

4.4 Calculation of Income and Net Asset Value and the Necessary Documents and Declaration Forms

4.4.1 The Applicant and all his/her family member(s) (including those aged below 18 and with income) are required to declare all of their pre-tax monthly income. The employment and/or latest income positions of the Applicant and all his/her family member(s) on the date of signing the Application Form/declaration form(s) are taken as the basis of declaration. Persons without income must enter either “Nil” or “0” in the part for income declaration. If that part is left unfilled, the Application Form and the relevant documents will be returned and the application will not be registered (please refer to Item 4.2.2).

(a) Income required to be declared (in Hong Kong dollars) and the detailed calculation methods are as follows:

Source of Income	Notes on the Calculation Method	Supporting Documents and Declaration Forms Required
Income from employment	Average monthly income refers to pre-tax net income after deducting contribution to Mandatory Provident Fund/Recognised Occupational Retirement Scheme from (1) regular/irregular basic salary; (2) living allowance/overtime pay/bonus or commission/other allowances or incentives; and (3) annual double pay/annual bonus/other annual gratuity, etc. 1. Persons who have a fixed employer Note 11 (i) Regular/irregular basic salary - Persons with <u>regular</u> basic salary should take the basic salary of the whole calendar month before the date of signing the Application Form/declaration form(s) as income. - Persons with <u>irregular</u> basic salary should add up the amount of irregular income received during the period of continuous employment before the date of signing the Application Form/declaration form(s) and derive the average figure by dividing the total amount of irregular income received in the past six calendar months by six. - If the employment period is less than six calendar months before the date of signing the Application Form/declaration form(s), the average figure should be derived by dividing the total amount of income received by the corresponding employment period.	- Persons who have a fixed employer are required to submit the original copy of the Employer Certificate (HD527E) signed by the employer/the Company's responsible person (valid for three months from the date of issue) - Persons who have no fixed employer are required to submit the completed declaration form (No. RCSU2-001E) - Persons who are employed to work on a fishing vessel are required to submit the original copy of the declaration form (No. RCSU2-006E) signed by the employer

Note 11: For applicants and/or family members with irregular monthly income, if, upon deriving the average figure of their irregular income in the past six calendar months before the date of signing the Applicant Form/declaration form(s), their monthly income is found to have exceeded the prescribed PRH income limit, the average figure of their irregular income in the past 12 calendar months before the date of signing of the Applicant Form/declaration form(s) may be taken as the monthly income. If the continuous period of employment is less than 12 calendar months, the average figure should be derived by dividing the total amount of income received during the period of continuous employment by the corresponding period of employment.

Source of Income	Notes on the Calculation Method	Supporting Documents and Declaration Forms Required
	(ii) Net income in the form of living allowance/overtime pay/bonus or commission/other allowances or incentives - For a <u>regular amount</u>, the amount received in the whole calendar month before the date of signing the Application Form/declaration form(s) should be declared. - For an <u>irregular amount</u>, the average figure should be derived by dividing the total amount of irregular income received in the past six calendar months before the date of signing the Application Form/declaration form(s) by six. - If the period of continuous employment is less than six calendar months, the average figure should be derived by dividing the total amount of income received by the corresponding period of employment. (iii) Annual double pay/annual bonus/other annual gratuity - The average monthly income should be derived by dividing the total amount received from the current employment in the past one year before the date of signing the Application Form/declaration form(s) by 12. - If the period from the date of employment up to the date of disbursement of the total amount is less than 12 months, the average figure should be derived by dividing the total amount received as at the date of disbursement by the corresponding period of employment, i.e. between the date of employment and the date of disbursement.	

Source of Income	Notes on the Calculation Method	Supporting Documents and Declaration Forms Required
	<u>2. Persons who have no fixed employer</u> For persons who have no fixed employer, the average monthly income should be derived by dividing the total amount of irregular income received in the past 12 calendar months before the date of signing the Application Form/declaration form(s) by 12. If the employment period is less than 12 calendar months before the date of signing the Application Form/declaration form(s), the average income should be derived by dividing the total amount of income received by the corresponding period of employment. <u>3. Applicable to all employed persons</u> (i) If living in quarters provided by the employer, the Applicant and/or any of his/her family member(s) must include his/her/their benefits as part of his/her/their income. The methods of calculation are as follows: • For employees who do not need to pay the rent – 10% of the average monthly total employment income of the employees will be taken as his/her monthly income; • For employers who are charging a rent lower than the market rent – rent payment to the employer should first be deducted from 10% of the average monthly total employment income of the employee. The remaining amount will then be taken as his/her monthly income. A negative figure is taken as “0”. (ii) For employees with more than one jobs at the same time, all jobs and all of the income must be declared. (iii) For employees on no-paid leave, the deducted amount of income will not be taken as deductions.	

Source of Income	Notes on the Calculation Method	Supporting Documents and Declaration Forms Required
Income from self-employment (if holding/hiring commercial vehicles or having business undertakings)	The average figure should be derived by dividing the total amount of income during the period of continuous self-employment before the date of signing the Application Form/declaration form(s) by the corresponding number of months or days of self-employment. The maximum calculation period is 12 calendar months: - Trading income less various expenditure on operating cost (such as paid registration fee, insurance premium, interest and maintenance fees) during the period. - Personal wages and bonus or remuneration receivable by shareholders of the company (business losses cannot be deducted from the income).	- Persons who are self-employed without holding a Business Registration Certificate are required to submit the completed declaration form (No. RCSU2-002E) - Persons who hold a Business Registration Certificate are required to submit the completed declaration form (No. RCSU2-009E) - Persons who hire commercial vehicles for business purposes are required to submit the completed declaration form (No. RCSU2-005E) - Persons who own vehicles are required to submit the completed declaration form (No. RCSU2-003E) for declaring the usage of the vehicles. If the vehicles are for commercial use, the persons are also required to submit completed declaration form (No. RCSU2-002E or RCSU2-009E) - Persons who own fishing vessels to make a living are required to submit the completed declaration form (No. RCSU2-004E) - A copy of the valid Business Registration Certificate/Hawker Licence/Fishing Vessel Licence/Vehicle Registration Document/Taxi Driver Identity Plate, etc should be submitted

Source of Income	Notes on the Calculation Method	Supporting Documents and Declaration Forms Required
Rental income (applicable to persons who own land and landed properties)	Net monthly rental income[#] multiplies by the percentage of ownership. [#] The income is derived by subtracting the monthly rates and government rent from the monthly rental income from any leased lands (irrespective of whether holding the entire or part of the title of the land), parking spaces and landed properties (persons owning domestic properties in Hong Kong are ineligible to apply for PRH) owned by the persons in and outside Hong Kong in the past six calendar months before the date of signing the Application Form/declaration form(s) (for vacant/self-occupied properties/leased properties without a duly stamped tenancy agreement and whose rental income derived is lower than the ratable value, the monthly rental income is to be derived by dividing the ratable value by 12) and then deducting 20% of the remaining amount as expenses.	- Persons who own land/landed properties are required to submit the completed declaration form (No. RCSU2-020E) - A copy of the latest Demand for Rates and/or Government Rent should be provided irrespective of whether the properties have been let out

Source of Income	Notes on the Calculation Method	Supporting Documents and Declaration Forms Required
Other sources of income (dividends, bonus, proceeds of insurance policies, periodic interest, maintenance, financial support from relatives and friends, retirement benefits (including pensions), Comprehensive Social Security Allowance (CSSA) etc)	The average figure should be derived by dividing any income received from other than employment/self-employment* in the past six calendar months before the date of signing the Application Form/declaration form(s) by six. * Interest/bonus/dividends, monthly annuity (from deposits and investments including shares, insurance policies and trust fund), retirement benefits (including pensions), CSSA, maintenance payment received, Council Members remuneration, Surviving Spouses' and Children's Pensions/Widows and Orphans Pensions, financial support from relatives and friends (including subsidies from the spouse who has yet to be granted the right to land in Hong Kong), and any other income not included in the above categories should be entered in the part of "Income" in the Application Form. For all insurance policies, including those with savings or investment elements (such as annuity plans), the average monthly bonus, interest and guaranteed monthly annuity payment received in the past one year before the date of signing the Application Form/declaration forms should be declared. For fixed monthly retirement benefits (including pensions) or CSSA, the amount received in the past one calendar month before the date of signing of the Application Form/declaration form(s) should be declared. For persons receiving Long-term Supplement of CSSA, the monthly average payment should be taken as income.	• Persons who own investment items are required to submit the completed declaration form (No. RCSU2-010E) • Persons who own insurance policies (including annuity plans) are required to submit the completed declaration form (No. RCSU2-011E) • Persons who have fixed deposit are required to submit the completed declaration form (No. RCSU2-012E) • Divorced persons are required to submit the completed declaration form (No. RCSU2-007E) to declare whether they are receiving or paying maintenance fee • Persons who are employed and receiving retirement benefits, CSSA, financial support from relatives and friends, etc are required to submit the completed declaration form (No. RCSU2-021E) • Persons who are unemployed are required to submit the completed declaration form (No. RCSU2-008E) to indicate their source of financial support, including whether they are receiving retirement benefits, CSSA, financial support from relatives and friends, etc • Recipients of retirement benefits or CSSA are required to submit the latest supporting documents of the amount of retirement benefits they are receiving or those of CSSA issued by the Social Welfare Department one calendar month before the date of signing the Application Form/declaration form(s) as well as a copy of the Wavier of Medical Charges for CSSA Recipients

Source of Income	Notes on the Calculation Method	Supporting Documents and Declaration Forms Required
Retired persons or persons not in employment (such as unemployed persons, housewives and students)	If there is no income, please enter "Nil" or "0".	- Persons not in employment should submit the completed declaration form (No. RCSU2-008E). If there is employment income in the past six calendar months, the persons concerned should provide the supporting documents of their employment income in the past six calendar months and submit the completed declaration form (No. RCSU2-008-1E) - Students are required to submit a copy of the valid student identification documents
Remarks: According to the general eligibility criteria of PRH application, the Applicant and all his/her family member(s) must be residing in Hong Kong. Recipients of Social Welfare Department's cash assistance/allowance schemes for elderly people who choose to reside in the Mainland, such as the Portable Comprehensive Social Security Assistance Scheme, the Guangdong Scheme and the Fujian Scheme, are therefore ineligible to apply for PRH. If the Applicant and/or his/her family member(s) has/have already withdrawn from the scheme(s) prior to the submission of the Application Form, the average monthly amount received in the past six calendar months before the date of signing Application Form/declaration form(s) must be declared.		

(b) Items waived from the calculation

These include employees' mandatory contribution to the Mandatory Provident Fund Scheme/Recognised Occupational Retirement Schemes (at the statutory rate of 5% of employees' mandatory contributions and subject to a ceiling at the current maximum employees' monthly mandatory contributions; all contributions other than mandatory contributions are voluntary and thus cannot be waived), maintenance fee actually paid out (subject to a ceiling at the amount of maintenance fee determined by the court), contributions to Surviving Spouses' and Children's Pensions Scheme/Widows and Orphans Pension Scheme, Disability Allowance, Old Age Allowance, Old Age Living Allowance payable under the Social Security Allowance Scheme of the Social Welfare Department, One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA under the Community Care Fund, Working Family Allowance, etc. The Applicant and his/her family member(s) should provide supporting documents (such as supporting documents of their mandatory contributions and maintenance fee payment).

4.4.2 The Applicant and all his/her family member(s) (including those aged below 18) are required to declare the assets that they own or co-own or any interest in any type of assets. If they do not have any assets, they must enter “Nil” or “0” in the part of asset declaration. If that part is left unfilled, the Application Form and the relevant documents will be returned and the application will not be registered (please refer to Item 4.2.2).

(a) Assets required to be declared (in Hong Kong dollars) include:

Asset	Notes on the Calculation	Supporting Documents and Declaration Forms Required
Land	For land in and outside Hong Kong, e.g. government grant and Letter A/B for exchange of land, the net asset value is derived by deducting the outstanding mortgage repayment from the value of the land one day before the date of signing the Application Form/declaration form(s) according to the percentage of ownership/interest.	- Persons who own land are required to submit the completed declaration form (No. RCSU2-020E) - A copy of proof of the ownership of the land - A copy of the latest valuation report of the land - A copy of the supporting documents of the relevant mortgage deed
Landed Properties	For landed properties (including ancestral houses) of any uses which are completed or for pre-sale, or which are the subject matter of a sale and purchase agreement in and outside Hong Kong, the net asset value is derived by deducting the outstanding mortgage repayment from the value of such properties one day before the date of signing the Application Form/declaration form(s) according to the percentage of ownership/interest.	- Persons who own landed properties are required to submit the completed declaration form (No. RCSU2-020E) - A copy of the proof of the ownership of the landed properties - A copy of the latest valuation report of the landed properties - A copy of the supporting documents of the relevant mortgage deed
Vehicles	For private cars, vans, light goods vehicles, lorries, coaches, motor-cycles, taxis, public light buses, container tractors and trailers, etc, the net asset value is derived by deducting the outstanding hire purchase repayment from the value of such vehicles one day before the date of signing the Application Form/declaration form(s). - For individually registered vehicles, the net asset value should be declared under “Vehicles”. - For company registered vehicles, the net asset value should be declared under “Business Undertakings”.	- Persons who own vehicles are required to submit the completed declaration form (No. RCSU2-003E) - A copy of the Vehicle Registration Document (including the front and back sides)

Asset	Notes on the Calculation	Supporting Documents and Declaration Forms Required
Taxi/Public Light Bus Licences	The current net asset value of the taxi/public light bus licences is derived by deducting the outstanding hire purchase repayment from the market value of such licences one day before the date of signing of the Application Form/declaration form(s).	• Persons who are holding taxi/public light bus licences are required to submit the completed declaration form (No. RCSU2-003E) • A copy of the licence • A copy of the latest valuation report of the licence • A copy of the hire purchase agreement • A copy of the supporting documents of the mortgage loan
Investments	All insurance policies, including those with savings or investment elements (the value of the policy, including but not limited to its cash value, accumulated bonus and interest should be declared as an investment item under Net Asset Value in Part 3 of the Application Form), shares, bonds, futures, paper gold, certificates of deposits, structured investment products, deposits with brokers, mutual fund, unit trust fund, annuity plans and voluntary contributions under Mandatory Provident Fund schemes, etc should be declared. The value of these investment instruments is calculated at their latest net asset value or latest closing price per unit on the date of signing the Application Form/declaration form(s).	• Persons who own investment items are required to submit the completed declaration form (No. RCSU2-010E) • Persons who own insurance policies are required to submit the completed declaration form (No. RCSU2-011E) • Supporting documents are not required at the time of submitting the application

Asset	Notes on the Calculation	Supporting Documents and Declaration Forms Required
Business Undertakings	Interests in any business of sole proprietorship, partnership/firms or limited companies should be declared. The net asset value is derived by deducting all the liabilities from the total sum of net book value of plant and machinery, stocks in hand, account receivable, balance of bank accounts, cash in hand, residual value of vehicles, and market value of landed properties and so on listed on the latest audited account endorsed by Certified Public Accountants on the date of signing the Application Form/declaration form(s).	- Persons who do not hold any Business Registration Certificates are required to submit the completed declaration form (No. RCSU2-002E) - Persons who hold valid Business Registration Certificates are required to submit the completed declaration form (No. RCSU2-009E) - Persons who own fishing vessels to make a living are required to submit the completed declaration form (No. RCSU2-004E) - A copy of a valid Business Registration Certificate/Hawker Licence/Fishing Vessel Licence/Vehicle Registration Document/Taxi Driver Identity Plate, etc should be submitted
Deposits, Cash in Hand and Loan to Others	- Deposits include the actual balance^{Note 12} (irrespective of the amount) in all fixed and savings/current accounts (in Hong Kong dollars and foreign currencies^{Note 13}) and the amount that has been withdrawn or can be withdrawn at any time from the Mandatory Provident Fund/Provident Fund account one day before the date of signing of the Application Form/declaration form(s) - Cash in hand in Hong Kong dollars and foreign currencies at a value of HK\$5,000 or above on the date of signing the Application Form/declaration form(s) - All outstanding loans in Hong Kong dollars and foreign currencies on the date of signing the Application Form/declaration form(s)	- Persons who have fixed deposit are required to submit the completed declaration form (No. RCSU2-012E) - Supporting documents are not required at the time of submitting the application

Note 12: Persons who have a joint account are required to declare the average amount of balance owned by each person according to the number of account holders.

Note 13: Foreign currency exchange rate shall be determined according to the closing rate one day before the date of signing the Application Form/declaration form(s).

(b) Items Waived from the Calculation

These include compensation lump sum due to injuries from industrial/traffic accidents or other accidents resulting in the employees' incapacity as well as periodical payments (i.e. work-injury payments) and so forth by the employers to the employees during the period of their temporary incapacity. Nevertheless, the Applicant and/or his/her family member(s) should provide the relevant documents as proofs.