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**HKTA***Hong Kong Trustees' Association Ltd*

香港信託人公會

By Fax: 2121 0420

To: The Hon Chan Kam-lam  
Chairman of the Panel on Financial Affairs

From: Ka Shi Lau, Chairman  
Hong Kong Trustees' Association

Date: 25 January 2007

Subject: Review of the minimum and maximum relevant income levels for  
Mandatory Provident Fund contributions

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Thank you for your letter dated 10 January 2007 inviting comments from the Hong Kong Trustees' Association ("HKTA") in relation to the review of the minimum and maximum relevant income levels for Mandatory Provident Fund contributions.

- (a) The Retirement Schemes Subcommittee of the HKTA supports the recommendation of the Mandatory Provident Fund Schemes Authority to:
- (1) maintain the minimum level of relevant income at \$5,000 per month; and
  - (2) increase the maximum level of relevant income from \$20,000 to \$30,000 per month.
- (b) To accompany the increase of the maximum level of relevant income, we suggest that the present salary tax deduction as well as corporate tax deduction should be increased accordingly.
- (c) In addition, in order to promote better retirement planning from the working population and enhance their retirement protection, we further suggest that tax incentives be given on voluntary contributions made by scheme members.

If you have any questions, please feel free to contact me at 2298 9298 and by fax at 2520 0903.

