

**立法會**  
**Legislative Council**

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**Panel on Welfare Services**

**Subcommittee on Retirement Protection**

**Minutes of meeting**  
**held on Tuesday, 24 February 2015, at 10:45 am**  
**in Conference Room 2B 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 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, JP
- Member attending** : Hon LEE Cheuk-yan  
Hon Cyd HO Sau-lan, JP  
Hon SIN Chung-kai, SBS, JP
- Members absent** : Hon TAM Yiu-chung, GBS, JP  
Hon CHAN Han-pan, JP

**Public Officers** : Item I  
**attending**

The Administration

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

Miss Stella CHANG Lai-chu  
Principal Assistant Secretary for Labour and Welfare  
(Welfare) 4

Miss Janet HO Yee-nin  
Acting Principal Assistant Secretary for Financial Services  
and the Treasury (Financial Services) 3

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

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

Ms Kiwi NG  
Legislative Assistant (2) 1

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**I. Future development of retirement protection in Hong Kong and related issues**

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

2. The Administration was requested to provide the following information -

- (a) the total amount of severance payments and long service payments paid from the Mandatory Provident Fund ("MPF") accrued benefits derived from employers' contribution since the inception of the MPF System;

- (b) the respective total amount of mandatory and non-mandatory contribution made by scheme members since the inception of the MPF System; and
- (c) the current average amount of private savings of the employees with earnings below the median monthly wage in Hong Kong upon retirement at the age of 60.

3. Noting that a working group was to be formed under the Commission on Poverty ("CoP") to undertake the preparatory work for the public consultation on retirement protection ("the public consultation") which was expected to be launched in the fourth quarter of 2015, members expressed concern about the unduly long time required. Members were of a strong view that the lead time required for preparing the consultation document should be compressed with a view to launching the public consultation as soon as practicable. Pointing out that the tenure of the Fifth Legislative Council and the current Government would expire in 2016 and 2017 respectively, most members took the view that the relevant legislative process would be under a very tight timetable and the Administration should draw up a concrete timetable and work plan for legislating for retirement protection.

4. The Chairman suggested and members agreed that the Subcommittee should discuss the preparatory work for public consultation in tandem with the relevant discussions of the working group to be formed under CoP.

5. Responding to members' views and concerns on the future development of retirement protection in Hong Kong and the public consultation, Secretary for Labour and Welfare made the following points -

- (a) the Administration was sincere and committed to taking forward the issue on retirement protection and launching the public consultation with a view to arriving at a community consensus and identifying the way forward for retirement protection in Hong Kong as appropriate;
- (b) given that the Census and Statistics Department would release the updated population and labour projection sometime in the middle of 2015, CoP members agreed to make use of the latest projection figures and the projection method adopted in the report submitted by the consultancy

team led by Professor Nelson Chow to update the projection of the relevant proposal as well as to explore the feasibility of extending the projection period;

- (c) CoP members agreed that universal retirement protection should be covered in the consultation document. To facilitate focused discussion and analysis, most CoP members agreed to present one single universal retirement protection proposal as the basis for analysis in the consultation document. In addition, the consultation document should contain a concrete proposal on the means-tested non-universal retirement protection option providing targeted assistance for the elderly in need to facilitate public discussion. The consultation document should also set out a simple and clear analytical framework for comparing the universal retirement protection proposal and the non-universal retirement protection proposal in various aspects such as their rationales, contents, implications and implementation in order to assist the public in making a choice; and
- (d) views and concerns expressed by members on the future development of retirement protection in Hong Kong and the public consultation would be relayed to the Chief Secretary for Administration and CoP for consideration.

## **II. Any other business**

6. The Chairman said that the next meeting of the Subcommittee would be scheduled after CoP had further discussed the preparatory work for the public consultation on retirement protection. Members would be informed of the meeting date in due course.

*(Post-meeting note: The next Subcommittee meeting was scheduled to be held at 10:45 am on 14 April 2015.)*

7. There being no other business, the meeting ended at 12:30 pm.

**Proceedings of meeting of the Subcommittee on Retirement Protection  
held on Tuesday, 24 February 2015, at 10:45 am  
in Conference Room 2B of the Legislative Council Complex**

Time marker	Speaker(s)	Subject(s)	Action Required
<i>Agenda item I - Future development of retirement protection in Hong Kong and related issues</i>			
000000 - 000346	Chairman	Opening remarks	
000347 - 001204	Admin	Briefing by the Administration on the Commission on Poverty ("CoP")'s discussion on the public consultation on retirement protection ("the public consultation").	
001205 - 001715	Chairman	<p>The Chairman's recapitulation of the motion on retirement protection passed by the Subcommittee at the last meeting and her suggestion on the following major areas for discussion at the meeting -</p> <p>(a) timetable for conducting the public consultation and the roadmap for legislating for retirement protection;</p> <p>(b) retirement protection options to be included in the public consultation; and</p> <p>(c) schedule of Subcommittee's subsequent meetings.</p>	
001716 - 002304	Chairman Mr TANG Ka-piu Admin	<p>While welcoming the Administration's earmarking of \$50 billion in connection with retirement protection, Mr TANG Ka-piu expressed dissatisfaction about the launching of the public consultation until the fourth quarter of 2015. He sought clarifications on the following -</p> <p>(a) whether the Administration would only target at providing retirement protection for some 285 000 elderly living below the poverty line; and</p> <p>(b) why the Administration did not kick start the updating of the latest population and labour projection when Professor Nelson CHOW was commissioned to lead the consultancy team ("the consultancy</p>	

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		<p>team") to undertake the study on retirement protection, having regard to the fact that a projection period of 50 years was generally adopted in most developed countries for carrying out similar studies.</p> <p>The Administration's response that it was open-minded on the way forward for retirement protection in Hong Kong. It stressed that to demonstrate its determination and commitment in improving protection for needy citizens after retirement, \$50 billion was earmarked to provide for future needs. The updated population and labour projection would be released by the Census and Statistics Department ("C&amp;SD") around mid-2015, which would be used to update the projection of relevant retirement protection options.</p>	
002305 - 002911	Chairman Dr Fernando CHEUNG Admin	<p>Dr Fernando CHEUNG's grave concern that one-third of the elderly were living below the poverty line regardless of the considerable fiscal reserve. He cast doubt about whether the \$50 billion earmarked for retirement protection would be put to use. He referred members to the results of a relevant survey conducted by the Hong Kong Polytechnic University in which close to 90% of the respondents were in support of a universal non-means-tested retirement protection scheme. His concern about the Administration's stance in this regard and his query about the Administration's delay tactic in taking forward the subject. His request for a concrete timetable for conducting the public consultation and a roadmap for legislating for retirement protection.</p> <p>The Administration's reiteration of its sincerity and commitment in taking forward the issue of retirement protection. CoP had agreed to set up a working group to take forward the preparatory work for the public consultation ("the working group"), which was expected to be launched in the fourth quarter of 2015.</p>	

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002912 - 003433	Chairman Dr KWOK Ka-ki Admin	<p>Dr KWOK Ka-ki's dissatisfaction that notwithstanding a community consensus on the implementation of universal retirement protection and the financial sustainability of relevant options as affirmed by the actuarial projection, the Administration was reluctant to take forward the issue and that the public consultation would re-open the discussion on the fundamental question of whether universal retirement protection should be implemented.</p> <p>Dr KWOK's queries about whether the Administration intended to launch a non-universal retirement protection system and whether the necessary legislative process would be completed within the current-term Government.</p> <p>The Administration's reiteration that it would adopt a prudent approach in making use of the finite public resources and target them at the needy elderly. Yet, CoP agreed that the consultation document should include one single universal retirement protection proposal and a concrete proposal on means-tested non-universal retirement protection option providing target assistance for the elderly in need to facilitate public discussion. CoP members also agreed to make use of the latest projection figures and the projection method adopted in the report submitted by the consultancy team to update the projection of the relevant proposal as well as to explore the feasibility of extending the projection period.</p>	
003434 - 004043	Chairman Mr LEE Cheuk-yan Admin	<p>Mr LEE Cheuk-yan's query about the need to update the population figures and explore the feasibility of extending the projection period beyond 2041 given that the ageing population was expected to peak at 2041. His view that it was a delay tactic of the Administration not to take forward the issue of retirement protection.</p> <p>Mr LEE's concern about the following -</p> <p>(a) whether the Administration had already ruled out the possibility of implementing a universal</p>	

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		<p>non-means-tested retirement protection scheme; and</p> <p>(b) whether the Administration would suggest directional guidance on options of retirement protection to be included in the public consultation.</p> <p>The Administration's advice on the objective of the welfare policy, the concern about structural deficit and its sincerity in conducting the public consultation on the way forward for retirement protection in Hong Kong.</p> <p>Mr LEE's remarks that the Labour Party was of the view that a non-means-tested monthly retirement pension was individual rights of all citizens.</p>	
004044 - 004556	Chairman Mr LEUNG Yiu-chung	<p>Mr LEUNG Yiu-chung's view and query as follows -</p> <p>(a) the Administration had already made clear its stance on addressing retirement protection from the perspective of poverty alleviation by deliberating the issue under CoP; and</p> <p>(b) the public consultation without a specific timetable for consolidating of views collected, outcome release and decision to be made on way forward was a delay tactic employed by the Administration. Moreover, the so-called latest projection figures would be fluctuated subject to government policies and economic changes.</p>	
004557 - 004812	Chairman Mr Frankie YICK Admin	<p>Mr Frankie YICK referred members to the findings of a survey on retirement protection conducted by the Liberal Party, in which support for a universal non-means-tested retirement protection scheme was not overwhelming.</p> <p>Mr YICK's support of the Administration's stance of adopting a prudent approach in taking forward the issue with reference to the</p>	



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		<p>latest projection figures and taking into account the long-term impact, including the financial feasibility and sustainability of the proposed retirement protection scheme, if it was to be implemented.</p> <p>The Administration's response to Mr YICK's concern about the lead time required for the preparatory work of the public consultation. Its advice that it would relay members' concerns and views on the matter to the Chief Secretary for Administration ("CS") and CoP for consideration.</p>	<p><b>Admin to relay to CS and CoP</b></p>
<p>004813 - 005353</p>	<p>Chairman Deputy Chairman</p>	<p>The Deputy Chairman's remarks that the working group should be set up and meet as soon as practicable to take forward the preparation work for the public consultation.</p> <p>The Deputy Chairman's view that issues relating to the sustainability and funding sources of retirement protection options needed to be addressed under both universal and means-tested non-universal retirement protection schemes. His further view that a universal retirement protection scheme, to which employers, employees and the Government would have to make contribution, could be made sustainable by raising the tax if necessary. Should it not be implemented, there would be great pressure on the public finance in the light of the increasing expenditure on elderly welfare under the social security system. His concern that there would be a labelling effect on the elderly beneficiaries under the means-tested retirement protection scheme.</p> <p>The Deputy Chairman's concern about the effectiveness of the three-pillar retirement protection system in Hong Kong, which had to be examined with reference to the following -</p> <p>(a) the amount of severance payments and long service payments paid from the Mandatory Provident Fund ("MPF") accrued benefits derived from employers' contribution ; and</p>	

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		<p>(b) the current average amount of private savings of the employees with earnings below the median monthly wage in Hong Kong upon retirement at the age of 60.</p>	
005354 - 005910	Chairman Mr POON Siu-ping Admin	<p>Mr POON Siu-ping's view that the Administration's determination on whether to implement a universal non-means-tested retirement protection was crucial to the future development of retirement protection.</p> <p>Mr POON echoed the Deputy Chairman's view that the working group should be set up as soon as practicable and the time taken for the preparatory work of the public consultation should be compressed so as to advance the launching of the public consultation to the third quarter of 2015.</p> <p>Mr POON's concern and the Administration's response regarding the retirement protection options to be included in the public consultation and whether the Administration would make a decision on the way forward if no community consensus could eventually be reached.</p> <p>The Administration's advice that it would follow up with CoP to explore the feasibility of compressing the timetable for the preparatory work of the public consultation.</p>	
005911 - 010454	Chairman	<p>The Chairman's recapitulation of members' views that the determination of the current Government was crucial to the future development of retirement protection and there should not be any undue delay given that the issue had been discussed for several decades and there were distinct points of views on the issue among different sectors.</p> <p>The Chairman's view that the working group, instead of being formed under CoP, should be an independent committee.</p> <p>The Chairman's request of the Administration to revert to the Subcommittee by July 2015 on the specific framework of the public consultation in the light of members' views.</p>	

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010455 - 011133	Mr LEUNG Kwok-hung Chairman	<p>Mr LEUNG Kwok-hung's remarks that there was a pressing need for the implementation of a universal non-means-tested retirement protection which was an important social policy. His criticism that the Administration had employed a delay tactic for implementing a universal retirement protection scheme to address the severe problem of elderly poverty.</p> <p>Mr LEUNG's strong dissatisfaction that the Administration was unwilling to adopt the consultancy team's recommendation to set up the demo-grant at \$3,000 per month for all Hong Kong permanent residents aged 65 and above, regardless of the huge fiscal reserve.</p>	
011134 - 011732	Chairman Deputy Chairman Admin	<p>The Chairman's view that the Subcommittee could hold closed meetings to discuss the preliminary framework and contents of the public consultation as necessary in tandem with the relevant discussions of the working group.</p> <p>The Deputy Chairman's reiteration of his request for information made earlier.</p> <p>The Administration's response that it would strive to explore the feasibility of expediting the preparation work of the public consultation.</p>	
011733 - 012244	Chairman Mr SIN Chung-kai Admin	<p>Mr SIN Chung-kai's concern about the timetable for conducting the public consultation and whether the current Government could complete the relevant legislative process. His remarks that the subject of universal retirement protection was controversial and it was impossible that a community consensus could be reached on the subject.</p> <p>Mr SIN's view and the Administration's response regarding way to handle the diverse views on the subject, say, by presenting different retirement protection options for the public's discussion.</p>	

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012245 - 013141	Chairman Mr LEUNG Yiu-chung Admin	<p>In response to Mr LEUNG Yiu-chung's request for a concrete timetable for conducting the public consultation and legislating for retirement protection, the Administration's advice that the working group to be formed would deliberate and devise on the details for the upcoming public consultation.</p> <p>The Chairman's emphasis that the Administration should provide a concrete timetable for conducting the public consultation, including legislative timetable for retirement protection to demonstrate its sincerity in this regard.</p> <p>The Administration's advice that it would relay members' concerns and request to CoP for consideration.</p>	<b>Admin to relay to CoP</b>
013142 - 014058	Chairman Mr LEUNG Kwok-hung Deputy Chairman Admin	<p><i>(The Deputy Chairman took the chair during the temporary absence of the Chairman.)</i></p> <p>Mr LEUNG Kwok-hung's strong criticism of the Administration's unwillingness to adopt the recommendation of setting up the demo-grant, having regard to the Chief Executive's pledge in his election manifesto in respect of making improvement to retirement protection and the considerable fiscal reserve.</p> <p>The Administration's emphasis that the current Government would endeavour to enhance protection for needy citizens after retirement.</p> <p><i>(At this juncture, the Chairman resumed the chairmanship.)</i></p>	
014059 - 014415	Chairman Deputy Chairman Admin	<p>The Administration's response to the Deputy Chairman's request for information earlier.</p> <p>The Chairman and the Deputy Chairman reiterated the view that the Subcommittee should discuss the preparatory work for the public consultation in tandem with the relevant discussions of the working group.</p> <p>The Administration's advice that it would relay the suggestion to CS and CoP for consideration.</p>	<p><b>Admin to liaise with the MPF Schemes Authority and C&amp;SD</b></p> <p><b>Admin to relay the suggestion to CS and CoP</b></p>

<b>Time marker</b>	<b>Speaker(s)</b>	<b>Subject(s)</b>	<b>Action Required</b>
014416 - 014653	Chairman Admin	Date of next meeting.  Concluding remarks.	

Council Business Division 2  
Legislative Council Secretariat  
20 March 2015