for Normal OALA / Higher OALA.

- 36. If a husband is over 70 years old and has personal assets, while his wife has not reached the age for application, should he declare his personal assets only?**

If an applicant's marital status is “Married” or “Cohabiting” (See Note of Q&A 2), he / she should declare the income and assets of his / her spouse / cohabiting partner even if his / her spouse / cohabiting partner has not reached the age for application. Such application will be subject to the means test assessment based on the “Financial Resource Limits for Married Couples”.

- 37. My mother has been an OAA recipient who does not have any income or assets. She lives with us (her sons) but we have assets. Will she be eligible for Normal OALA / Higher OALA?**

Assessment of Normal OALA / Higher OALA applicants' eligibility is on the basis of a single person or married couples, but not on a household.

- 38. My mother has asked me whether SWD will find out if she withdraws all her several-hundred-thousand-dollar savings from the bank and put them in a biscuit tin?**

Cash in hand is regarded as assets. Applicants should make an honest declaration of their income and assets and any deliberate non-disclosure or omission of relevant information may make them liable to prosecution. Any overpayment so involved will be duly recovered by SWD.

- 39. I live with my son who has been repaying mortgage loan for his flat. I own another flat which is on lease and collect a rental of several thousand dollars. Can I apply for Normal OALA / Higher OALA if my assets do not exceed the limits? What are the asset limits for a household of two?**

Net income received from letting or sub-letting is regarded as income and non-owner-occupied properties are regarded as assets. If the applicant's income and assets are lower than the prescribed limits, he / she is eligible for Normal OALA / Higher OALA.

- 40. I will be 65 years old next year. When can I apply for Normal OALA / Higher OALA?**

Only those who have reached 65 years old can apply and will be eligible for Normal OALA / Higher OALA, subject to meeting other eligibility criteria. The SWD accepts an applicant to make an application within one month prior to his/her reaching the qualifying age (i.e. the 65th birthday) for the allowance.

- 41. Is the cash value of insurance schemes regarded as assets? If the personal savings are used for acquiring insurance, will such amount**

of savings be excluded from assets?

The cash value of insurance of Normal OALA / Higher OALA recipients is disregarded in the asset test. This is based on the existing simple declaration mechanism of income and assets for the convenience of elderly persons. It also takes into consideration that the insurance policies acquired by elderly persons with financial needs are mostly under the categories of life, medical or critical illness insurance, etc. The cash value of such insurance, which have to be accumulated over a long period of time for contingency use. It is therefore not counted as assets.

42. Are parking spaces of the properties included as assets? Is the rent received from parking spaces part of the income?

Parking spaces are part of properties. Same as owner-occupied properties, a parking space for self-use will not be counted as assets. But for a parking space being leased out, its value will be included as assets and the net rent received will also be included as income.

43. Are items kept in a safe deposit box regarded as assets?

All items belonging to the six listed categories of assets (e.g. cash in hand, bank savings, investments in stocks and shares, gold bars and gold coins, etc.) kept in a safe deposit box are also be regarded as assets.

44. If an elderly person has participated in the Reverse Mortgage Scheme, will the monthly payments generated from reverse mortgage be regarded as income?

Payments received under the Reverse Mortgage Scheme will not be counted as income under the Normal OALA / Higher OALA.

45. I have gold tooth / teeth as well as some jade jewellery and ornaments. Are they regarded as assets?

Gold tooth / teeth and personal ornaments (including gold jewellery, jade jewellery, etc.) can be excluded from being counted as assets.

46. How will the value of investment in shares, foreign currencies, gold bars and other assets be calculated?

If the applicant has investment in shares, foreign currencies, gold bars and other assets, the average selling price [i.e. (the highest + the lowest) / 2] quoted on the last transaction day immediately preceding the date of application for OALA should be taken into account as value of the assets. The applicant may also make reference to the latest bank statement / statement of securities (if appropriate) issued on the nearest day before the date of application.

47. How will the value of assets be assessed if an applicant holds a joint account with his / her family member(s) and the assets are not apportioned by half? How should both parties declare the proportional share of the assets when completing the Application Form?

If an applicant holds a joint account with his / her family member(s) and the assets are not apportioned by half, both parties are required to specify the proportional share of the assets in a joint and duly signed declaration. The account number and total assets value of the concerned joint account as well as the proportional share of the assets of both parties should be clearly listed out in the declaration. The applicant should return the completed Application Form together with the signed declaration to SWD.