
立法會秘書處

Legislative Council Secretariat

新聞稿 Press Release

LegCo to debate a motion on alleviating the financial burden of middle-class people

The Legislative Council will hold a meeting this Wednesday (November 2) at 11 am in the Chamber of the Legislative Council Complex. During the meeting, Members will debate a motion on alleviating the financial burden of middle-class people.

The motion, to be moved by Hon LAU Kong-wah, states: "That, given that uncertainties persist in external markets, Hong Kong faces the risk of economic downturn at any time and, coupled with worsening inflation, middle-class families are under heavy financial pressure; in this connection, this Council urges the Administration to put forward effective measures in the Budget for the new financial year, so as to relieve their financial burden, including:

Salaries tax -

- (a) increasing the personal allowance, child allowance, dependant brother or dependant sister allowance, dependant parent or dependant grandparent allowance and disabled dependant allowance under salaries tax according to inflation rates;
- (b) permitting children to share the dependant parent or dependant grandparent allowance;
- (c) reducing salaries tax and personal assessment by 50%;

- (d) introducing tax deduction for voluntary Mandatory Provident Fund contributions with a ceiling of \$12,000;
- (e) raising the tax allowance for new-born infants to \$100,000;

Housing -

- (f) introducing a residential rates deduction of \$8,000 for each household modelled on the operation mode of the electricity charge subsidy;
- (g) extending the entitlement period for deduction for home loan interest from 10 years to 15 years;
- (h) providing each residential electricity account with an electricity charge subsidy of \$3,600;

Education -

- (i) introducing tax deduction for children education with a ceiling of \$10,000;
- (j) lowering the annual interest rate for loans under the Non-means Tested Loan Scheme for tertiary students to 2.5% and replacing the means-tested loans with interest-free loans;
- (k) fully subsidizing pre-primary education, raising the subsidy amount under the Pre-primary Education Voucher Scheme and directly subsidizing the remuneration of kindergarten teachers;
- (l) increasing the salaries tax deduction for expenses of self-education from \$60,000 to \$100,000 and raising the subsidy under the Continuing Education Fund by 100% to \$20,000 per person;

Healthcare -

- (m) introducing tax deduction for private medical insurance contributions with a ceiling of \$12,000;
- (n) increasing the categories of drugs supported by the Samaritan Fund, relaxing the eligibility requirements and lowering the proportion of drugs costs to be shared by patients;

Transportation -

- (o) using the dividends received by the Government from the MTR Corporation Limited ('MTRCL') to lower MTR fares as a form of passenger reward;
- (p) urging MTRCL to introduce monthly ticket schemes for all the lines of its system; and
- (q) reducing the unleaded petrol duty by 50%, ensuring that oil companies fully reflect the tax concession in pump prices, and closely monitor pump price changes to avoid the occurrence of oil companies being 'swift in increasing but slow in decreasing prices' and 'making big price increases but small price cuts'."

Hon WONG Kwok-hing, Hon Paul CHAN, Hon Albert HO, Hon LEE Wing-tat, Hon WONG Sing-chi, Hon KAM Nai-wai, Hon Miriam LAU, Hon Audrey EU and Dr Hon LEUNG Ka-lau will move amendments to Hon LAU Kong-wah's motion respectively.

Members will also debate a motion on comprehensively reforming the Mandatory Provident Fund Scheme. The motion, to be moved by Hon TAM Yiu-chung, states: "That, given that the Mandatory Provident Fund ('MPF') Scheme has already been implemented for over 10 years and the various social sectors have put forward many proposals for improving the Scheme, this Council

considers that the authorities must conduct a comprehensive review of the MPF Scheme; the relevant review should include:

- (a) to expeditiously implement a full portability arrangement for the MPF Scheme;
- (b) to adopt effective measures to press MPF Scheme trustees to lower their fees, such as enacting legislation to specify fee ceilings for different types of investment funds and fee types, and to require MPF Scheme trustees to collect fixed administration fees to replace the practice of collecting such fees at fixed percentages of the total asset values of MPF accounts;
- (c) to require MPF Scheme trustees to provide contributors with products resembling bank deposits that charge no management fees;
- (d) to introduce two additional fund products operated by the Government at low management fees, and linked respectively to Exchange Fund returns and inflation rates;
- (e) to enact legislation to require MPF Scheme trustees to set out the actual amounts of fees in the annual reports of the years concerned;
- (f) to obtain the operating costs data of MPF Scheme trustees and formulate measures to regulate trustees by making reference to the form of regulation of employees' compensation insurance;
- (g) to allow MPF Scheme contributors with exceptional reasons (such as critical illness) to apply for suspension of contributions or partial withdrawal of their MPF accrued benefits, so as to meet urgent needs;
- (h) to allow retirees to withdraw their MPF accrued benefits by instalments after the age of 65;

- (i) to introduce a maximum tax deduction of \$12,000 for voluntary MPF contributions;
- (j) to prompt the Labour Advisory Board to conduct discussions on the mechanism whereby employers' contributions under the MPF Scheme are used to offset severance payments and long service payments;
- (k) to enhance the regulation of MPF Scheme intermediaries; and
- (l) to step up law enforcement and increase penalties to combat the situation of default in contributions,

with a view to achieving the aims of lowering fees, increasing employees' choices for investment and perfecting the regulatory mechanism."

Hon IP Wai-ming, Hon CHAN Kin-por, Hon James TO, Hon LI Fung-ying and Hon Alan LEONG will move amendments to Hon TAM Yiu-chung's motion respectively.

Members will also ask the Administration 20 questions on various policy areas, six of which require oral replies.

The agenda of the above meeting can be obtained via the LegCo website (<http://www.legco.gov.hk>). Please note that the agenda is subject to change, and the latest information about the agenda could be found in the LegCo website.

Members of the public are welcome to observe the proceedings of the meeting from the public galleries of the Chamber of the LegCo Complex. They may reserve seats by calling 3919 3399 during office hours. Seats will be allocated on a first-come-first-served basis. Members of the public can also watch or listen to the meeting via the web broadcast system on the LegCo website.

Ends/Monday, October 31, 2011

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