

立法會
Legislative Council

LC Paper No. CB(2)1295/13-14
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by the Administration)

Ref : CB2/PS/4/12

Panel on Welfare Services

Subcommittee on Retirement Protection

Minutes of meeting
held on Tuesday, 25 March 2014, at 10:00 am
in Conference Room 1 of the Legislative Council Complex

Members present : Hon CHAN Yuen-han, SBS, JP (Chairman)
Hon CHEUNG Kwok-che (Deputy Chairman)
Hon Albert HO Chun-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Frankie YICK Chi-ming
Hon CHAN Chi-chuen
Dr Hon Fernando CHEUNG Chiu-hung
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu

Member absent : Dr Hon KWOK Ka-ki

**Public Officers : Item I
attending**

Mr CHOW Wing-hang
Principal Assistant Secretary for Labour & Welfare
(Welfare) 4

Miss Emmy WONG Kwok-ling
Principal Assistant Secretary for Financial Services &
the Treasury (Financial Services) 3

**Attendance : Item I
by invitation**

Civic Party

Miss Bonnie LEUNG
Executive Committee Member

Alliance for Universal Pension

Mr AU YEUNG Kwun-tung
Organizer

Manpower Concern Group

Mr WONG Kwai-sang

The Hong Kong Federation of Trade Unions Rights &
Benefits Committee

Mr IP Wai-ming
Deputy Director

婦女就業致癌關注組

Miss Amy LAI Tsz-shan
Member

Elderly Council of Tsuen Kwai Tsing District

Mr LAM Chi-chung
Secretary

League of Social Democrats

Mr WONG Ho-ming
Vice-Chairman

Neighbourhood and Worker's Service Centre

Mr CHOW Kam-pui
Organizing Officer

Individual

Mr WONG Yun-tat
Member of Kwai Tsing District Council

Kwai Chung Estate Labour Right Concern Group

Mr LEUNG Kam-wai
Representative

Hong Kong Confederation of Trade Unions

Mr NG Koon-kwan
Organizing Secretary

葵芳工友組

Mr AU Lap-hang

Democratic Alliance for the Betterment and
Progress of Hong Kong

Ms CHEUNG Fan-lan
Deputy Spokesperson of Welfare Services

The Federation of Hong Kong & Kowloon Labour
Unions

Mr WONG Man-kuen
Coordinator

Government Mod 1 Staff General Union

Mr TSUI Yat-keung
Vice Chairperson

Kwai Fong Estate Elderly Rights Concern Group

Mr CHUNG Hau-ping
Member

Chinese Grey Power

Mr WONG Chi-kwan
Committee Member

Labour Rights Commune

Ms CHEUNG Man-wai
Member

Concern Group for Care-takers

Ms CHU Moon-chun
Member

老人福利關注組

Mr LAI Ming-lai
Member

Grassroots Development Centre

Mr NG Kin-wing
Committee Member

Labour Party

Mr Steve LO
Representative

爭取基層生活保障聯盟

Mr Abraham LAI

HK Social Security Society

Miss H T CHOW
Executive Member and Research Officer

Industrial Relations Institute

Ms LAU Yau-chun
Organizer

Women Workers Cooperative

Ms PONG Lai-hing
Member

耆樂融融關注組

Mr FAN Ping-kay
Representative

Individual

Mr Andrew WAN Siu-kin
Member of Kwai Tsing District Council

The Democratic Party

Mr LO Kin-hei

The Professional Commons

Mr CHAN Kai-ming
Member

Catholic Diocese of HK Diocesan Pastoral Centre
for Workers (Kowloon)

Mr HO Tin-lok
Programme Officer

Hong Kong Federation of Women's Centres

Miss CHENG Mo-yi
Education Officer

Concerning CSSA & Low Income Alliance

Mr Herrick LEE Yen-hao
Community Organizer

中產關注退休保障陣線

Ms YIM Pik-fan
Convenor

Hong Kong Women Workers' Association

Miss NG Cheuk-ling
Organizer

婦女權益關注組

Ms 許菊紅
Member

Cleaning Workers' Union

Ms CHEUNG Po-lai
Executive Committee Member

Kwai Chung Old People Rights Concern Group

Mr CHOW Pak-tze
Representative

Kwai Chung Elderly People Rights Concern Group

Mr TSANG Hoi-pang
Representative

Kwai Chung Elderly Rights Concern Group

Ms LO Lai-ping
Representative

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 1

Staff in attendance : Ms Rita LAI
Senior Council Secretary (2) 1

Miss Kay CHU
Council Secretary (2) 1

Ms Kiwi NG
Legislative Assistant (2) 1

Miss Lulu YEUNG
Clerical Assistant (2) 1

I. Receiving the views of deputations on retirement protection

The Chairman said that, in view of the overwhelming response from more than 80 deputations to give views to the Subcommittee, she had directed that the meeting would receive views from the first 44 deputations which had indicated to the Secretariat their interest to express views at the meeting. The Subcommittee would receive views from the remaining deputations at the next meeting scheduled for 29 April 2014.

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

3. The Subcommittee received oral representations from 40 deputations/individuals attending the meeting. Members also noted that five organisations/individuals not attending the meeting had provided the Subcommittee with written submissions. Major views of the deputations are summarised below -

- (a) in the light of the challenges of an ageing population and a considerable number of the elderly living in poverty, the Administration should enhance the retirement protection without further delay so as to ensure the elderly could lead a dignified and financially-secured life in their twilights years. There were deficiencies of the existing three-pillar retirement protection system in Hong Kong, viz. the non-contributory social security system (made up of the

Comprehensive Social Security Assistance ("CSSA") Scheme, and the Social Security Allowance Scheme, including the Old Age Allowance and the Old Age Living Allowance ("OALA")), the Mandatory Provident Fund ("MPF") system and voluntary private savings, including the following -

- (i) the elderly CSSA applicants had to provide the financial position of their family members for the purpose of assessing their financial needs. If they wished to apply for CSSA on their own, they must submit a declaration on non-provision of financial support by their family members. It would be difficult for the elderly concerned to make CSSA applications if their family members were unwilling to make such declaration. Moreover, the labelling effect of the CSSA Scheme had also deterred many vulnerable elders from seeking appropriate financial assistance;
- (ii) given the MPF system, which was launched since 2000, aimed to assist the working population to accumulate retirement savings through contributions by both the employers and employees, there were concerns that the current generation of elders, homemakers and unemployed persons were not covered under the system. Concern was also raised about the effectiveness of the MPF system in helping scheme members, in particular low-income earners, with their retirement life having regard to the arrangement of offsetting severance payments ("SP") and long service payments ("LSP") against MPF accrued benefits (hereinafter referred to as "the offsetting arrangement"), which had significantly reduced the amount of the MPF accrued benefits for the employees concerned. In addition, the management fees and administration fees of the MPF schemes were generally on the high side; and
- (iii) given the need to meet the day-to-day living expenses, the low-income earners and homemakers could hardly save up for their retirement life;

- (b) taking into account the community at large was in support of the implementation of a universal retirement protection scheme, the Administration should introduce a sustainable universal retirement protection scheme. The main features of the proposed retirement protection models put forward by deputations included: all elderly were entitled to receive a non-means-tested monthly payment, say, in the region of \$3,000 to \$4,000, with tripartite contributions from the Government, employers and employees, though some deputations proposed to establish a non-contributory model. In addition, the Government was required to inject a one-off capital, say, \$50 billion, as a start-up fund for the scheme by deploying fund from the fiscal reserve or the Land Fund. The Administration should draw up a concrete timetable and a roadmap for the implementation of universal retirement protection scheme as soon as practicable; and
- (c) the final report of the "Study on Retirement Protection in Hong Kong" ("the Study") being undertaken by the consultancy team led by Professor Nelson CHOW should be made available to the public.

4. Members shared the concerns raised by deputations and took the view that the Study report should be made available to the public and the Subcommittee. The Deputy Chairman also called on the Central Policy Unit ("CPU") to make public its findings on "A study on sustainability of three pillars of retirement protection in Hong Kong", which was completed in 2008. The Administration agreed to relay the request to CPU.

5. In response to the views of deputations regarding the social security system, Principal Assistant Secretary for Labour and Welfare (Welfare)⁴ ("PAS(W)") said that the CSSA Scheme was designed to provide financial support to needy families for meeting basic needs. Applications were made on a household basis on the ground that family members should render assistance and support for each other. Where an elderly applicant wished to apply for CSSA on his/her own, the Social Welfare Department would consider exercising its discretion on a case-by-case basis. As for OALA, PAS(W) advised that while there were prescribed limits for the income and assets of the elderly applicants, contributions from family members were excluded in the calculation of

their income. According to latest statistics, more than 420 000 eligible elderly were receiving a monthly OALA of \$2,285. As stated in the 2014 Policy Address, a review on the implementation of OALA including the income limit would be conducted in 2014. In addition, as announced in the 2014 Policy Address, the Government would introduce a Low-income Working Family Allowance to curb inter-generational poverty by encouraging self-reliance through employment.

6. As regards the Study, PAS(W) said that the Secretary for Labour and Welfare and Prof Nelson CHOW had attended the meeting of the Panel on Welfare Services in December 2013 and briefed members on the latest development of the Study. As explained to members, the focus of the Study was to analyse the views collected and the consultancy team would draw up its observations from the analysis, which would provide a basis for future deliberations on the way forward for retirement protection. It was expected that the consultancy team would submit a final report to the Social Security and Retirement Protection Task Force of the Commission on Poverty ("CoP") for consideration by mid-2014, and CoP would then decide on making available the report to the public as appropriate.

7. As for the MPF system, Principal Assistant Secretary for Financial Services and the Treasury (Financial Services)³ ("PAS(FS)") said that the Mandatory Provident Funds Schemes Authority ("MPFA") and the Administration had since the inception of the MPF system been pursuing various measures to press for the reduction of management fees of MPF funds by enhancing market transparency and increasing market competition. Notably, following the implementation of the Employee Choice Arrangement in November 2012, which provided employees with greater autonomy in choosing MPF schemes, a number of funds had reduced their management fees. MPFA had also provided a Low Fee Fund List on its website to promote transparency. In addition, to facilitate greater scope for fee reduction, the Government and MPFA were studying a number of specific reform measures, for example, the proposal of launching in each MPF scheme a "core fund" as the default fund, which would be subject to fee control and based on long-term investment strategy. Upon completion of the relevant study, a public consultation would be conducted on the proposal later this year.

8. PAS(FS) further said that the offsetting arrangement was a complex issue. The Administration would continue to listen to the views of different sectors, and would continue to consider and examine the issue in a holistic and careful manner. The protection for retirees, including economically inactive persons such as homemakers and unemployed people, could be considered in the context of retirement protection for the elderly.

9. The Chairman advised that she and the Deputy Chairman would extend an invitation to Prof Nelson CHOW to attend an informal meeting of the Subcommittee to exchange views with members on the Study and proposals on retirement protection before the consultancy team concluded the Study report. Members would be informed of the meeting arrangement in due course.

II. Any other business

10. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 2
Legislative Council Secretariat
11 April 2014

**Proceedings of meeting of the Subcommittee on Retirement Protection
held on Tuesday, 25 March 2014, at 10:00 am
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker(s)	Subject(s)	Action Required
<i>Agenda item I - Receiving the views of deputations on retirement protection</i>			
000000 - 000745	Chairman	Opening remarks Continuation of receiving views from deputations at next meeting to be held on 29 April 2014	
000746 - 001118	Chairman 爭取基層生活保障聯盟	Presentation of views	
001119 - 001438	Alliance for Universal Pension	Presentation of views as detailed in the submission [LC Paper No. CB(2)1148/13-14(01)]	
001439 - 001849	Manpower Concern Group Chairman	Presentation of views	
001850 - 001956	League of Social Democrats Chairman	Behaviour and conduct of members of the public when attending meetings	
001957 - 002321	The Hong Kong Federation of Trade Unions Rights & Benefits Committee	Presentation of views	
002322 - 002516	婦女就業致癌關注組	Presentation of views	
002517 - 002901	Elderly Council of Tsuen Kwai Tsing District	Presentation of views	
002902 - 003224	League of Social Democrats	Presentation of views	
003225 - 003543	Neighbourhood and Worker's Service Centre	Presentation of views as detailed in the submission [LC Paper No. CB(2)1171/13-14(01)]	
003544 - 003855	Mr WONG Yun-tat, Member of Kwai Tsing District Council	Presentation of views	

Time marker	Speaker(s)	Subject(s)	Action Required
003856 - 004217	Kwai Chung Estate Labour Right Concern Group	Presentation of views	
004218 - 004606	Hong Kong Confederation of Trade Unions	Presentation of views	
004607 - 004910	葵芳工友組	Presentation of views	
004911 - 005209	Democratic Alliance for the Betterment and Progress of Hong Kong	Presentation of views	
005210 - 005500	The Federation of Hong Kong & Kowloon Labour Unions	Presentation of views as detailed in the submission [LC Paper No. CB(2)1148/13-14(02)]	
005501 - 005645	Government Mod 1 Staff General Union	Presentation of views as detailed in the submission [LC Paper No. CB(2)1101/13-14(02)]	
005646 - 010021	Kwai Fong Estate Elderly Rights Concern Group	Presentation of views as detailed in the submission [LC Paper No. CB(2)1171/13-14(02)]	
010022 - 010233	Chinese Grey Power	Presentation of views as detailed in the submission [LC Paper No. CB(2)1148/13-14(03)]	
010234 - 010550	Civic Party	Presentation of views	
010551 - 010943	Labour Rights Commune	Presentation of views as detailed in the submission [LC Paper No. CB(2)1171/13-14(03)]	
010944 - 011320	Concern Group for Care-takers	Presentation of views	
011321 - 011556	老人福利關注組	Presentation of views	
011557 - 011956	Grassroots Development Centre Chairman	Presentation of views as detailed in the submission [LC Paper No. CB(2)1171/13-14(04)]	

Time marker	Speaker(s)	Subject(s)	Action Required
011957 - 012248	Labour Party	Presentation of views	
012249 - 012619	HK Social Security Society	Presentation of views	
012620 - 012945	Industrial Relations Institute	Presentation of views as detailed in the submission [LC Paper No. CB(2)1171/13-14(05)]	
012946 - 013159	Women Workers Cooperative	Presentation of views	
013200 - 013526	耆樂融融關注組	Presentation of views as detailed in the submission [LC Paper No. CB(2)1171/13-14(06)]	
013527 - 013858	中產關注退休保障陣線	Presentation of views	
013859 - 014303	Chairman Mr Andrew WAN Siu-kin, Member of Kwai Tsing District Council	Presentation of views	
014304 - 014636	The Democratic Party	Presentation of views	
014637 - 015001	The Professional Commons	Presentation of views as detailed in the submission [LC Paper No. CB(2)1101/13-14(03)]	
015002 - 015403	Catholic Diocese of HK Diocesan Pastoral Centre for Workers (Kowloon)	Presentation of views	
015404 - 015431	Chairman	Extension of meeting by 15 minutes	
015432 - 015749	Hong Kong Federation of Women's Centres	Presentation of views	
015750 - 020111	Concerning CSSA & Low Income Alliance	Presentation of views	

Time marker	Speaker(s)	Subject(s)	Action Required
020112 - 020445	Chairman Hong Kong Women Workers' Association	Presentation of views	
020446 - 020726	婦女權益關注組 Chairman	Presentation of views	
020727 - 021143	Cleaning Workers' Union Chairman	Presentation of views	
021144 - 021533	Kwai Chung Elderly People Rights Concern Group	Presentation of views	
021534 - 021913	Kwai Chung Elderly Rights Concern Group Chairman	Presentation of views	
021914 - 022249	Chairman	<p>The Chairman's concern about the attendance of the Administration.</p> <p>Response of the Chairman of Commission on Poverty to members' request for making public the final report of the consultancy study on retirement protection ("the Study") being conducted under Prof Nelson CHOW's leadership, which was expected to be available in mid 2014.</p> <p>Proposal of arranging an informal meeting with Prof CHOW to exchange views on the Study and proposals on retirement protection.</p>	The Chairman and Deputy Chairman
022250 - 023505	Chairman Admin	The Administration's response to the views of deputations.	
023506 - 023523	Chairman	Further extension of the meeting by 15 minutes	
023524 - 023844	Mr Albert HO	Mr Albert HO's view that the Study was a tactic of the Administration to delay the implementation of universal retirement protection. As the subject was an important social policy which involved re-allocation of public resources, it should not be studied merely from the perspective of poverty alleviation.	

Time marker	Speaker(s)	Subject(s)	Action Required
023845 - 024219	Deputy Chairman	<p>The Deputy Chairman's reiteration of the suggestion to arrange an informal meeting with Prof Nelson CHOW in April/May 2014.</p> <p>The Deputy Chairman drew reference from the written submission of Mr 黃元山 [LC Paper No. CB(2)1101/13-14(04)] on the phenomenon of reduction in private savings, which provided useful information on the inadequacy of private savings to support retirement life.</p> <p>The Administration's response to members' request for provision of findings and/or raw data of the studies conducted by the Central Policy Unit ("CPU") related to the subject of retirement protection [LC Paper No. CB(2)1101/13-14(01)].</p> <p>The Deputy Chairman's request for making public the findings of "A study on sustainability of three pillars of retirement protection in Hong Kong", which was completed in 2008.</p>	Admin to relay the request to CPU
024220 - 024545	Mr LEUNG Kwok-hung Chairman	<p>Mr LEUNG Kwok-hung's concern about attendance of the Administration.</p> <p>Mr LEUNG's view that the Chief Executive should honour his election manifesto in respect of making improvement to retirement protection.</p>	
024546 - 025042	Mr CHAN Chi-chuen Chairman Admin	<p>Mr CHAN Chi-chuen's view that the Administration should implement universal retirement protection having regard to the considerable fiscal reserve. Alternatively, the Administration should raise the amount of Old Age Allowance or Old Age Living Allowance to, say, in the region of \$3,000 to \$4,000, with immediate effect and abolish the means-tested requirement.</p> <p>Mr CHAN's enquiry regarding the follow-up action taken by the Administration should a universal retirement protection scheme be put forth in the final report of the Study and the Administration's response.</p>	

Time marker	Speaker(s)	Subject(s)	Action Required
		The Administration's response on the attendance of ranking of officials at committee meetings.	
025043 - 025413	Mr TANG Ka-piu Chairman	Mr TANG Ka-piu's suggestion of receiving views from deputations which had solid proposals on retirement protection. Mr TANG's view that there was a pressing need to implement universal retirement protection in view of the rapidly ageing population and the inefficacies of the Mandatory Provident Fund system in providing sufficient retirement protection.	
025414 - 025848	Chairman Admin	The Chairman's expression of grave disappointment about the Administration's slow progress in implementing universal retirement protection regardless of the strong call from the community at large and different proposals had been put forth by community groups over the years. The Chairman's view that the concerns about the implementation timetable for retirement protection should be addressed within the current term Government and the Administration's response.	
025849 - 030008	Mr LEUNG Kwok-hung	Mr LEUNG Kwok-hung's reiteration of concern about the attendance of the Administration.	
030009 - 030046	Chairman	Closing remarks	