

S. C. M. P.

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\$5,000 allowance sought

Taxpayers should be given at least \$5,000 for each dependent parent when the selective allowance is reintroduced next year, the director of the Hongkong Council of Social Service, Mr Hui Yin-fat, said yesterday.

Another community leader, Dr L. K. Ding, thought it only fair to allow a dependent parent as much as the first dependent child, which is \$4,000 a year.

However, a University of Hongkong economist, Dr Y. C. Jao, said it was not possible to make an intelligent

assessment of the amount until more information is available.

"We need to know what the administrative costs will be.

"Also, what will be the cost to public revenue?"

"One has to consider the loss to public revenue on one hand and on the other whether it is likely to be of any real benefit to the taxpayer before a specific sum can be decided," Dr Jao said.

Explaining his suggestion, Mr Hui felt that \$400 a month is really the minimum that the average person would

have to spend looking after a parent. An annual allowance of \$5,000 is not unreasonable.

"Anything less would be so inadequate as to be of hardly any significance to the taxpayer," Mr Hui added.

The dependent parent's allowance was first introduced in 1970 but was withdrawn three years later.

Apart from the difficulty and cost of administering the allowance it was also found that there had been widespread abuse, the Financial Secretary, Mr Philip Haddon-Cave, told the

Legislative Council on Thursday.

The maximum allowance used to be \$2,000 for each parent, provided the parent's own income did not exceed \$2,000.

A spokesman for the Inland Revenue Department explained: "Where the child contributed less than \$2,000 it was the actual amount of the contribution that was granted and if more than one child contributed towards the maintenance of the parent the amount of allowance was apportioned among them."

While welcoming reintroduction of the allowance, Dr Jao stressed the necessity of devising a means test to ensure it will not be open to abuse.

"There should be more careful checking this time to determine if parents are indeed dependent and have no independent income of their own," he said.

Dr Ding did not envisage any major obstacles in administering the allowance.

Any difficulties are "just an excuse given by the Financial Secretary," he said.

"Financially (reintroduction) will not be a great loss to the Government, but respect for the old is one of the virtues of the Chinese which must be preserved," Dr Ding continued.

Mr Hui did not foresee any difficulties either.

He said it would be simple to follow the practice in the United States, where a parent signs a "power of attorney" to nominate which of his children should benefit from the allowance.