

立法會
Legislative Council

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seen by the Administration)

Ref : CB2/PS/1/10

Panel on Welfare Services

Subcommittee on Retirement Protection

**Minutes of the third meeting
held on Saturday, 25 June 2011, at 9:00 am
in the Chamber of the Legislative Council Building**

Members present : Hon CHEUNG Kwok-che (Chairman)
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, SBS, JP
Hon WONG Sing-chi
Hon IP Wai-ming, MH
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung

Member absent : Hon Ronny TONG Ka-wah, SC

Member attending : Hon CHAN Kin-por, JP

Public officers attending : Item I

Mrs Polly CHAN
Principal Assistant Secretary for Labour and Welfare
(Welfare) 4

Mr Simpson LO
Assistant Secretary for Labour and Welfare
(Welfare) 4B

Miss Emmy WONG
Principal Assistant Secretary for Financial Services
and the Treasury (Financial Services) 3

**Attendance by : Item I
invitation**

Alliance for Universal Pension

Mr AU YEUNG Kwun-tung
Organizer

The Hong Kong Council of Social Service

Mr CHUA Hoi-wai
Business Director, Policy Advocacy and Social
Enterprise

Catholic Diocese of HK Diocesan Pastoral Centre for
Workers (New Territories)

Mr CHAN Yan-kam
Assistant Program Officer

Cleaning Worker's Union

Mr SZE Ching-wee
Organizer

North District Employment Concern Group

Ms KWOK Yuen-yee
Group Member

Sham Shui Po Community Association

Ms CHOW Kit-yin
Chairperson

Hong Kong Confederation of Trade Unions

Mr TAM Chun-yin
Coordinating Secretary

The Forthright Caucus

Miss LEE Choi-kwan
Member

葵芳邨長者權益關注組

Mr CHUNG Hau-ping
Convener

Elderly Council of Tsuen Kwai Tsing District

Mr LAM Chi-chung
Secretary

Hong Kong Buildings Management and Security
Workers General Union

Mr LEUNG Shek-lun
Organizing Secretary

Association for the Rights of Shatin Residents

Mr LI Sai-hung
Executive Committee

Hong Kong Federation of Women's Centres

Mr NGAI Chi-tat
Advocacy and Training Officer

Hong Kong Women Workers' Association

Miss CHENG Yee-ying
Organizer

Government Mod 1 Staff General Union

Mr TSUI Yat-keung
Vice-Chairperson

Catering and Hotels Industries Employees General Union

Ms KWOK Sui-ling
Executive Committee

The Chinese Grey Power

Ms LO Siu-lan
Chairperson

Industrial Relations Institute

Miss LAI Yuen-mei
Organizer

Lion Rock Institute

Mr Peter WONG
Executive Director

Tai Hang Tung & Nam Shan Estate Resident's Association

Mr LAU Cheuk-kei
Member

HK No MPF

Mr CHAN Tsz-ting
Member

Labour Rights Commune

Mr WONG Chi-Kwan
Committee Member

Hong Kong Federation of the Blind

Mr CHEUNG Kai-fu
Member

Mr CHIU Chi-sum
Committee

Civic Party

Mr Patrick LEUNG
District Councillor

The Federation of Hong Kong & Kowloon Labour Unions

Mr LAM Chun-sing
Vice-Chairman

Hong Kong Domestic Workers' Union

Ms CHUNG Pik-mui
Ex-co member

Social Policy Committee of the Hong Kong Federation of Trade Unions

Miss Alice MAK
Deputy Director

利安邨利華樓互助委員會

Mr TSANG Lui-keung
Chairperson

Kwai Chung Estate Residents' Right Concern Group

Mr CHENG Biu
Chairperson

Grassroots Development Centre

Ms Florence CHEUNG Man-wai
Organizer

關注長者權益大聯盟

Mr OR Jee-king

爭取基層生活保障聯盟

Ms LAM Lai-ling

中大基層關注組

Miss LEE Ching-ying

Member

Student Union of The Chinese University of Hong
Kong

Mr CHUN Hei-fai

President

中產關注退休保障陣綫

Ms Poppy YIM

Member

The Professional Commons

Mr CHAN Kai-ming

Research Manager

Neighbourhood and Worker's Service Centre

Mr LAU Wing-fai

Member

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 4

Staff in attendance : Ms Maisie LAM
Senior Council Secretary (2) 5

Miss Maggie CHIU
Legislative Assistant (2) 4

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I. Meeting with deputations and the Administration

[LC Paper Nos. CB(2)534/10-11(01), CB(2)1664/10-11(02), CB(2)1903/10-11(01), IN13/10-11, CB(2)2132/10-11(01) to (04), CB(2)2167/10-11(01) to (03), CB(2)2203/10-11(01) to (07), CB(2)2213/10-11(01) to (02) and CB(2)2220/10-11(01) to (06)]

The Subcommittee deliberated (index of proceedings attached at **Annex**).

2. The Subcommittee received views from 37 deputations on the retirement protection regime in Hong Kong. Major views of the deputations are summarised as follows -

- (a) in view of an ageing population trend, there was an imminent need for the Administration to provide protection to all elders against the risks of poverty in their twilight years so that they could lead a dignified and financially-secured life. However, the three-pillar model for retirement protection currently implemented in Hong Kong, viz. the non-contributory social security system, the Mandatory Provide Fund ("MPF") system and voluntary private savings, was unable to provide adequate protection for the retirement life of all elders for the following reasons -
 - (i) given the stringent requirement for applying for Comprehensive Social Security Assistance ("CSSA") on a household basis, children of elderly CSSA applicants had to declare that they were not supporting their parents financially even though they were living under the same roof. If the family members were unwilling to make the statement of non-provision of financial support, the elders concerned would unlikely be able to apply for CSSA. The labelling effect of the CSSA Scheme had also deterred many vulnerable elders from seeking appropriate financial assistance;
 - (ii) the MPF system could not benefit the current generation of elders as they had not participated in the schemes. Moreover, the MPF system was not entirely satisfactory

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as it did not cover persons not participating in the workforce and the accrued benefits for low-income earners and the current generation of older working population were also limited. For employees under contract employment, employers could offset the long service payment or severance payment payable to an employee against the accrued benefits derived from the contribution the employer made to the employee in the MPF scheme ("the SP/LSP offsetting arrangement"). In addition, the management fees and administration fees of the MPF schemes were generally on the high side; and

(iii) the low-income earners could hardly save for their retirement life. There was also a declining trend of adult children providing financial support to their elderly parents. Needy elders not on CSSA and who lacked retirement protection under the MPF system were in financial hardship as they had to rely on the meagre amount of Old Age Allowance.

(b) given the shortcomings of the existing three-pillar model for retirement protection, the piecemeal approach adopted by the Administration in improving the operations of the existing retirement protection system would not help to effectively respond to the challenges of an ageing population; and

(c) taking into account that the community at large was in support of the implementation of a universal retirement protection scheme, the Administration should not wait till the next term of Government to take forward the issue. As a step forward, it should immediately set up an inter-departmental task force to conduct a study on establishing a sustainable universal retirement protection scheme, say, with a defined benefit of \$3,000 per month, and carry out a public consultation exercise to give focus to the ongoing debate. The Administration should also make public the findings of the studies conducted by the Central Policy Unit ("CPU") on the subject of retirement protection to facilitate discussions.

3. Members shared the issues of concern raised by deputations and urged the Administration to adopt the five-pillar pension model proposed

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by the World Bank in 2005 by introducing a universal retirement protection scheme. They also called for the scrapping of the SP/LSP offsetting arrangement and improving the transparency of the fees and charges by trustees under the MPF schemes.

4. The Administration made the following responses -

- (a) the views expressed by members and deputations would be relayed to the Labour and Welfare Bureau, the Financial Services and the Treasury Bureau, the Mandatory Provident Fund Schemes Authority and CPU for consideration. At present, CPU was refining its studies on the retirement protection system in Hong Kong having regard to the latest developments. It was expected that CPU would submit its preliminary findings to the Administration for internal deliberation in 2012;
- (b) the existing three-pillar retirement protection model in Hong Kong had drawn reference to the World Bank's multi-pillar model and the three pillars were complementary to each other. It should be noted that the World Bank had pointed out that the multi-pillar model was only a framework and not a "one-size-fits all" blueprint. Various countries could adapt the principles according to their local circumstances;
- (c) it should also be noted that the Administration had gauged the views of the public on the introduction of an Old Age Pension Scheme ("OAPS") through a public consultation exercise in early 1990s. There were divergent views on the OAPS, and the public preferred a privately managed contribution scheme based on individual accounts instead. The existing three-pillar model was adopted after lengthy discussion by different sectors of the community. As pointed out by the Chief Executive during the Question and Answer Session at the Legislative Council meeting on 19 May 2011, the Administration considered it impractical to expect the community to reach a consensus on the introduction of a universal retirement protection system within a short period of time. It would be more constructive to review and enhance the existing retirement protection system;

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- (d) since the CSSA Scheme was designed to help families which could not support themselves financially meet their basic needs, the Government certainly did not discriminate against CSSA recipients. Nor would it be appropriate for members of the community to label CSSA recipients in a negative manner;
- (e) the MPF system, which came into operation on 1 December 2000, was consistent with the mandatory, privately managed contribution scheme advocated by the World Bank. The system had strengthened the retirement protection for the working population: around 85% of the working population was currently covered by some form of retirement protection as compared with one-third before the implementation of the MPF system. In terms of return, the annual average return rate of the system from December 2000 to March 2011 was, net of fees and charges, 5.4%. The overall significance of the MPF system in enhancing the retirement protection for the workforce would increase as the accrued benefits accumulated increased over time;
- (f) the arrangement to allow employers using their contributions to retirement schemes for offsetting severance payments or long service payments had been in place before the implementation of the MPF system and it was extended to the MPF system after extensive consultation and taking into account all relevant considerations. As the subject matter involved issues pertaining to the overall employer-employee relationship, any change to the arrangement would require consensus of employees and employers; and
- (g) on enhancing the transparency of fees for MPF funds, the Mandatory Provident Fund Schemes Authority had, among others, issued a Code on Disclosure for MPF Investment Funds in 2004 and provided a Fees Comparative Platform on its website in 2007 to improve transparency on fees to promote market competition. The average Fund Expense Ratio for the funds with financial period ending between July 2009 and June 2010 was 1.82%, which was more than 10% lower than that of the financial period ending between April 2006 and March 2007.

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5. Members expressed disappointment at the responses given by the Administration for failing to allay the concern over the inadequacy of the existing three-pillar retirement protection model in providing retirement protection to all elders and guard against poverty in old age. Mr LEUNG Yiu-chung considered that the Administration should study the feasibility and sustainability of the universal retirement protection model proposed by the local community without MPF coming into the picture.

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6. To facilitate further discussions, the Administration was requested to provide -

- (a) a summary setting out the studies on the retirement protection system in Hong Kong conducted by CPU and the relevant findings;
- (b) justifications for the findings of CPU that the three pillars of the existing retirement protection system were complementary to one another, and would continue to do so in future, and information to explain whether the three pillars would be financially sustainable for the next 10, 20 and 30 years; and
- (c) a consolidated response to the views expressed by deputations at the meeting.

II. Any other business

7. There being no other business, the meeting ended at 12:40 pm.

**Proceedings of the third meeting of the
Subcommittee on Retirement Protection
on Saturday, 25 June 2011, at 9:00 am
in the Chamber of the Legislative Council Building**

Time marker	Speaker(s)	Subject(s)	Action required
<i>Agenda item I – Meeting with deputations and the Administration</i>			
000000 - 000615	Chairman	Opening remarks	
000616 - 000936	Alliance for Universal Pension	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2203/10-11(01)]</p> <p>(a) the private savings and the accrued benefits derived under the Mandatory Provident Fund ("MPF") system could, in most cases, support the life of a retiree for only a few years; and</p> <p>(b) the Administration should provide the details of the studies conducted by the Central Policy Unit ("CPU") on the retirement protection system in Hong Kong and conduct public consultation on the proposals for enhancing the retirement protection regime.</p>	
000937 - 001150	The Hong Kong Council of Social Service	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2213/10-11(02)]</p> <p>(a) the Administration should expeditiously kick start the study on the feasibility and pros and cons of the various retirement protection models and gauge public views on the issues involved through public consultation; and</p> <p>(b) supported the implementation of universal retirement protection to ensure that all elderly, in particular females who had shorter work life but a longer life expectancy, could lead a dignified and financially-secured life in their old age.</p>	
001151 - 001503	Catholic Diocese of HK Diocesan Pastoral Centre for Workers (New Territories)	<p>Presentation of views -</p> <p>(a) given the high management fees of MPF funds and the arrangement to allow employers to use the MPF accrued benefits to offset the severance payments or long service payments ("the SP/LSP offsetting arrangement"), the MPF benefits could not provide adequate retirement income security for low-income earners under contract employment; and</p> <p>(b) employees had little control over their MPF investment. The accrued benefits of a scheme member on retirement would also depend on</p>	

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		various unpredictable factors, such as the rate of return and the conditions of the financial market.	
001504 - 001820	Cleaning Worker's Union	<p>Expression of views -</p> <p>(a) in view of the reduction of financial support from children, some elders still had to be engaged in low-income work after retirement in order to meet their living expenses; and</p> <p>(b) given the SP/LSP offsetting arrangement, the MPF accrued benefits could not contribute in a meaningful way towards the retirement of the low-income group under contract employment.</p>	
001821 - 002058	North District Employment Concern Group	<p>Presentation of views -</p> <p>Given the fact that housewives currently did not enjoy any retirement benefits as they were not covered under the MPF system and the MPF accrued benefits for low-income female earners were limited, the Administration had the responsibility to ensure that these women could lead a dignified and financially-secured life in their twilight years in recognition of their contributions to the community.</p>	
002059 - 002404	Sham Shui Po Community Association	<p>Presentation of views -</p> <p>(a) the existing three-pillar model for retirement protection, in particular the Comprehensive Social Security Assistance ("CSSA") Scheme which required the elderly applicants to apply for CSSA on a household basis had a labelling effect on the recipients, was inadequate for protecting the retirement life for the low-income elderly; and</p> <p>(b) given the ageing population trend, the Administration should implement a universal retirement protection scheme without delay.</p>	
002405 - 002622	Hong Kong Confederation of Trade Unions	<p>Presentation of views -</p> <p>(a) the existing three-pillar model for retirement protection was ineffective to protect the retirement life of all elderly. Specifically, the MPF system had shortcomings such as the SP/LSP offsetting arrangement, the relatively low accrued benefits for low-income earners, high management fees and low rate of return; and</p> <p>(b) there was an imminent need for the Administration to conduct a study on implementing a universal retirement protection</p>	

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		scheme to protect the retirement life of low-income earners.	
002623 - 002859	The Forthright Caucus	<p>Presentation of views -</p> <p>(a) the labelling effect on CSSA recipients had deterred many elders in need from seeking assistance; and</p> <p>(b) implementation of a universal retirement protection scheme was the best way forward to address the problem of old-age poverty. As the first step, the Administration should conduct public consultation on the issue and opponents to the scheme should put forward alternative proposals for the consideration of the public.</p>	
002900 - 003223	葵芳邨長者權益關注組	<p>Presentation of views -</p> <p>(a) the existing three-pillar model for retirement protection was far from adequate for the elderly to meet their living expenses upon retirement. Specifically, many poor elderly had not applied for CSSA because of its labelling effect. The accrued MPF benefits for low-income earners and the current generation of elderly were also limited; and</p> <p>(b) the Administration should expeditiously enhance retirement protection for the current generation of vulnerable elderly.</p>	
003224 - 003415	Elderly Council of Tsuen Kwai Tsing District	<p>Presentation of views -</p> <p>(a) the majority of public views were in support of implementing a universal retirement protection scheme to enhance retirement protection for the elderly; and</p> <p>(b) the Administration should not wait till the next term of Government to take forward the implementation of a universal retirement protection scheme but should start setting up an inter-departmental task force to study the issue.</p>	
003416 - 003743	Hong Kong Buildings Management and Security Workers General Union	<p>Presentation of views -</p> <p>(a) the proposed universal retirement protection scheme was not financed on a pay-as-you-go basis as cited by some opponents to the scheme; and</p> <p>(b) the Administration should implement a universal retirement protection scheme as early</p>	

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		as practicable.	
003744 - 003935	Association for the Rights of Shatin Residents	<p>Presentation of views -</p> <p>(a) retirement protection was a right to which all elderly should be entitled in recognition of their contribution to the development of Hong Kong when they were young; and</p> <p>(b) given that the existing three-pillar model for retirement protection, in particular the CSSA Scheme and the MPF system, was ineffective to safeguard the retirement life of all elders, the Administration should expeditiously kick start the study on the implementation of a universal retirement protection scheme when there was a larger younger working population.</p>	
003936 - 004247	Hong Kong Federation of Women's Centres	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2132/10-11(01)]</p> <p>(a) the MPF system had the shortcomings of not covering persons not in the workforce, high management fees of funds and the SP/LSP offsetting arrangement; and</p> <p>(b) while the low-income earners had difficulty to save up for their retirement needs, the financial assessment and the labelling effect of the CSSA Scheme had deterred many vulnerable retired elders from seeking financial support. Hence, there was an imminent need for the Administration to kick start the public consultation on the universal retirement protection scheme to ensure that all elderly could lead a dignified retirement life in their twilight years.</p>	
004248 - 004524	Hong Kong Women Workers' Association	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2283/10-11(01)]</p> <p>(a) shared the views of other deputations on the shortcomings of the MPF system; and</p> <p>(b) it was incumbent upon the Administration to implement a universal retirement protection scheme to protect the retirement life of housewives.</p>	
004525 - 004729	Government Mod 1 Staff General Union	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2132/10-11(02)]</p> <p>(a) the universal retirement protection scheme should not be financed on a pay-as-you-go basis in order to be sustainable and not be</p>	

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		<p>subject to means test. Its monthly benefits could be in the range of \$3,000 to \$6,000; and</p> <p>(b) the Administration should conduct extensive public consultation on options for the future retirement protection regime so as to throw light on the ongoing debate and discussions.</p>	
004730 - 005049	Catering and Hotels Industries Employees General Union	<p>Presentation of views -</p> <p>(a) given the SP/LSP offsetting arrangement, the MPF system could only provide very limited retirement protection to low-income earners in the catering industry whose earnings were below the minimum relevant income level for MPF contributions; and</p> <p>(b) the Administration should implement a universal retirement protection scheme to provide adequate retirement protection for the low-income earners.</p>	
005050 - 005450	The Chinese Grey Power	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2203/10-11(02)]</p> <p>Given the inadequacy of the existing three-pillar model for retirement protection to protect the retirement life of all elderly, the Administration should implement a universal retirement protection scheme.</p>	
005451 - 005812	Industrial Relations Institute	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2203/10-11(03)]</p> <p>(a) the MPF system could not protect the retirement life of the current generation of retired elderly, the working elders aged 65 or above, the low-income earners and housemakers. However, many poor elders were not on CSSA due to its labelling effect; and</p> <p>(b) the Administration should study the proposal on universal retirement protection scheme put forward by the community and implement the scheme without delay to provide better retirement protection for all elderly in recognition of their past contribution to the community.</p>	
005813 - 010136	Lion Rock Institute	<p>Presentation of views</p> <p>A sustainable retirement protection regime should not cover all elderly including the rich but seek to provide financial support specifically for the vulnerable elderly who could not support themselves</p>	

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		financially, whom accounted for about 30% to 40% of the elderly population, so as to ensure that resources were effectively utilized.	
010137 - 010516	Tai Hang Tung & Nam Shan Estate Resident's Association	<p>Presentation of views -</p> <p>(a) Hong Kong had ranked high among the developed economies in the disparity between the rich and the poor. Given that all elderly should have the right to enjoy retirement protection and the higher-income group had fulfilled their responsibility of paying tax, retirement protection should be provided to all elderly regardless of their financial status; and</p> <p>(b) the Administration should make public the findings of the CPU studies on retirement protection to facilitate discussion on the issue.</p>	
010517 - 010826	HK No MPF	<p>Presentation of views</p> <p>Given the high management and administrative fees of MPF funds, the MPF system was ineffective to enhance the retirement protection of the working population.</p>	
010827 - 011129	Labour Rights Commune	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2203/10-11(03)]</p> <p>(a) the current term Government should conduct extensive public consultation on the universal retirement protection scheme. As a step forward, the Financial Secretary should earmark \$50 billion in the 2012-2013 Budget as a start-up fund for the scheme; and</p> <p>(b) pending the introduction of a universal retirement protection scheme, the SP/LSP offsetting arrangement of the MPF system should be scrapped.</p>	
011130 - 011359	Hong Kong Federation of the Blind	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2167/10-11(01)]</p> <p>(a) the introduction of the productivity assessment for persons with disabilities under the Minimum Wage Ordinance (Cap. 608) had affected adversely the employment opportunities of persons with disability. In addition, the policy of requiring applications for CSSA to be made on a household basis had made many persons with disabilities unable to meet the eligibility criteria for assistance; and</p> <p>(b) the Administration should implement a universal retirement protection scheme to</p>	

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		ensure that persons with disabilities could lead a financially-secured life upon retirement.	
011400 - 011717	Civic Party	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2220/10-11(02)]</p> <p>(a) given the trend of reducing financial support from the working children for their elderly parents, the non-provision of coverage under the MPF system for the housemakers, and the difficulty for the low-income earners to save up for retirement purpose, a universal retirement protection scheme was deemed necessary; and</p> <p>(b) the proposed universal retirement protection scheme was financially viable and sustainable, as it was not financed on a pay-as-you-go basis but would be partially funded with government contribution and a start-up fund from the government. The Administration should set up an inter-departmental task force to take forward the scheme.</p>	
011718 - 012035	The Federation of Hong Kong & Kowloon Labour Unions	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2220/10-11(03)]</p> <p>In the light of the inefficacy of the existing three-pillar model for retirement protection to protect the retirement life of all elderly, the Administration should implement a universal retirement protection scheme instead of introducing piecemeal improvement measures to the existing three-pillar model for retirement protection.</p>	
012036 - 012315	Hong Kong Domestic Workers' Union	<p>Presentation of views -</p> <p>(a) while the existing MPF system did not cover local domestic workers, the requirement for applying for CSSA on a household basis and the labelling effect on the CSSA applicants had either made those retired vulnerable domestic workers not eligible for assistance or deterred them from applying for CSSA; and</p> <p>(b) the Administration should implement a universal retirement protection scheme without further delay.</p>	
012316 - 012634	Social Policy Committee of the Hong Kong Federation of Trade Unions	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2220/10-11(04)]</p> <p>(a) the MPF system was inadequate to protect the retirement life for all elderly; and</p> <p>(b) the Administration should conduct an</p>	

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		extensive public consultation on a long-term retirement protection regime with a view to forging a consensus in the community on the issue to meet the challenges of an ageing population.	
012635 - 012858	利安邨利華樓互助委員會	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2167/10-11(02)]</p> <p>The Administration had the responsibility to ensure that all elderly could lead a dignified and financially-secured life after retirement by implementing a financially-viable universal retirement scheme.</p>	
012859 - 013236	Kwai Chung Estate Residents' Right Concern Group	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2203/10-11(05)]</p> <p>The Administration should adopt the five-pillar pension model proposed by the World Bank rather than introducing piecemeal improvement measures to the MPF system. As a step forward, the Administration should conduct a public consultation on the implementation of a universal retirement protection scheme within the current term of the Government.</p>	
013237 - 013550	Grassroots Development Centre	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2203/10-11(04)]</p> <p>(a) the Administration should make public the findings of the CPU studies on the retirement protection system in Hong Kong; and</p> <p>(b) given the traditional value of supporting the elderly by families, the Administration should conduct a public consultation on the implementation of a universal retirement protection scheme within the current term of the Government.</p>	
013551 - 013813	關注長者權益大聯盟	<p>Presentation of views -</p> <p>(a) the CSSA Scheme and the MPF system were far from adequate to safeguard the well-being of the elderly after retirement; and</p> <p>(b) the Administration should implement a universal retirement scheme without delay so that all elderly could live a dignified life at their old age.</p>	
013814 - 014136	爭取基層生活保障聯盟	<p>Presentation of views -</p> <p>(a) the existing three-pillar model for retirement protection, in particular the CSSA Scheme</p>	

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		<p>which had a labelling effect on the recipients, was inadequate to protect the retirement life for all elderly; and</p> <p>(b) rather than introducing piecemeal measures to improve the existing three-pillar model for retirement protection, the Administration should allocate \$50 billion as a one-off start-up fund for implementing a universal retirement scheme without further delay.</p>	
014137 - 014444	中大基層關注組	<p>Presentation of views -</p> <p>(a) under the existing three-pillar model for retirement protection, the problem of elderly in poverty would remain unresolved even if the Government increased its allocation for the social security system to meet the increasing demand for assistance brought by an ageing population; and</p> <p>(b) the Administration had the responsibility to safeguard the well-being of all elderly. The implementation of the proposed universal retirement protection scheme would not increase the burden of the younger generation as both employers and employees were not required to shoulder heavier contributions under the proposal.</p>	
014445 - 014754	Student Union of The Chinese University of Hong Kong	<p>Presentation of views -</p> <p>(a) given the high youth unemployment rate and shrinking opportunities for social upward mobility, there was an increasing number of youth in poverty and thus a declining trend of adult children providing financial support for their elderly parents; and</p> <p>(b) in the face of an ageing population, the Administration should implement a universal retirement scheme without further delay. The proposed universal retirement protection scheme did not require heavier contributions from employers and employees, but only required extra contributions from the Government reserve and those enterprises with an annual profit of \$10 million or above.</p>	
014755 - 015120	中產關注退休保障陣綫	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2220/10-11(05)]</p> <p>The middle class should also support the implementation of a universal retirement scheme to ensure that all elderly, who had contributed to the development of the society to facilitate opportunities</p>	

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		for upward social mobility, could lead a dignified and financially-secured life after retirement.	
015121 - 015450	The Professional Commons	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2167/10-11(03)]</p> <p>(a) a retirement protection framework should comprise voluntary private savings, the MPF system and a universal old age pension of \$3,000 per month for each elderly aged 65 or above; and</p> <p>(b) a tripartite funding approach should be adopted for the proposed universal old age pension scheme, which required both employees and employers to contribute at 1.9% of the employees' relevant income, whereas the Administration should reallocate the funding for the Old Age Allowance and CSSA payments for elderly recipients to the proposed scheme and provide an injection of \$25 billion every five years.</p>	
015451 - 015826	Neighbourhood and Worker's Service Centre	<p>Presentation of views as detailed in its submission [LC Paper No. CB(2)2203/10-11(06)]</p> <p>In the light of the various shortcomings of the MPF system and the requirement of applying for CSSA on a household basis which had made many vulnerable elderly not eligible for assistance, the Administration should set up an inter-departmental task force to expeditiously implement a universal retirement protection scheme.</p>	
015827 - 020827	Chairman Administration	<p>The Administration's responses to deputations' views -</p> <p>(a) the views of deputations would be conveyed to the Labour and Welfare Bureau, the Financial Services and the Treasury Bureau, CPU as well as the Mandatory Provident Fund Schemes Authority, for consideration;</p> <p>(b) at present, CPU was refining its studies on the retirement protection system having regard to the latest developments. It was expected that CPU would submit its preliminary findings to the Administration for internal deliberation in 2012. The Administration would make reference to the findings to enhance the existing retirement protection regime;</p> <p>(c) as proposed by the Financial Secretary in the 2011-2012 Budget, the Community Living Supplement under the CSSA Scheme would be extended to cover elderly recipients in the second half of 2011, with a concurrent increase of the monthly rate of the Supplement from</p>	

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		<p>\$120 to \$250 to enhance the welfare for the elderly. The initiative led to a real increase in payment on top of the regular annual adjustment;</p> <p>(d) since the CSSA Scheme was designed to help families which could not support themselves financially meet their basic needs, the Government certainly did not discriminate against CSSA recipients. Nor would it be appropriate for members of the community to label CSSA recipients in a negative manner; and</p> <p>(e) the MPF system was implemented in 2000 and was still a relatively young retirement system. The overall significance of the MPF system in enhancing the retirement protection for the workforce would increase as the accrued benefits accumulated increased over time. The Administration and the Mandatory Provident Fund Schemes Authority would continue to improve the various aspects of the operation of the MPF system.</p>	
020828 - 021744	Mr LEE Cheuk-yan Chairman Administration	<p>Mr LEE Cheuk-yan's view that the Administration should provide the findings of the CPU studies on the retirement protection system in Hong Kong to facilitate discussion and adopt the five-pillar pension model proposed by the World Bank in 2005.</p> <p>The Administration's response that some of the findings of CPU studies were presented at a conference in 2010 and some had also been made available on the CPU's website. In the course of refining its studies, CPU would also drawn reference to the remarks of the World Bank that its multi-pillar model was only a framework and not a "one-size-fits all" blueprint. Various countries could adapt the principles according to their local circumstances.</p> <p>The Administration's explanation in response to Mr LEE Cheuk-yan that the arrangement to allow employers using their contributions to retirement schemes for offsetting severance payments had been in place before the implementation of the MPF system and it was extended to the MPF system after extensive consultation and taking into account all relevant considerations. As the subject matter involved issues pertaining to the overall employer-employee relationship, any change to the arrangement would require consensus of employees and employers.</p>	

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021745 - 022459	Ms LI Fung-ying Chairman Administration	<p>Ms LI Fung-ting's disappointment at the Administration's responses which failed to allay deputations' concern about the shortcomings of the MPF system and take heed of the consensus view of the public on the implementation of a universal retirement protection scheme.</p> <p>In response to Ms LI Fung-ying's query about whether consideration could be given to changing the eligibility to join the MPF schemes from income/employment-based to age-based to cover also the low-income group and persons not in the workforce and scraping the SP/LSP offsetting arrangement, the Administration's explanation that as the second pillar of retirement protection, the MPF system was aiming at enhancing retirement protection for the employed population through contributions by both employers and employees. The MPF System and the two other pillars were complementary to each other. It had no plan to change the SP/LSP offsetting arrangement at this stage given the lack of consensus of employees and employers.</p>	
022500 - 023101	Mr LEUNG Kwok-hung Chairman Administration	Mr LEUNG Kwok-hung's request for the details of the CPU studies on the retirement protection system; and his suggestion that enterprises should be required to contribute at an extra 3% of their profits as a new tax source for supporting the retirement life of all of the elderly.	
023102 - 023824	Mr LEUNG Yiu-chung Chairman Administration	<p>Mr LEUNG Yiu-chung's view that the introduction of various measures to improve the operational arrangements of the MPF system could not in any way strengthening its effectiveness to enhance the retirement protection for the elderly; and his enquiry on the timetable on the availability of CPU's findings on the retirement protection system and the concrete actions to be taken by the Administration to improve the existing retirement protection regime in the interim.</p> <p>The Administration's reiteration that CPU would submit its preliminary findings to the Administration for internal deliberation in 2012. The Administration would make reference to the findings and make continuous efforts to enhance the existing system.</p>	
023825 - 024703	Mr IP Wai-ming Chairman Administration	Mr IP Wai-ming's view that the Administration should provide justifications for not adopting the zero and fourth pillars proposed by the World Bank; and his enquiries on the method of calculating the estimated reduction in the amount of the accrued MPF benefits upon retirement if the minimum level of relevant income for MPF contribution was	

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		<p>increased from \$5,000 to \$6,500 and the disclosure of trustees' fees and charges on MPF schemes.</p> <p>The Administration's explanation of the method of calculating the estimated reduction in the amount of the accrued MPF benefits upon retirement if the minimum level of relevant income was increased from \$5,000 to \$6,500; and its advice that trustees were required to set out the investment management fees, custodian fees and administration fees in the fund fact sheets issued to scheme members. In the past two years, the average Fund Expense Ratio had reduced by more than 10%.</p>	
024704 - 024901	Chairman	Extension of the meeting for 15 minutes beyond its appointed time to allow more time for discussion.	
024902 - 025111	Alliance for Universal Pension	The deputation's view that the Administration had the responsibility to encourage further discussions and forge a consensus on the implementation of a universal retirement protection scheme to address the issue of old-age poverty and the challenges of an ageing population.	
025112 - 025409	The Hong Kong Council of Social Service	The deputation's request for provision of a tabulation of the amount of the accumulated contributions and the accrued benefits available to MPF scheme members in the age groups of 45 to 55 and 55 to 65, as well as those who had reached the age of 65 and withdrawn their MPF benefits, by their level of income and gender; and a 50-year projection on retirement protection by the Administration.	
025410 - 025513	Cleaning Worker's Union	The deputation's view that the Administration should introduce a universal retirement scheme without delay, and the imposition of any financial eligibility criteria under the scheme to screen out the rich would create a negative labelling effect and increase the administrative cost.	
025514 - 025720	Catholic Diocese of HK Diocesan Pastoral Centre for Workers (New Territories)	The deputation's view that the Administration should take heed of the consensus view of the deputations on the implementation of a universal retirement protection scheme and the abolition of the SP/LSP offsetting arrangement under the MPF system.	
025721 - 025855	葵芳邨長者權益關注組	The deputation's view that as a token of recognition of the contributions made by the current generation of elderly, who were not covered under the MPF system, when they were young, the Administration should make efforts to promote financial security at old age by introducing a universal retirement protection scheme.	
025856 - 025931	Government Mod 1 Staff General Union	The deputation's view that given that the rich constituted only a fairly small proportion of the	

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		population, the Administration should take care of the retirement needs of the community at large by introducing a universal retirement protection scheme.	
025932 - 030136	Industrial Relations Institute	The deputation's disappointment at the Administration's failure to allay the concerns of the deputations over the SP/LSP offsetting arrangement under the MPF system and the inadequacy of the existing three-pillar model for retirement protection in meeting the retirement needs of the elderly.	
030137 - 030341	HK No MPF	The deputation's view that the Administration should scrap the MPF system and put forward different options for retirement protection for extensive public consultation.	
030342 - 030605	Grassroots Development Centre	The deputation's request for the provision of the details of the CPU studies on the retirement protection system, including the alternative options it had considered to enhance retirement protection; and its view that it was the consensus of the labour sector that the SP/LSP offsetting arrangement under the MPF system should be scrapped.	
030606 - 030736	The Federation of Hong Kong & Kowloon Labour Unions	The deputation's view that the piecemeal approach adopted by the Administration in improving the operations of the existing three-pillar model for retirement protection would not help to effectively respond to the challenges of an ageing population. The Administration should introduce a sustainable universal retirement protection scheme to address the issue.	
030737 - 030841	爭取基層生活保障聯盟	The deputation's request for justifications for the infeasibility of providing a one-off capital of \$50 billion as a start-up fund for a universal retirement protection scheme and the concrete actions to be taken by the Administration to address the retirement needs of an ageing population.	
030842 - 031110	The Professional Commons Chairman	The deputation's request for information on the financial sustainability of the CSSA Scheme, in terms of its payment to the elderly recipients, and the Old Age Allowance for the next 50 years.	
031111 - 031240	Neighbourhood and Worker's Service Centre	The deputation's concern on the requirement for applying for CSSA on a household basis and the effectiveness of the MPF system in enhancing retirement protection for the working population.	
031241 - 031310	Chairman	Extension of the meeting for another 15 minutes to allow more time for discussion.	
031311 - 031733	Administration Chairman	The Administration's responses to deputations' views -	

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		<p>(a) the Administration would take into account of the views of the deputations when reviewing and enhancing elderly welfare and the MPF system;</p> <p>(b) the MPF system, which was designed to be a mandatory, privately managed contribution scheme for providing retirement protection for the working population, had been introduced against the background that divergent public views were received on the Administration's proposal to introduce an Old Age Pension Scheme in early 1990s; and</p> <p>(c) since inception of the MPF system in December 2000 and up to March 2011, the annualised internal rate of return after deduction of fees and charges was 5.4%. This demonstrated that the MPF system had contributed to assisting the working population to accumulate retirement savings in the long-term.</p>	
031734 - 032129	Mr Alan LEONG Chairman	Mr Alan LEONG's sharing of the deputations' views that the existing three-pillar model for retirement protection was far from adequate to meet the retirement needs of all elderly.	
032130 - 032504	Mr LEE Cheuk-yan Chairman	Mr LEE Cheuk-yan's request for information on the management and administration fees of MPF funds over the past 10 years and the justifications for the findings of CPU that the three pillars of the existing retirement protection system were complementary to one another and would be financially sustainable.	
032505 - 032823	Mr LEUNG Kwok-hung Chairman	Mr LEUNG Kwok-hung's view that the Secretary for Labour and Welfare should come before the Subcommittee to listen to the views of deputations and members on the inadequacy of the existing three-pillar model for retirement protection.	
032824 - 032915	Mr LEUNG Yiu-chung Chairman	Mr LEUNG Yiu-chung's request for a financial feasibility study by the Administration, under the assumption that no MPF system was in place, on the proposed universal retirement protection scheme with a defined benefit of \$3,000 per month.	
032916 - 033455	Administration Chairman Mr LEUNG Kwok-hung Mr LEUNG Yiu-chung	<p>The Administration's explanation of the focus of the CPU studies on the sustainability of the existing retirement protection system in Hong Kong.</p> <p>The Administration's advice that the Mandatory Provident Fund Schemes Authority had issued a Code on Disclosure for MPF Investment Funds in 2004 to improve, among others, the disclosure of</p>	

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		information about fees charged to scheme members' accounts. While there was still room for further reduction of the management fees of the MPF system, there had been fees reduction in recent years due to the measures, among others.	
033456 - 033900	Chairman Mr LEUNG Kwok-hung Administration	The Administration was requested to provide - (a) a summary setting out the studies on the retirement protection system in Hong Kong conducted by CPU and the relevant findings; (b) justifications for the findings of CPU that the three pillars of the existing retirement protection system were complementary to one another, and would continue to do so in future, and information to explain whether the three pillars would be financially sustainable for the next 10, 20 and 30 years; and (c) a consolidated response to the views expressed by deputations at the meeting.	Admin