

**Subcommittee on Subsidiary Legislation relating to Mandatory
Provident Fund Schemes**

Information Note on

**Mandatory Provident Fund Schemes
(Specification of Permitted Periods) Notice
and
Mandatory Provident Fund Schemes
(Contributions for Causal Employees) Order**

Introduction

The Mandatory Provident Fund Schemes (Specification of Permitted Periods) Notice (the Notice, a copy at Annex A) and the Mandatory Provident Fund Schemes (Contributions for Causal Employees) Order (the Order, a copy at Annex B) were made by the Mandatory Provident Fund Schemes Authority (MPFA) on 17 May 2000.

The Notice

2. Section 7 of the Mandatory Provident Fund Schemes Ordinance (MPFSO) sets out the requirements for an employer to arrange for employees to become scheme members within a permitted period. By virtue of section 7(1), the employer of a relevant employee must take all practicable steps to ensure that the employee becomes a member of a registered scheme within the permitted period after the relevant time¹. Section 7(3)(a) further specifies that the permitted period is the period specified by the MPFA by notice published in the Gazette.

3. Section 1 of the Notice at Annex A specifies that for the purpose of section 7 of the MPFSO, the permitted period is 60 days in respect of a relevant employee who is not a casual employee, and 10 days in respect of a casual employee. The 60 days period for the relevant

¹ the relevant time is-

- (i) in the case of an employer who is employing a relevant employee at the commencement of section 7 of the MPFSO, the time of that commencement; and
- (ii) in the case of an employer who enters into a contract of employment with a relevant employee after that commencement, the date on which the employment begins.

employee who is not a casual employee is in line with section 7B of the MPFSO. This section exempts an employee (other than a casual employee) who is employed for less than 60 days from enrolment and contribution requirements. In respect of a casual employee, the 10 days permitted period tallies with the period within which an employer should make the relevant contribution in respect of the casual employee [s122(1)(b)(ii) of the Mandatory Provident Fund Schemes (General) Regulation, as amended by the Mandatory Provident Fund Schemes (General) (Amendment) Regulation 2000 is relevant].

Requirements in respect of Self-employed Persons

4. By virtue of section 7C(1) of the MPFSO, every self-employed person must, within the permitted period after the relevant time², become a member of a registered scheme. According to section 7C(2), 'permitted period' means the period specified by the MPFA by notice published in the Gazette.

5. Section 2 of the Notice specifies that for the purpose of section 7C, the permitted period is 60 days in respect of a self-employed person.

The Order

6. By virtue of section 7A(3)(b) and (4)(b) of the MPFSO, employers of casual employees who are members of an industry scheme are required to pay their contribution in accordance with a scale specified in an order published by the MPFA. Sections 2 and 3 of the Order (at Annex B) stipulates that the amount of -

- (a) contributions to be made by the employer in respect of a casual employee; and
- (b) deductions to be made by the employer from the employee's relevant income

shall be calculated in accordance with the relevant scales set out in the Schedule.

7. By virtue of sections 9, 10 and Schedules 2 and 3 of the MPFSO, a relevant employee whose relevant income is less than \$130 per day is

² the relevant time means-

- (i) in the case of a person who is a self-employed person at the commencement of section 7C, the time of that commencement; or
- (ii) in the case of a person who becomes a self-employed person after that commencement, the date on which the person becomes self-employed.

not required to contribute to a registered scheme, and for a relevant employee whose relevant income is more than \$650 per day, both the employer and the employee are not required to contribute in respect of the excess relevant income. Such minimum and maximum levels of relevant income are reflected in the Schedule of the Order for the purpose of calculating the amount to be contributed and deducted.

8. In drawing up the contribution scales set out in the Order, the MPFA has consulted the catering and construction industries whose representatives have endorsed the relevant scales.

Financial Services Bureau
26 May 2000

**MANDATORY PROVIDENT FUND SCHEMES (SPECIFICATION
OF PERMITTED PERIODS) NOTICE**

(Made by the Mandatory Provident Fund Schemes Authority under sections 7(3) and 7C(2) of the Mandatory Provident Fund Schemes Ordinance (Cap. 485))

**1. Permitted period specified for purposes
of section 7 of Ordinance**

For the purposes of section 7 of the Ordinance, the permitted period is -

- (a) 60 days in the case of a relevant employee who is not a casual employee; and
- (b) 10 days in the case of a casual employee.

**2. Permitted period specified for purposes
of section 7C of Ordinance**

For the purposes of section 7C of the Ordinance, the permitted period is 60 days.

Managing Director,
Mandatory Provident Fund Schemes Authority

Explanatory Note

This Notice specifies the permitted period within which an employer must arrange for a relevant employee to become a member of a registered scheme under section 7 of the Mandatory Provident Fund Schemes Ordinance (Cap. 485). It also specifies the permitted period within which a self-employed person must become a member of a registered scheme under section 7C of that Ordinance.

**MANDATORY PROVIDENT FUND SCHEMES (CONTRIBUTIONS
FOR CASUAL EMPLOYEES) ORDER**

(Made by the Mandatory Provident Fund Schemes Authority
under section 7A(6) of the Mandatory Provident
Fund Schemes Ordinance (Cap. 485))

1. Interpretation

In this Order, "casual employee" (臨時僱員) means a casual employee who is a member of an industry scheme.

**2. Amounts of contributions to be made
by employers in respect of casual
employees**

For the purposes of section 7A(3)(b) of the Ordinance, the amount to be contributed by an employer for a contribution period is -

- (a) in the case of a casual employee to whom the employer pays the relevant income more than once a day, an amount determined by reference to the scale set out in columns 1 and 2 of Part I of the Schedule;
- (b) in the case of a casual employee to whom the employer pays the relevant income at least, but not more than, once a day, an amount determined by reference to the scale set out in columns 1 and 2 of Part II of the Schedule ; and

- (c) in the case of a casual employee to whom the employer pays the relevant income less frequently than once a day, an amount determined by reference to the scale set out in columns 1 and 2 of Part III of the Schedule.

3. Amounts of contributions to be deducted by employers from relevant income of casual employees

For the purposes of section 7A(4)(b) of the Ordinance, the amount that an employer is required to deduct from the relevant income of a casual employee for a contribution period is -

- (a) in the case of a casual employee to whom the employer pays the relevant income more than once a day, an amount determined by reference to the scale set out in columns 1 and 3 of Part I of the Schedule;
- (b) in the case of a casual employee to whom the employer pays the relevant income at least, but not more than, once a day, an amount determined by reference to the scale set out in columns 1 and 3 of Part II of the Schedule; and
- (c) in the case of a casual employee to whom the employer pays the relevant income less frequently than once a day, an amount determined by reference to the scale set out in columns 1 and 3 of Part III of the Schedule.

SCHEDULE

[ss. 2 & 3]

SCALES OF AMOUNTS OF CONTRIBUTIONS TO BE MADE
IN RESPECT OF CASUAL EMPLOYEES

PART I

Scale of amounts of contributions to be made in the case of
a casual employee to whom the employer pays the
relevant income more than once a day

Total amount of relevant income paid by an employer to a casual employee in a day	Total amount to be contributed by the employer for that day	Total amount to be deducted by the employer from the employee's relevant income for that day
Less than \$130.00	\$7.50	Nil
\$130.00 or more but less than \$260.00	\$7.50	\$7.50
\$260.00 or more but less than \$390.00	\$15.00	\$15.00
\$390.00 or more but less than \$520.00	\$22.50	\$22.50
\$520.00 or more but not more than \$650.00	\$30.00	\$30.00
More than \$650.00	\$30.00	\$30.00

PART II

Scale of amounts of contributions to be made in the case of a casual employee to whom the employer pays the relevant income at least, but not more than, once a day

Amount of relevant income paid by an employer to a casual employee in a day	Amount to be contributed by the employer for that day	Amount to be deducted by the employer from the employee's relevant income for that day
Less than \$130.00	\$7.50	Nil
\$130.00 or more but less than \$260.00	\$7.50	\$7.50
\$260.00 or more but less than \$390.00	\$15.00	\$15.00
\$390.00 or more but less than \$520.00	\$22.50	\$22.50
\$520.00 or more but not more than \$650.00	\$30.00	\$30.00
More than \$650.00	\$30.00	\$30.00

PART III

Scale of amounts of contributions to be made in the case of
a casual employee to whom the employer pays the relevant
income less frequently than once a day

Average amount of relevant income paid by an employer to a casual employee per day in a contribution period	Amount to be contributed by the employer for that contribution period	Amount to be deducted by the employer from the employee's relevant income for that contribution period
Less than \$130.00	5% of the relevant income paid by the employer to the employee for that contribution period	Nil
\$130.00 or more but not more than \$650.00	5% of the relevant income paid by the employer to the employee for that contribution period	5% of the relevant income paid by the employer to the employee for that contribution period
More than \$650.00	\$32.50 per day in that contribution period	\$32.50 per day in that contribution period

Managing Director,
Mandatory Provident Fund Schemes Authority

Explanatory Note

This Order prescribes the scales of amounts of contributions that an employer must make for the purposes of section 7A(3)(b) of the Mandatory Provident Fund Schemes Ordinance (Cap. 485) in respect of a casual employee who is a member of an industry scheme. It also prescribes the scales of amounts of contributions that the employer must deduct from the relevant income of the employee as a contribution by that employee to the scheme for the purposes of section 7A(4)(b) of that Ordinance.

