

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2378/01-02  
(These minutes have been  
seen by the Administration)

Ref: CB1/BC/9/01

**Bills Committee on  
Mandatory Provident Fund Schemes (Amendment) Bill 2002**

**Meeting on  
Monday, 24 June 2002 at 4:30 pm  
in the Chamber of the Legislative Council Building**

- Members present** : Hon Ambrose LAU Hon-chuen, GBS, JP (Chairman)  
Hon LEE Cheuk-yan  
Hon NG Leung-sing, JP  
Hon CHAN Yuen-han, JP  
Hon CHAN Kam-lam  
Hon LEUNG Yiu-chung  
Dr Hon YEUNG Sum  
Hon YEUNG Yiu-chung, BBS  
Hon Andrew CHENG Kar-foo  
Hon LI Fung-ying, JP  
Hon Henry WU King-cheong, BBS  
Hon Michael MAK Kwok-fung
- Members absent** : Hon Bernard CHAN  
Hon SIN Chung-kai  
Hon LEUNG Fu-wah, MH, JP  
Hon Audrey EU Yuet-mee, SC, JP
- Public officers  
Attending** : Miss Susie HO  
Deputy Secretary for Financial Services
- Mr Raymond TAM  
Executive Director (Policy and Development)  
Mandatory Provident Fund Schemes Authority
- Ms Marie SIU  
Senior Government Counsel

**Clerk in attendance** : Miss Polly YEUNG  
Chief Assistant Secretary (1)3

**Staff in attendance** : Miss Connie FUNG  
Assistant Legal Adviser 3

Miss Yvonne YU  
Senior Assistant Secretary (1)4

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**I. Meeting with the Administration**

Matters arising

LC Paper No. CB(1)2087/01-02(01) - Further draft Committee Stage Amendments (CSAs) proposed by the Administration and the relevant existing provisions in the Bill with the further draft CSAs marked-up

LC Paper No. CB(1)2087/01-02(02) - Mandatory Provident Fund Schemes Authority (MPFA)'s response on the age and income profiles of Mandatory Provident Fund (MPF) scheme members

LC Paper No. CB(1)2094/01-02(01) - A paper prepared by Hon Andrew CHENG Kar-foo on the proposed amendments to the minimum and maximum levels of relevant income for MPF contributions and the draft CSAs proposed by him

LC Paper No. CB(1)2105/01-02(01) - A revised draft CSAs proposed by Hon Andrew CHENG Kar-foo

*The Bill and related papers*

LC Paper No. CB(3)560/01-02 - The Bill

LC Paper No. CB(1)1833/01-02(02) - Marked-up copy of the Bill prepared by the Legal Service Division

- File Ref: G4/49C(2002)V - The Legislative Council Brief on the Bill issued by the Financial Services Bureau on 17 April 2002
- LC Paper No. CB(1)1986/01-02(01) - Letter dated 30 May 2002 from the Assistant Legal Adviser 3 (ALA3) on the Bill to the Administration
- LC Paper No. CB(1)1986/01-02(02) - The Administration's response dated 8 June 2002 to ALA3's letter dated 30 May 2002
- LC Paper No. CB(1)2027/01-02(01) - Letter dated 5 June 2002 from ALA3 to the Administration for clarification on proposed section 12(2B)(a) relating to the proposed use of the interest derived from monies-in-transit
- LC Paper No. CB(1)2027/01-02(02) - The Administration's response dated 11 June 2002 to ALA3's letter dated 5 June 2002
- LC Paper No. CB(1)2029/01-02(02) - Letter dated 13 June 2002 from ALA3 to the Administration to seek further clarification on proposed section 43B(3) relating to offences by employers who failed to enrol relevant employees into MPF schemes and on the drafting of proposed section 43B(4) which deals with the six-month time-bar for prosecution of offences
- LC Paper No. CB(1)2029/01-02(03) - The Administration's response dated 17 June 2002 to ALA3's letter dated 13 June 2002
- LC Paper No. CB(1)2029/01-02(01) - The Administration's response to the issues arising from the meetings held on 11 June 2002 and 12 June 2002, and the relevant draft CSAs

- LC Paper No. CB(1) 1992/01-02(01) - Illustrative examples on the current and proposed arrangement for employees' contribution holidays, and on the generic minimum and maximum relevant income level, as requested by members at the meeting on 11 June 2002
- LC Paper No. CB(1)1985/01-02 - The Administration's response to the issues arising from the meeting held on 3 June 2002
- LC Paper No. CB(1)2052/01-02(01) - A marked-up table prepared by the Legal Service Division setting out the relevant existing provisions of the Mandatory Provident Fund Schemes Ordinance (Cap. 485), amendments proposed by the Mandatory Provident Fund Schemes (Amendment) Bill 2002 and CSAs proposed by the Administration to relevant provisions in the Bill
- LC Paper No. LS83/01-02 - The Legal Service Division Report on the Bill
- LC Paper No. CB(1)1792/01-02(01) - Extract of the minutes of the meeting of the Financial Affairs Panel (FA Panel) on 7 January 2002 re-circulated
- LC Paper No. CB(1)716/01-02(04) - Discussion paper provided by the Administration for the meeting of FA Panel on 7 January 2002

The Committee deliberated (Index of proceedings attached at **Annex A**).

- Admin 2. At a member's request, the Administration undertook to set out in writing the impact of raising the minimum level of relevant income for MPF contributions from \$4,000 to \$5,000 and from \$4,000 to \$6,000 on the private consumption expenditure and gross domestic product.

*(Post-meeting note: The Administration's reply was issued to members vide LC Paper No. CB(1)2124/01-02 dated 26 June 2002)*

3. Members noted that Mr Andrew CHENG would move CSAs to clauses 5, 12 and the Schedule to the Bill to the effect that not less than 60% of the monthly median income should be adopted as the minimum level of relevant income, and the monthly employment earnings at a percentile not exceeding 80<sup>th</sup> of the monthly employment earnings distribution should be adopted as the maximum level of relevant income.

4. The Committee had no objection to the Administration's proposed CSAs and would not move any CSA on its own.

5. The Bills Committee had completed scrutiny of the Bill and would report to the House Committee on 28 June 2002. Members noted that the Administration would resume the Second Reading debate on the Bill on 10 July 2002.

**II. Any other business**

6. There being no other business, the meeting ended at 4:45 pm.

Legislative Council Secretariat  
31 July 2002

**Proceedings of the meeting of the Bills Committee on  
Mandatory Provident Fund Schemes (Amendment) Bill 2002**

**on Monday, 24 June 2002 at 4:30 pm  
in the Chamber of the Legislative Council Building**

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
000000 - 000258	Chairman Administration Mandatory Provident Fund Schemes Authority (MPFA)	- Further draft Committee Stage Amendments (CSAs) proposed by the Administration and the relevant existing provisions in the Bill with the further draft CSAs marked-up (LC Paper No. CB(1)2087/01-02(01))	
000258 - 000710	Chairman Mr Andrew CHENG Administration	- Paper prepared by Mr Andrew CHENG on his proposed CSAs to the minimum and maximum levels of relevant income for Mandatory Provident Fund (MPF) contributions (LC Paper No. CB(1)2094/01-02(01)) - Revised draft CSAs proposed by Mr Andrew CHENG (LC Paper No. CB(1)2105/01-02(01))	
000710 - 000900	Chairman MPFA	- Further information on age and income profiles of MPF scheme members (LC Paper No. CB(1)2087/01-02(02))	
000900 - 001250	Chairman Administration Mr Andrew CHENG	- If the minimum level of relevant income was raised from \$4,000 to \$5,000, the private consumption expenditure (PCE) and gross domestic product (GDP) were estimated to increase by 0.004% and 0.001% respectively - If the minimum level of relevant income was raised from \$4,000 to \$6,000, the PCE and GDP were estimated to increase by 0.013% and 0.005% respectively - At Mr CHENG's request, the	

Time	Speaker	Subject(s)	Action required
		Administration undertook to provide the relevant figures and set out its reply in writing - The Administration stressed that the precise beneficial effect on consumption and standard of living was difficult to assess because much would depend on the propensity of the individuals or households to consume or save	Admin
0001250 - 0001325	Chairman	- The Bills Committee would report to the House Committee on 28 June 2002 - The Administration would resume the Second Reading debate on the Bill on 10 July 2002 - The deadline for giving notice to move CSA was 29 June 2002 - Closing remarks	

**Note: The audio records of the above proceedings are kept at the LegCo Library**

Legislative Council Secretariat  
31 July 2002