

立法會
Legislative Council

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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 5 July 2017

**Amendments to motion on
“Establishing a universal retirement protection system”**

Further to LC Paper No. CB(3) 682/16-17 issued on 16 June 2017, three Members (Hon LEUNG Che-cheung, Hon KWOK Wai-keung and Hon Alvin YEUNG) have respectively given notice of their intention to move separate amendments to Hon LEUNG Kwok-hung's motion on “Establishing a universal retirement protection system”. Members have been informed vide LC Paper No. CB(3) 731/16-17 issued on 22 June 2017 that the above motion, originally scheduled for the Council meeting of 28 June 2017, will be rescheduled to the Council meeting of 5 July 2017. As directed by the President, the respective amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and the three amendments. To assist Members in debating the motion and the amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Hon LEUNG Kwok-hung to speak and move his motion;
- (b) the President proposes the question on Hon LEUNG Kwok-hung's motion;
- (c) the President calls upon the three Members who wish to move amendments to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon LEUNG Che-cheung;

- (ii) Hon KWOK Wai-keung; and
 - (iii) Hon Alvin YEUNG;
- (d) the President calls upon the public officer(s) to speak;
 - (e) the President invites other Members to speak;
 - (f) the President gives leave to Hon LEUNG Kwok-hung to speak for the second time on the amendments;
 - (g) the President calls upon the public officer(s) to speak again;
 - (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the three Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon LEUNG Che-cheung to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon LEUNG Che-cheung's amendment;
 - (i) after Hon LEUNG Che-cheung's amendment has been voted upon, the President deals with the other two amendments; and
 - (j) after all amendments have been dealt with, the President calls upon Hon LEUNG Kwok-hung to reply. Thereafter, the President puts to vote the question on Hon LEUNG Kwok-hung's motion, or his motion as amended, as the case may be.

3. For Members' reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Dora WAI)
for Clerk to the Legislative Council

Encl.

Appendix

(Translation)

Motion debate on “Establishing a universal retirement protection system” to be held at the Council meeting of 5 July 2017

1. Hon LEUNG Kwok-hung’s original motion

That according to the information of the Census and Statistics Department, the Gini Coefficient in 2016 was 0.539, reflecting the severity of the disparity between the rich and the poor; the Hong Kong Poverty Situation Report 2015 released by the Commission on Poverty last year pointed out that the number of elderly people of Hong Kong living in poverty rose continuously, reaching 300 000 in 2015, indicating that the social security system introduced by the Government for the elderly was ineffective and full of flaws and loopholes; the assistance provided to the elderly under the Comprehensive Social Security Assistance Scheme has long been a subject of criticism, while the Mandatory Provident Fund ('MPF') schemes have offered no protection to over 600 000 family carers, and public annuities proposed by the Government are merely investment products, the risks of which will be solely borne by individuals; after the study of the retirement protection system earlier on, the consultancy team led by Professor Nelson CHOW proposed the establishment of a non-means-tested universal Demo-grant; a public consultation on retirement protection conducted by the Government was concluded last year, and various opinion surveys and public consultation forums indicated that most members of the public supported the establishment of a non-means-tested universal retirement protection system with tripartite contributions from employees, employers and the Government and funded by higher profits tax levied on consortia, but the Government has all along evaded the follow-up actions of this proposal; in order to protect the retirement life of members of the public, this Council urges the Government to:

- (1) implement the establishment of a non-means-tested universal retirement protection system with uniform payment, and the new-term Government should respond to this proposal in its first policy address; set up an inter-departmental committee led by the Chief Secretary for Administration and the Financial Secretary, and invite various stakeholders to hold discussions on issues such as the financing options and financial arrangements for universal retirement protection;
- (2) increase the provision of \$50 billion mentioned in the 2015-2016 Budget for retirement protection for the elderly to \$100 billion, to be used as start-up funds for the establishment of a universal retirement

- protection system, and ensure that the provision will not be used to optimize the Old Age Living Allowance or offset severance payments and long service payments;
- (3) make improvements to the MPF system, including abolishing the arrangement of using the accrued benefits derived from employers' MPF contributions to offset severance payments and long service payments, while ensuring that employees' existing severance payment and long service payment benefits will not be reduced; and
- (4) make public the estimates of expenditure on various means-tested elderly assistance schemes to be fully funded by the Government over the next 50 years, including the Higher Old Age Living Allowance, Old Age Living Allowance, Old Age Allowance, and Comprehensive Social Security Assistance.

2. Motion as amended by Hon LEUNG Che-cheung

That *the Government has been continuously increasing social welfare resources, but* according to the information of the Census and Statistics Department, the Gini Coefficient in 2016 was 0.539, *and it was still 0.473 on a post-tax post-social transfer basis*, reflecting ~~the severity of that~~ the disparity between the rich and the poor ~~was still severe~~; the Hong Kong Poverty Situation Report 2015 released by the Commission on Poverty last year pointed out that the number of elderly people of Hong Kong living in poverty rose continuously, reaching 300 000 in 2015, indicating that *the Government must further optimize* the social security system introduced ~~by~~ the Government for the elderly was ineffective and full of flaws and loopholes; the assistance provided to the elderly under the Comprehensive Social Security Assistance Scheme has long been a subject of criticism, while *for the elderly and* the Mandatory Provident Fund ('MPF') schemes have offered no protection to over 600 000 family carers, and public annuities proposed by the Government are merely investment products, the risks of which will be solely borne by individuals; after the study of the retirement protection system earlier on, the consultancy team led by Professor Nelson CHOW proposed the establishment of a non means tested universal Demo grant; a public consultation on retirement protection conducted by the Government was concluded last year, and various opinion surveys and public consultation forums indicated that most members of the public supported the establishment of a non means tested universal retirement protection system with tripartite contributions from employees, employers and the Government and funded by higher profits tax levied on consortia, but the Government has all along evaded the follow up actions of this proposal; in order to protect the retirement life of members of the public, this Council urges the Government to:

- (1) implement the establishment of a non-means tested universal retirement protection system with uniform payment, and *further optimize the arrangements for universal retirement protection, so as to achieve the objectives of ‘benefiting all people and providing greater assistance to needy elderly people’, and the measures include providing an Old Age Allowance free from any asset or income test to all elderly people aged 65 or above; expeditiously implementing the proposal to add a higher tier of assistance concerning the Old Age Living Allowance as set out in the 2017 Policy Address; and further relaxing the asset limits for applying for the Old Age Living Allowance;* the new-term Government should respond to this proposal *the aforesaid proposals* in its first policy address; as well as set up an inter-departmental committee led by the Chief Secretary for Administration and the Financial Secretary, and invite various stakeholders to hold discussions on issues such as *various arrangements for universal retirement protection, including* the financing options and financial arrangements for universal retirement protection;
- (2) increase *apart from* the provision of \$50 billion mentioned in the 2015-2016 Budget for retirement protection for the elderly to \$100 billion, to be used as start-up funds for the establishment of a universal retirement protection system, and ensure that the provision will not be used to optimize the Old Age Living Allowance or offset severance payments and long-service payments, *ensure that there are adequate resources to support the various arrangements for universal retirement protection, including optimizing the Old Age Allowance and the Old Age Living Allowance, and addressing the issue of the MPF offsetting mechanism;*
- (3) make improvements to the MPF system, including abolishing the arrangement of using the accrued benefits derived from employers' MPF contributions to offset severance payments and long-service payments, while ensuring that employees' existing severance payment and long-service payment benefits will not be reduced; and *facilitating employees and employers to reach a consensus on the issue of the MPF offsetting mechanism; introducing more products for MPF investment, including government infrastructure bonds as well as funds linked to the return of the Exchange Fund and linked to inflation; and introducing tax deductions for MPF voluntary contributions;*
- (4) *continue to optimize the existing arrangement concerning the application for the Social Security Allowance, including introducing ‘Guangdong Scheme’ and ‘Fujian Scheme’ for the Old Age Living Allowance, and allowing elderly recipients of the Disability Allowance to receive the Old Age Allowance at the same time;*

- (5) *expeditiously introduce a public annuity scheme and expand its scale, as well as increase the issuance volumes under the Silver Bond scheme and extend the maturity of such bonds; and*
- (4)(6) ~~make public regularly project and announce~~ the estimates of expenditure on various means-tested elderly assistance schemes to be fully funded by the Government over the next 50 years, including the Higher Old Age Living Allowance, Old Age Living Allowance, Old Age Allowance, and Comprehensive Social Security Assistance.

Note: Hon LEUNG Che-cheung's amendment is marked in ***bold and italic type*** or with deletion line.

3. Motion as amended by Hon KWOK Wai-keung

That *as Hong Kong's population ages and there is no comprehensive retirement protection system in Hong Kong, the plight of elderly in poverty has begun to surface*; according to the information of the Census and Statistics Department, the Gini Coefficient in 2016 was 0.539, reflecting the severity of the disparity between the rich and the poor; the Hong Kong Poverty Situation Report 2015 released by the Commission on Poverty last year pointed out that the number of elderly people of Hong Kong living in poverty rose continuously, reaching 300 000 in 2015, indicating that the social security system introduced by the Government for the elderly was ineffective and full of flaws and loopholes; the assistance provided to the elderly under the Comprehensive Social Security Assistance Scheme has long been a subject of criticism, while the Mandatory Provident Fund ('MPF') schemes have offered no protection to over 600 000 family carers, and public annuities proposed by the Government are merely investment products, the risks of which will be solely borne by individuals; after the study of the retirement protection system earlier on, the consultancy team led by Professor Nelson CHOW proposed the establishment of a non-means-tested universal Demo-grant; a public consultation on retirement protection conducted by the Government was concluded last year, and various opinion surveys and public consultation forums indicated that most members of the public supported the establishment of a non-means-tested universal retirement protection system with tripartite contributions from employees, employers and the Government and funded by higher profits tax levied on consortia, but the Government has all along evaded the follow-up actions of this proposal; in order to protect the retirement life of members of the public, this Council urges the Government to:

- (1) implement the establishment of a non-means-tested universal retirement protection system with uniform payment, and the new-term Government should respond to this proposal in its first policy address; ~~set up through~~

the Commission on Poverty or an inter-departmental committee **to be set up and** led by the Chief Secretary for Administration and the Financial Secretary, ~~and~~ invite various stakeholders to hold discussions on issues such as the financing options and financial arrangements for universal retirement protection;

- (2) *increase incorporate the views of the community, such as increasing* the provision of \$50 billion mentioned in the 2015-2016 Budget for retirement protection for the elderly to \$100 billion, **or allocating \$220 billion from the Future Fund** to be used as start-up funds for the establishment of a universal retirement protection system, and ensure that the provision will not be used to optimize the Old Age Living Allowance or offset severance payments and long service payments;
- (3) make improvements to the MPF system, including abolishing the arrangement of using the accrued benefits derived from employers' MPF contributions to offset severance payments and long service payments, while ensuring that employees' existing severance payment and long service payment benefits will not be reduced; and
- (4) make public the estimates of expenditure on various means-tested elderly assistance schemes to be fully funded by the Government over the next 50 years, including the Higher Old Age Living Allowance, Old Age Living Allowance, Old Age Allowance, and Comprehensive Social Security Assistance.

Note: Hon KWOK Wai-keung's amendment is marked in ***bold and italic type*** or with deletion line.

4. Motion as amended by Hon Alvin YEUNG

That according to the information of the Census and Statistics Department, the Gini Coefficient ~~in 2016 was 0.539 of Hong Kong has risen further in 2016 compared with that five years ago, reaching 0.539, which hit a new record high in 45 years~~, reflecting the *increasing* severity of the disparity between the rich and the poor; the Hong Kong Poverty Situation Report 2015 released by the Commission on Poverty last year pointed out that the number of elderly people of Hong Kong living in poverty rose continuously, reaching 300 000 in 2015, indicating that the social security system introduced by the Government for the elderly was ineffective and full of flaws and loopholes; the assistance provided to the elderly under the Comprehensive Social Security Assistance Scheme has long been a subject of criticism, while the Mandatory Provident Fund ('MPF') schemes have offered no protection to over 600 000 family carers, and public annuities proposed by the Government are merely investment products, the risks of which will be solely borne by individuals; after the study of the retirement

protection system earlier on, the consultancy team led by Professor Nelson CHOW proposed the establishment of a non-means-tested universal Demo-grant; a public consultation on retirement protection conducted by the Government was concluded last year, and various opinion surveys and public consultation forums indicated that most members of the public supported the establishment of a non-means-tested universal retirement protection system with tripartite contributions from employees, employers and the Government and funded by higher profits tax levied on consortia, but the Government has all along evaded the follow-up actions of this proposal; in order to protect the retirement life of members of the public, this Council urges the Government to:

- (1) implement the establishment of a non-means-tested universal retirement protection system with uniform payment, and the new-term Government should respond to this proposal in its first policy address; set up an inter-departmental committee led by the Chief Secretary for Administration and the Financial Secretary *to formulate a timetable and a roadmap for the implementation of a universal retirement protection system*, and invite various stakeholders to hold discussions on issues such as the financing options and financial arrangements for universal retirement protection;
- (2) increase the provision of \$50 billion mentioned in the 2015-2016 Budget for retirement protection for the elderly to \$100 billion, to be used as start-up funds for the establishment of a universal retirement protection system, and ensure that the provision will not be used to optimize the Old Age Living Allowance or offset severance payments and long service payments;
- (3) make improvements to the MPF system, including abolishing the arrangement of using the accrued benefits derived from employers' MPF contributions to offset severance payments and long service payments, while ensuring that employees' existing severance payment and long service payment benefits will not be reduced; **and**
- (4) make public the estimates of expenditure on various means-tested elderly assistance schemes to be fully funded by the Government over the next 50 years, including the Higher Old Age Living Allowance, Old Age Living Allowance, Old Age Allowance, and Comprehensive Social Security Assistance; **and**
- (5) *formulate a blueprint for elderly policy before the implementation of a universal retirement protection system.*

Note: Hon Alvin YEUNG's amendment is marked in ***bold and italic type*** or with deletion line.