

22 July 2011

By Mail and Fax (no. 2869 6794)

The Chairman
Subcommittee on MPF Schemes Ordinance
Legislative Council
8 Jackson Road
Central
Hong Kong

[Attn.: Mrs. Mary Tang]

Dear Sirs,

MPF Schemes Ordinance (Amendment of Schedule 3) Notice 2011

Thank you for your letter of 5 July 2011 (your ref: CB1/SS/I5/10) to Ms. Ka Shi Lau inviting the Hong Kong Retirement Schemes Association to express our view and to attend the meeting scheduled for 29 July to discuss the captioned subject.

Regarding the proposal to adjust the maximum level of relevant income for contribution purposes from \$20,000 to \$25,000 per month, our Association cannot see any logical reason as to why the current cap should not be lifted to \$25,000 to take into account inflation since commencement of MPF much as the \$5,000 lower limit has been raised to \$6,500. However, in order to encourage further contributions, on a voluntary level, we propose that a total cap of 15% of taxable remuneration should be allowable as a tax deduction for employee's contributions as long as the amounts cannot be withdrawn until retirement.

We will be pleased to give further elaboration if requested.

Yours faithfully,



Stuart H. Leckie
Vice Chairman