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 財經事務及庫務局
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6 July 2007

Miss Betty Ma
 Clerk to Subcommittee to Study
 the Subject of Combating Poverty
 Legislative Council
 8 Jackson Road
 Hong Kong


LC Paper No. CB(2)2442/06-07(01)

Dear Miss Ma,

**Subcommittee to Study the Subject of Combating Poverty
 Meeting on 18 June 2007**

At the meeting of the LegCo Subcommittee to Study the Subject of Combating Poverty held on 18 June 2007, the Hon LEE Cheuk-yan asked the Mandatory Provident Fund Authority (MPFA) about the number of employers and employees involved in the offsetting of accrued benefits. The MPFA does not have data on the number of employers and employees involved. However, they have prepared the table attached to show the amount of accrued benefits offset as a percentage of total assets, total contributions and total payment each year to provide more information for Members' reference.

Yours sincerely,


 (Ms Jenny Chan)

for Secretary for Financial Services
 and the Treasury

Encl.

c.c. MPFA (Attn: Mr Darren McShane)

Table on Severance Payments (SP)/Long Service Payments (LSP) Offset under the Mandatory Provident Fund System

Period	Total Amount of Assets Held under MPF System	Total Contributions	Total Payment *	Payment for Offsetting SP/LSP			
	(HK\$ million) (A)	(HK\$ million) (B)	(HK\$ million) (C)	(HK\$ Million) (D)	% of Total Assets (D/A)	% of Total Contributions (D/B)	% of Total Payment (D/C)
2001 (Q3 - Q4)	36 013	11 585	684	166	0.5%	1.4%	24.3%
2002	55 063	24 679	1 996	750	1.4%	3.0%	37.6%
2003	89 409	23 766	2 444	1 174	1.3%	4.9%	48.0%
2004	120 183	24 661	3 144	1 268	1.1%	5.1%	40.3%
2005	151 360	26 290	4 034	1 429	0.9%	5.4%	35.4%
2006	202 407	28 655	5 200	1 634	0.8%	5.7%	31.4%
2007 (Q1)	211 199	8 106	1 528	455	0.2%	5.6%	29.8%
Total	211 199	147 742	19 028	6 876	3.3%	4.7%	36.1%

* Total payment includes:

1. payment for offsetting of SP/LSP;
2. withdrawal of voluntary contributions by members; and
3. early withdrawal of accrued benefits by members due to retirement/early retirement; permanent departure; death; total incapacity; and small balance account.