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**Subcommittee on Members' Remuneration and
Operating Expenses Reimbursement**

Retirement Benefits for LegCo Members

**Summary of Views of Members and the Independent Commission on Remuneration
for the Members of the Executive Council and the Legislature of the HKSAR**

Subcommittee's Views	Independent Commission's Views
<p>(a) The general consensus is that LegCo Members should have retirement benefits for the following reasons:</p> <p>(i) Members note that there are no requirements for legislators in overseas countries (viz. Canada, the United Kingdom, Australia, the United States and Singapore) to work full-time in order for them to qualify for retirement benefits, neither are there any criteria to differentiate between full-time and part-time legislators;</p> <p>(ii) The Administration should change its attitude on the provision of retirement benefits for LegCo Members, because the situation has changed both in terms of the demand on and the standards required of Members;</p>	<p>(a) As conveyed in the Chief Secretary's letter dated 16 June 2004 to the Chairman of the House Committee, the Independent Commission did not support the proposal of Members of the second LegCo term to fund a retirement protection scheme for LegCo Members for the following reasons:</p> <p>(i) The proposal ran counter to the established view that LegCo membership was not a job but a form of public service. There would be a need for LegCo Members to declare, or restrictions to be imposed on, their outside employment and earnings if LegCo membership were a job. Such restrictions or declaration requirements might, however, discourage some suitable candidates from coming forward to stand for LegCo elections, particularly when they were already holding a professional job or a managerial position which they were reluctant to relinquish;</p>

Members' Views	Independent Commission's Views
<p>(iii) Legislators too have to support their families. If legislators' work is not duly recognized as a job, it will be difficult to encourage the younger generation and able people to take up a career as a legislator. In the wider public interests and to achieve universal suffrage as stated in the Basic Law, proper recognition should be given to the nature of legislators' work as a job;</p> <p>(iv) The trend is that there is an increasing number of full-time LegCo Members. (According to Members' biographies, 14 out of 60 Members in the third LegCo are full-time legislators.); and</p> <p>(v) Even part-time workers are entitled to Mandatory Provident Fund (MPF) contributions. It is unreasonable that legislators, who passed the MPF Schemes Ordinance, are unprotected by it.</p> <p>(b) Members agree with the Independent Commission that contributions to a Member's retirement scheme fall outside the ambit of the OER account. Additional resources should be provided for any retirement protection scheme for LegCo Member.</p>	<p>(ii) Any outside job restriction might have implications for those who intended to stand for re-election in the functional constituencies (FC). This might be relevant as candidates for FC elections were required under the law to have a substantial connection with the constituency concerned; and</p> <p>(iii) The proposed contribution to Members' retirement scheme (i.e. contributions paid separately from both Members' own resources and the Operating Expenses Reimbursement (OER) accounts) fell clearly outside the ambit of the OER account, especially when such benefits were to be realized after a LegCo Member had stepped down from office.</p> <p>(b) The Independent Commission was prepared to revisit the whole issue in the third LegCo term, taking into account the circumstances at the time, including the outcome of the constitutional review underway leading to the LegCo election in 2008. This constitutional review might have significant implications over some relevant principles that the Independent Commission had held onto in its consideration of the remuneration package of LegCo Members.</p>

Relevant papers

- (a) Background brief on “Retirement benefits for Legislative Council Members” prepared by the LegCo Secretariat (LC Paper No. AS 119/04-05(02))
- (b) Extracts of minutes of meetings of the Subcommittee held on 6.12.04 and 25.4.05 (LC Papers No. AS185/04-05 and AS 302/04-05)

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