

立法會
Legislative Council

LC Paper No. CB(2)1646/13-14
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by the Administration)

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Panel on Welfare Services

Subcommittee on Retirement Protection

Minutes of meeting
held on Tuesday, 29 April 2014, at 3:00 pm
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 KWOK Ka-ki
Dr Hon Fernando CHEUNG Chiu-hung
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu

Public Officers attending : Item I

Mr Matthew CHEUNG Kin-chung, GBS, JP
Secretary for Labour and Welfare

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

Civil Force

Mr LEUNG Ka-wai
Community Officer

Liberal Party Opposes Universal Retirement Protection
Concern Group

Ms Pearl TSANG
Member

Liberal Party Youth Committee

Mr Dominic LEE
Chairperson

Liberal Party

Mr Harris YEUNG
Member

Liberal Party Retirement Policy Concern Group

Mr Victor NG
Member

Hong Kong Association for Democracy and People's
Livelihood

Mr Calvin HO Kai-ming
Member

The Hong Kong Council of Social Service

Mr Anthony WONG
Business Director (Policy Research and Advocacy)

Academic for Universal Pension

Mr Nicholas CHAN Hok-fung
Chairman

西貢爭取全民退休保障團體

Ms 周佩銀
Member

Lee Wah House MAC

Mr TSUNG Lui-keung
Chairman

全民退保關注組

Mr CHIU See-poon

Concern Group of Women Poverty

Ms 曾艷華
Executive Committee Member

Tsuen Wan Elderly Joint Group

Ms LI Kwan-haau
Organisation Representative

Elderly Social Concern Alliance

Ms YU Chun-mui
Organisation Representative

Neo Democrats

Mr LI Sai-hung
Member

Youth Concern Elderly Poverty Issue Association

Miss CHING Siu-yeung
Member

Tai Hang Tung & Nam Shan Estate Peoples Committee

Mr LAU Cheuk-kei
Member

Sham Shui Po Community Association

Ms CHOW Kit-yin
Chairperson

Tin Shui Wai Elderly Welfare Union

Miss MOK Siu-man
Member

Tin Shui Wai Community Development Alliance

Miss CHONG Siu-ching
Member

Tin Shui Wai Retirement Protection Group

Miss CHAN Ka-man
Member

Hong Kong Christian Institute

Mr TANG Wing-fai
Programme Secretary

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

Ms TSANG Lai-shan
Program Officer

關注婦女權益聯盟

Miss LEUNG Wai-ching

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

Mr Augustine YU Siu-po
Acting Centre Supervisor

New Territories Evangelical Ambassador

Mr Simon TAM
Member

Sheung Shui CSU

Mr CHAN Chi-kit
Staff

North District Outsourcing Cleaning Workers Concern
Group

Miss LAU Hoi-man
Member

Shek Wu Hui Housing Problem Concern Group

Mr CHONG Sheung-wai
Member

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

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

Ms Kiwi NG
Legislative Assistant (2) 1

I. Issues relating to retirement protection

The Chairman said that further to receiving views from 40 deputations at the last meeting on 25 March 2014, the Subcommittee would continue to receive views from deputations on the subject of retirement protection at the meeting.

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

3. The Subcommittee received oral representations from 29 deputations attending the meeting. Most deputations expressed the view that they were in support of the implementation of a universal retirement protection scheme. Their major views 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 system for the elderly without further delay so as to ensure the elderly could lead a dignified and financially-secured life in their twilight years in recognition of their contribution to the community. 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, the Mandatory Provident Fund ("MPF") system and voluntary private savings, including the following -
 - (i) the requirement of making declaration on non-provision of financial support by family members of elderly CSSA applicants if they wished to submit applications on an individual basis had rendered difficulties on these elderly applicants should their family members refuse to make such declaration. Moreover, the labelling effect of the CSSA Scheme had also deterred many vulnerable elders from seeking appropriate financial assistance. The provision of allowance and assistance under the social security system was short-term poverty alleviation measure for the elderly;

- (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 low-income earners were not protected under the system. Moreover, the arrangement of offsetting severance payments and long service payments against MPF accrued benefits 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, the vulnerable groups and homemakers could hardly save up for their retirement life; and
- (b) the Administration should draw up a concrete timetable and a roadmap for the implementation of a sustainable universal retirement protection scheme as soon as practicable. 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 \$3,000, with tripartite contributions from the Government, employers and employees. In addition, the Government should inject a one-off capital, say, \$50 billion, as a start-up fund for the scheme by deploying fund from the fiscal reserve.

4. Some deputations, on the other hand, opposed to the proposed universal retirement protection scheme, having regard to the imposition of a very heavy burden on the public coffers and the younger generation over time. Taking into account the demographic changes in Hong Kong in the next 30 years, these deputations raised concerns about the sustainability of a universal retirement protection scheme. It was stressed that the finite public resources should be targeted at the elderly in need.

(The Deputy Chairman took the chair during the temporary absence of the Chairman.)

5. In response to the views of deputations, the Secretary for Labour and Welfare ("SLW") made the following points -

- (a) the Administration was fully aware of the diverse views on retirement protection in the community, which was a complex issue, and maintained an open mind on the subject; and
- (b) the "Study on Retirement Protection in Hong Kong" ("the Study") being undertaken by the consultancy team led by Prof Nelson CHOW included literature review on retirement protection, analysis of experiences of other places in implementing their retirement protection systems, collection and analysis of relevant data. The consultancy team would also analyse and make projections on the major proposals on the development of retirement protection put forth by community groups, the political sector and academics, having regard to factors such as demographic changes in Hong Kong, economic growth forecasts and the Government's fiscal strengths. 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 of the Study to the Social Security and Retirement Protection Task Force of the Commission on Poverty ("CoP") for consideration by end of June 2014, and CoP would then decide how best to make public the contents of the report as appropriate.

6. Members took a strong view that the final report of the Study should be made available to the Subcommittee. SLW agreed to relay the request to CoP for consideration.

II. Subjects to be discussed at meetings in May to July 2014

7. The Deputy Chairman informed members that in response to the Subcommittee's invitation to an informal meeting to exchange views on the Study and proposals on retirement protection, Prof Nelson CHOW had advised that it was not appropriate for him to discuss with members on the subject at the moment, given that the consultancy team was conducting analysis on the proposals on retirement protection received.

8. As regards the Subcommittee meeting scheduled for 27 May 2014, the Chairman and Deputy Chairman suggested and members agreed to receive views from deputations which had solid proposals on retirement protection, including those which had presented their proposed retirement protection models to the former Subcommittee on Retirement Protection in the Fourth Legislative Council ("LegCo") as well as those which had openly suggested specific proposals on retirement protection.

9. The Deputy Chairman further suggested that the Research Office of the LegCo Secretariat be requested to update the research report entitled "Retirement Protection System in Selected Places" which was conducted in 2012. Members agreed.

III. Any other business

10. There being no other business, the meeting ended at 5:37 pm.

Council Business Division 2
Legislative Council Secretariat
28 May 2014

**Proceedings of meeting of the Subcommittee on Retirement Protection
held on Tuesday, 29 April 2014, at 3:00 pm
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker(s)	Subject(s)	Action Required
<i>Agenda item I - Issues relating to retirement protection</i>			
000000 - 000617	Chairman	Opening remarks	
000618 - 000940	Chairman Civil Force	Presentation of views as detailed in the submission [LC Paper No. CB(2)1414/13-14(01)]	
000941 - 001217	Chairman Liberal Party Opposes Universal Retirement Protection Concern Group	Presentation of views	
001218 - 001531	Chairman Liberal Party Youth Committee	Presentation of views	
001532 - 001825	Chairman Liberal Party	Presentation of views	
001826 - 002045	Chairman Liberal Party Retirement Policy Concern Group	Presentation of views	
002046 - 002407	Chairman Hong Kong Association for Democracy and People's Livelihood	Presentation of views	
002408 - 002722	Chairman The Hong Kong Council of Social Service	Presentation of views as detailed in the submission [LC Paper No. CB(2)1414/13-14(02)]	
002723 - 003041	Chairman Academic for Universal Pension	Presentation of views as detailed in the submission [LC Paper No. CB(2)1395/13-14(01)]	

Time marker	Speaker(s)	Subject(s)	Action Required
003042 - 003327	Chairman 西貢爭取全民退休保障 團體	Presentation of views as detailed in the submission [LC Paper No. CB(2)1390/13-14(01)]	
003328 - 003617	Chairman Lee Wah House MAC	Presentation of views as detailed in the submission [LC Paper No. CB(2)1326/13-14(01)]	
003618 - 004034	Chairman 全民退保關注組	Presentation of views as detailed in the submission [LC Paper No. CB(2)1390/13-14(02)]	
004035 - 004321	Chairman Concern Group of Women Poverty	Presentation of views	
004322 - 004812	Chairman Tsuen Wan Elderly Joint Group	Presentation of views	
004813 - 005133	Chairman Elderly Social Concern Alliance	Presentation of views	
005134 - 005419	Chairman Neo Democrats	Presentation of views as detailed in the submission [LC Paper No. CB(2)1368/13-14(01)]	
005420 - 005653	Chairman Youth Concern Elderly Poverty Issue Association	Presentation of views	
005654 - 010027	Chairman Tai Hang Tung & Nam Shan Estate Peoples Committee	Presentation of views	
010028 - 010341	Chairman Sham Shui Po Community Association	Presentation of views	
010342 - 010645	Chairman Tin Shui Wai Elderly Welfare Union	Presentation of views	

Time marker	Speaker(s)	Subject(s)	Action Required
010646 - 010939	Chairman Tin Shui Wai Community Development Alliance	Presentation of views	
010940 - 011245	Chairman Tin Shui Wai Retirement Protection Group	Presentation of views	
011246 - 011546	Chairman Hong Kong Christian Institute	Presentation of views	
011547 - 011930	Chairman Catholic Diocese of HK Diocesan Pastoral Centre for Workers (HK Island)	Presentation of views	
011931 - 012252	Chairman 關注婦女權益聯盟	Presentation of views as detailed in the submission [LC Paper No. CB(2)1414/13-14(03)]	
012253 - 012609	Chairman Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (New Territories)	Presentation of views	
012610 - 012939	Chairman New Territories Evangelical Ambassador	Presentation of views	
012940 - 013301	Deputy Chairman Sheung Shui CSU	<i>(The Deputy Chairman took the chair during the temporary absence of the Chairman.)</i> Presentation of views	
013302 - 013612	Deputy Chairman North District Outsourcing Cleaning Workers Concern Group	Presentation of views	
013613 - 013915	Deputy Chairman Shek Wu Hui Housing Problem Concern Group	Presentation of views	

Time marker	Speaker(s)	Subject(s)	Action Required
013916 - 014329	Deputy Chairman Admin	<p>The Administration's response to the views and issues of concern raised by deputations.</p> <p>The Secretary for Labour and Welfare's remarks on his unavailability at the last Subcommittee meeting due to a clash with the meeting of the Executive Council.</p>	
014330 - 014900	Deputy Chairman Mr Albert HO	Mr Albert HO's remarks that the Democratic Party was in support of the implementation of universal retirement protection, which would safeguard individual's rights to enjoy retirement protection, including homemakers, by way of wealth redistribution.	
014901 - 015431	Deputy Chairman Mr POON Siu-ping Admin Liberal Party Youth Committee	<p>Mr POON Siu-ping's request for further elaboration from deputations belonging to the Liberal Party on the rationale for opposing proposals on universal retirement protection.</p> <p>Mr POON's concern about whether the Administration would put forth a specific proposal on retirement protection for public consultation upon release of the final report of the "Study on Retirement Protection in Hong Kong" ("the Study") being undertaken by the consultancy team led by Prof Nelson CHOW.</p> <p>The Administration's advice that the final report of the Study was expected to be available by end of June 2014 and it would be submitted to the Social Security and Retirement Protection Task Force of the Commission on Poverty ("CoP") for consideration.</p> <p>The Liberal Party Youth Committee's view that the Liberal Party raised no objection to providing assistance to those elderly in need but was not in support of implementing universal retirement protection having regard to the finite public resources.</p>	

Time marker	Speaker(s)	Subject(s)	Action Required
015432 - 015938	Deputy Chairman Mr LEUNG Kwok-hung	Mr LEUNG Kwok-hung's view that the Administration should inject a one-off capital of \$50 billion as a start-up fund for implementing a universal retirement protection scheme such that all elderly would receive a monthly payment of about \$3,000.	
015939 - 020032	Chairman Deputy Chairman Mr Frankie YICK	Mr Frankie YICK's clarification on the Liberal Party's suggestion of raising the asset threshold for the Old Age Living Allowance so as to enable more needy elderly to benefit from the provision.	
020033 - 022048	Deputy Chairman Academic for Universal Pension Tai Hang Tung & Nam Shan Estate Peoples Committee Catholic Diocese of HK Diocesan Pastoral Centre for Workers (HK Island) Liberal Party Sham Shui Po Community Association Elderly Social Concern Alliance Civil Force Liberal Party Opposes Universal Retirement Protection Concern Group Liberal Party Youth Committee Admin	<p>Discussion on whether a universal retirement protection scheme should be implemented.</p> <p>Deputations in support of the proposal were of the view that a non-means-tested monthly retirement pension was individual rights of all citizens rather than a poverty alleviation measure. The Administration should formulate a concrete implementation timetable and roadmap.</p> <p>Deputations not in favour of the proposal considered that the finite public resources should be targeted at the needy elderly.</p> <p>The Administration's reiteration that the final report of the Study would be available by end of June 2014, which would provide a basis for future deliberations on the way forward for retirement protection.</p>	
022049 - 022624	Deputy Chairman Chairman Admin	<p>The Chairman's enquiry about whether a specific proposal for retirement protection would be put forth in the final report of the Study and the follow-up action to be taken.</p> <p>The Administration's advice that the consultancy team expected to submit the final report of the Study by June 2014 for CoP's consideration. It would relay members' request for making available to the Subcommittee the full report of the Study.</p>	Admin to relay the request to CoP

Time marker	Speaker(s)	Subject(s)	Action Required
022625 - 023210	Deputy Chairman Dr Fernando CHEUNG Admin	Dr Fernando CHEUNG's concern about the Administration's stance on implementing universal retirement protection and whether public consultation would be conducted if specific proposals on retirement protection were put forth in the final report of the Study and the relevant timetable.	
023211 - 023627	Deputy Chairman Mr LEUNG Kwok-hung Admin	Mr LEUNG Kwok-kung's view that the Chief Executive should honour his election manifesto in respect of making improvement to retirement protection and that the Administration should implement universal retirement protection within the Fifth Legislative Council ("LegCo"). The Administration's advice that poverty alleviation and elderly welfare were areas of work priority of the current Government.	
<i>Agenda item II - Subjects to be discussed at meetings in May to July 2014</i>			
023628 - 023905	Deputy Chairman	The Deputy Chairman's advice that Prof Nelson CHOW had declined invitation to an informal meeting of the Subcommittee, as suggested at the last meeting. Item for discussion at the next meeting. The Deputy Chairman's suggestion of requesting the Research Office of the LegCo Secretariat to update the research report entitled "Retirement Protection System in Selected Places", which was conducted in 2012. Closing remarks.	LegCo Secretariat