

立法會
Legislative Council

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Tel : 3919 3300

Date : 21 October 2011

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 2 November 2011

Motion on
“Comprehensively reforming the Mandatory Provident Fund Scheme”

Hon TAM Yiu-chung has given notice to move the attached motion on “Comprehensively reforming the Mandatory Provident Fund Scheme” at the Council meeting of 2 November 2011. The President has directed that “it be printed in the terms in which it was handed in” on the Agenda of the Council.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

(Translation)

Motion on
“Comprehensively reforming the Mandatory Provident Fund Scheme”
to be moved by Hon TAM Yiu-chung
at the Council meeting of 2 November 2011

Wording of the Motion

That, given that the Mandatory Provident Fund (‘MPF’) Scheme has already been implemented for over 10 years and the various social sectors have put forward many proposals for improving the Scheme, this Council considers that the authorities must conduct a comprehensive review of the MPF Scheme; the relevant review should include:

- (a) to expeditiously implement a full portability arrangement for the MPF Scheme;
- (b) to adopt effective measures to press MPF Scheme trustees to lower their fees, such as enacting legislation to specify fee ceilings for different types of investment funds and fee types, and to require MPF Scheme trustees to collect fixed administration fees to replace the practice of collecting such fees at fixed percentages of the total asset values of MPF accounts;
- (c) to require MPF Scheme trustees to provide contributors with products resembling bank deposits that charge no management fees;
- (d) to introduce two additional fund products operated by the Government at low management fees, and linked respectively to Exchange Fund returns and inflation rates;
- (e) to enact legislation to require MPF Scheme trustees to set out the actual amounts of fees in the annual reports of the years concerned;
- (f) to obtain the operating costs data of MPF Scheme trustees and formulate measures to regulate trustees by making reference to the form of regulation of employees’ compensation insurance;
- (g) to allow MPF Scheme contributors with exceptional reasons (such as critical illness) to apply for suspension of contributions or partial withdrawal of their MPF accrued benefits, so as to meet urgent needs;

- (h) to allow retirees to withdraw their MPF accrued benefits by instalments after the age of 65;
- (i) to introduce a maximum tax deduction of \$12,000 for voluntary MPF contributions;
- (j) to prompt the Labour Advisory Board to conduct discussions on the mechanism whereby employers' contributions under the MPF Scheme are used to offset severance payments and long service payments;
- (k) to enhance the regulation of MPF Scheme intermediaries; and
- (l) to step up law enforcement and increase penalties to combat the situation of default in contributions,

with a view to achieving the aims of lowering fees, increasing employees' choices for investment and perfecting the regulatory mechanism.