
立法會秘書處

Legislative Council Secretariat

新聞稿 Press Release

LegCo to debate a motion on comprehensively reviewing the
Mandatory Provident Fund Scheme

The Legislative Council (LegCo) will hold a meeting this Wednesday (December 1) at 11 am in the Chamber of the LegCo Building. During the meeting, Members will debate a motion on comprehensively reviewing the Mandatory Provident Fund Scheme.

The motion, to be moved by Hon WONG Kwok-kin, states: "That, according to the projection of the Census and Statistics Department, the ratio of persons who are aged 65 and above to the population in Hong Kong will substantially increase to 26% by 2036; this not only indicates the gravity of population ageing in Hong Kong in the future, but also foretells the public's urgent demand for comprehensive retirement protection; yet, there is at present no retirement protection system in Hong Kong that benefit all people, and after nearly 10 years since its implementation, the Mandatory Provident Fund ('MPF') Scheme is still unable to achieve the objective of protecting people's retirement life; in this connection, this Council urges the authorities to comprehensively review the MPF Scheme and further improve the relevant mechanisms, so as to protect the retirement life of all people; the relevant review should include:

- (a) to implement universal retirement protection, with tripartite contributions from the Government, employers and employees, so as to extend the coverage of protection to all Hong Kong people;

- (b) to abolish the mechanism whereby employers' contributions under the MPF Scheme are used to offset severance payments and long service payments, and retain Hong Kong employees' rights to severance payments or long service payments under the relevant provisions of the Employment Ordinance, so as to provide employees with better retirement protection;
- (c) to implement a system of 'one lifelong account', establish portability of MPF accounts, and require trustees to introduce a simple and easy to understand method to inspect accounts similar to that of 'bank books', so as to enable employees to peruse information on contributions, returns, etc. at any time;
- (d) to lower MPF management fees and administration fees, and at the same time enact legislation to require trustees to set out the actual amounts of management fees in the annual reports of the years concerned, so as to protect the actual amounts of MPFs received by employees upon retirement from not being drastically eroded;
- (e) to implement totally unrestricted choices for employees under the MPF Scheme, allowing employees to choose trustees for both employers' and employees' MPF contributions, and at the same time, through publicity and education, enable employees to understand that they may transfer their MPF contributions according to the levels of risks they can bear;
- (f) to strengthen the regulation of MPF investment products and regularly review the sales practices adopted by intermediaries;
- (g) to review the appropriateness of the existing minimum and maximum levels of income, including that the minimum level of income should be higher than the minimum wage;

- (h) to step up law enforcement to combat the situation of default in contributions, including sentencing employers who default on contributions to immediate imprisonment, and considering blacklisting the companies concerned in the tendering exercises for government services as a form of penalty, etc.; and
- (i) to reform the Occupational Retirement Schemes ('ORSO') system, requiring employers adopting ORSO schemes to provide their employees with accrued benefits not less than those under the MPF Scheme."

Hon CHAN Kin-por, Hon Paul TSE, Hon Ronny TONG, Hon Paul CHAN and Hon LEE Cheuk-yan will move amendments to Hon WONG Kwok-kin's motion respectively.

Members will debate another motion on reviewing the operation of the Land (Compulsory Sale for Redevelopment) Ordinance. The motion, to be moved by Hon Mrs Regina IP, says: "That the Administration, by publication of the Land (Compulsory Sale for Redevelopment) (Specification of Lower Percentage) Notice in the Gazette in January this year, specified that with effect from 1 April this year, in respect of three classes of land lot, the application threshold for compulsory sale shall be lowered from 90% to 80%; although the lowering of the threshold can help facilitate urban renewal, the existing old building acquisition mechanism lacks transparency, and owners of old buildings are unable to negotiate with developers on a more equal footing; in the half year since the implementation of the new legislation, the acquisition of old buildings for private redevelopment has mostly occurred in prime land lots or even the Mid-levels, while no one is interested in the dilapidated communities that are in great need of redevelopment, indicating that the legislation has failed to fully fulfil its objectives; in this connection, this Council urges the Administration to review

the Land (Compulsory Sale for Redevelopment) Ordinance ('the Ordinance'), including:

- (a) to examine the operational problems in old building acquisition: when dealing with experienced developers or agents, individual flat owners often cope with very great mental stress, and many of them are even subject to harassment suspected to be acquisition-related, which causes anxiety and seriously affects the life of individual flat owners;
- (b) to review the compensation mechanism for old building acquisition: flat owners at present have to fight lone battles against developers or agents who are financially powerful and influential in sale price negotiations and, given their lack of help and support, the sale prices often fail to reach the price levels of similar properties they look for in nearby places of the same districts and even fall far short of many flat owners' expectation of 'flat for flat, shop for shop' for urban renewal; and
- (c) to conduct an overall review of the Ordinance: given that compulsory sale involves deprivation of private property rights and the Ordinance currently has various deficiencies, it is necessary to conduct an overall review of the Ordinance (including the administrative arrangements therein), in order to enhance the protection of the rights of flat owners.

Hon CHAN Kam-lam, Dr Hon Priscilla LEUNG, Dr Hon Margaret NG, Hon WONG Yuk-man, Hon Ronny TONG, Hon CHEUNG Kwok-che and Hon James TO will move amendments to Hon Mrs Regina IP's motion respectively.

On motion, Secretary for Constitutional and Mainland Affairs will move a resolution under the District Council Ordinance to approve the District Councils Ordinance

(Amendment of Schedule 3) Order 2010, made by the Chief Executive in Council on 21 September 2010.

In addition, Members will also ask the Administration 20 questions on various policy areas, six of which require oral replies.

The agenda of the above meeting can be obtained via the LegCo InfoFax Service (Tel: 2869 9568) or the LegCo website (<http://www.legco.gov.hk>). Please note that the agenda is subject to change, and the latest information about the agenda could be found in the LegCo website.

Members of the public are welcome to observe the proceedings of the meeting from the public galleries of the LegCo Chamber. They may reserve seats by calling 2869 9399 during office hours. Seats will be allocated on a first-come-first-served basis. Members of the public can also listen to the meeting via the web broadcast system on the LegCo website.

Ends/Monday, November 29, 2010

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