

**立法會**  
***Legislative Council***

LC Paper No. AS195/03-04

Ref: AM 12/01/19/1 (Pt 3)

**Paper for the House Committee Meeting  
on 19 March 2004**

**Sixth Report  
of the Subcommittee on Members' Remuneration  
and Operating Expenses Reimbursement**

**Purpose**

This paper seeks Members' advice on the recommendation of the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement on proposed retirement protection arrangement for Legislative Council Members.

**Background**

2. In a survey conducted in July 2001 on whether a pension scheme should be set up for LegCo Members, 33 of the 54 Members who responded supported the establishment of a pension scheme, 18 did not support and three did not indicate any preference. In view of the majority support, the Chairman of the House Committee wrote to the Administration on 5 November 2001 inviting it to draw up a pension scheme for Members' consideration.

3. On 21 October 2003, the Administration informed the Chairman of the Subcommittee that the introduction of a retirement scheme for LegCo Members in the third LegCo term with Government contribution would not be supported. This decision was based on the recommendation of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR ('the Independent Commission'), which held the view that 'a retirement scheme for LegCo Members with Government contribution may only be justified if it is premised upon the view that LegCo membership is a full-time job'.

## **Deliberations**

4. The Subcommittee held two meetings on 1 November 2003 and 14 January 2004, one of which with the Director of Administration, to consider the Independent Commission's views. It does not share the Independent Commission's views on the criterion for the provision of retirement benefits for LegCo Members. The Subcommittee has studied the retirement benefits for legislators in Canada, the United Kingdom, Australia, the United States and Singapore and notes that there is no requirement for Members in these legislatures to work full-time in order for Members to qualify for retirement benefits, neither are there any criteria to differentiate between full-time and part-time legislators.

5. Recognizing the need to provide retirement protection for LegCo Members, the Subcommittee proposes that a retirement protection scheme be established with contributions paid separately from both Members' own resources and their Office Operation Expenses Reimbursement (OOER) accounts. The contribution rates would be the same as those stipulated for employees and employers under the Mandatory Provident Fund Schemes Ordinance (MPFSO) (Cap. 485), which currently stand at 5% of an employee's relevant income with a ceiling of \$1,000 per month from either party. In line with the spirit of MPFSO, Members who participate in other retirement schemes should also be eligible for participation in the proposed retirement protection scheme for LegCo Members.

6. The proposal is made after considering the following factors:

- (a) Retirement benefit contributions are similar in nature to the premiums for Members' medical and dental insurance coverage, which have already been reimbursable out of the OOER account since 1995;
- (b) At current rates, the contribution proposed to be charged to the OOER account of a Member is \$12,000 a year, which is only 0.88% of the account's expenditure ceiling of \$1,356,940. No additional commitment or expenditure on the part of the Government will be required;
- (c) Under MPFSO, contributions to a mandatory provident fund have to be made if one is employed for a continuous period of not less than 60 days, regardless of whether they are full-time or part-time employees. In line with the spirit of this provision, LegCo Members should also enjoy retirement protection; and
- (d) Provision of retirement benefits will attract able persons to stand for election to serve the community.

7. A consultation paper (LC Paper No. AS153/03-04) was issued on 6 February 2004 to obtain Members' views on the proposal. A total of 55 Members have responded. The majority of Members (37) support the proposed retirement protection arrangement set out in paragraph 5 above. A summary of Members' responses to the consultation paper is in the **Appendix**.

### **Recommendation**

8. Basing on the outcome of the consultation exercise, the Subcommittee recommends that the Administration should be requested to consider and forward the proposed retirement protection arrangement set out in paragraph 5 to the Independent Commission for consideration in time for introduction in the third LegCo term.

### **Advice Sought**

9. Members are invited to endorse the recommendation of the Subcommittee and forward it to the Administration for consideration.

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Legislative Council Secretariat  
March 2004

**Subcommittee on Members' Remuneration and  
Operating Expenses Reimbursement**

**Consultation Paper  
on the Proposed Retirement Protection Arrangement  
for Legislative Council Members**

**Summary of Responses**

	<b>No. of Members</b>	<b>Remarks</b>
a. Agree with the proposal in LC Paper No. AS153/03-04	37	<ul style="list-style-type: none"> <li>• Hope that the Subcommittee would keep on requesting the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR to provide security benefits to Members in the form of pension (10 Members)</li> <li>• Members' work should be a full-time undertaking and Members should have no other retirement schemes (1 Member)</li> <li>• LegCo Membership should be a full-time job (1 Member)</li> <li>• Seems fair and reasonable (1 Member)</li> </ul>
b. Do not agree with the proposal in LC Paper No. AS153/03-04	5	<ul style="list-style-type: none"> <li>• The amount acquired under the proposed arrangement is insufficient retirement protection for Members' (1 Member)</li> </ul>
c. Other proposals	11	<ul style="list-style-type: none"> <li>• Agree with the principle of providing pension to Members, but other possible options should be explored at the present stage (11 Members)</li> </ul>
d. No comments	2	