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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 24 October 2012

**Amendments to motion on
“Universal retirement protection system”**

Further to LC Paper No. CB(3) 27/12-13 issued on 12 October 2012, six Members (Hon TAM Yiu-chung, Hon WONG Kwok-hing, Hon CHAN Kin-por, Hon Michael TIEN, Hon Albert HO and Hon Gary FAN) have respectively given notices of their intention to move separate amendments to Dr Hon Fernando CHEUNG’s motion on “Universal retirement protection system” scheduled for the Council meeting of 24 October 2012. As directed by the President, the respective amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. The President will order a joint debate on the above motion and the amendments. To assist Members in debating the motion and amendments, I set out below the procedure to be followed during the debate:

- (a) the President calls upon Dr Hon Fernando CHEUNG to speak and move his motion;
- (b) the President proposes the question on Dr Hon Fernando CHEUNG’s motion;
- (c) the President calls upon the six Members, who intend to move amendments, to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon TAM Yiu-chung;
 - (ii) Hon WONG Kwok-hing;

- (iii) Hon CHAN Kin-por;
 - (iv) Hon Michael TIEN;
 - (v) Hon Albert HO; and
 - (vi) Hon Gary FAN;
- (d) the President calls upon the designated public officer(s) to speak;
 - (e) the President invites other Members to speak;
 - (f) the President gives leave to Dr Hon Fernando CHEUNG to speak for the second time on the amendments;
 - (g) the President calls upon the designated public officer(s) to speak again;
 - (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the six Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon TAM Yiu-chung to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon TAM Yiu-chung's amendment;
 - (i) after Hon TAM Yiu-chung's amendment has been voted upon, the President deals with the other five amendments; and
 - (j) after all amendments have been dealt with, the President calls upon Dr Hon Fernando CHEUNG to reply. Thereafter, the President puts to vote the question on Dr Hon Fernando CHEUNG's motion, or his motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Miss Odelia LEUNG)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Universal retirement protection system”
to be held at the Council meeting of 24 October 2012**

1. Dr Hon Fernando CHEUNG’s original motion

That the problem of elderly poverty in Hong Kong is serious at present, and according to a study of the Hong Kong Council of Social Service, in the first half of 2011, 33.4% of the elderly were households in poverty, with the elderly population in poverty reaching 290 000, but the existing Comprehensive Social Security Assistance (‘CSSA’) scheme and Old Age Allowance (‘OAA’) of the Government cannot resolve the problem of elderly poverty; at present, the income test under the CSSA scheme is on a household basis, requiring the family members of the elderly persons to sign what is colloquially called a ‘bad son statement’ to declare not providing support to parents, damaging elderly persons’ relationship with their families and depriving them of dignity; according to the survey findings published by Oxfam Hong Kong in 2010, some 160 000 eligible elderly persons in Hong Kong did not receive CSSA; on the other hand, the amount of OAA is insufficient to maintain a basic living; at present, various advanced countries or regions around the world, including Canada, New Zealand, South Korea and Taiwan, have put in place universal retirement protection in the forms of social insurance and special funds earmarked for specified purposes, which have been proven to be effective retirement protection systems; in this connection, this Council urges the authorities to:

- (a) give an account of the studies on retirement protection matters conducted by the Central Policy Unit in the past; provide the frameworks, specific statistics and conclusions of such studies;
- (b) expeditiously establish a universal retirement protection commission with responsibilities including formulating the contents of a proposal, conducting public consultation, and setting an implementation timetable;
- (c) before the implementation of a universal retirement protection scheme, refrain from introducing any asset and income test for the newly proposed ‘Old Age Living Allowance Scheme’, in order for the scheme to serve as a transitional measure leading to the universal retirement protection scheme; and

- (d) immediately allow elderly persons to apply for CSSA on an individual basis, exempting their family members from having to make any declaration arrangement for not providing support to them.

2. Motion as amended by Hon TAM Yiu-chung

That *Hong Kong has been gradually becoming an ageing society, while at the same time* the problem of elderly poverty in Hong Kong is serious at present, and according to a study of the Hong Kong Council of Social Service, in the first half of 2011, 33.4% of the elderly were households in poverty, with the elderly population in poverty reaching 290 000, but the existing Comprehensive Social Security Assistance ('CSSA') scheme and Old Age Allowance ('OAA') of the Government cannot resolve the problem of elderly poverty; at present, the income test under the CSSA scheme is on a household basis, requiring the family members of the elderly persons to sign what is colloquially called a 'bad son statement' to declare not providing support to parents, damaging elderly persons' relationship with their families and depriving them of dignity; according to the survey findings published by Oxfam Hong Kong in 2010, some 160 000 eligible elderly persons in Hong Kong did not receive CSSA; ~~on the other hand,~~ *besides, quite a number of elderly persons ineligible for CSSA mainly rely on OAA to support their living, but* the amount of OAA is insufficient to maintain a basic living; at present, various advanced countries or regions around the world, including Canada, New Zealand, South Korea and Taiwan, *France and Greece, etc.*, have put in place universal retirement protection, *and implemented retirement protection systems* in the forms of social insurance and special funds earmarked for specified purposes, ~~which have been proven to be effective retirement protection systems;~~ in this connection, this Council urges the authorities to:

- (a) give an account of the studies on retirement protection matters conducted by the Central Policy Unit in the past; provide the frameworks, specific statistics and conclusions of such studies;
- (b) expeditiously establish a universal retirement protection commission with responsibilities including *studying the implementation of universal retirement protection in major economies around the world*, formulating the contents of a ~~proposal~~ *proposed plan*, conducting public consultation, and setting an implementation timetable *after a consensus has been reached on the proposed plan in society*;
- (c) ~~before the implementation of a universal retirement protection scheme, refrain from introducing any asset and income test for~~ *relax the asset limits under* the newly proposed 'Old Age Living Allowance Scheme';

~~in order for the scheme to serve as a transitional measure leading to the universal retirement protection scheme; and to *benefit more elderly persons with financial difficulties*;~~

- (d) *improve the existing OAA system, including abolishing the existing asset and income test for application for Normal OAA, allowing elderly recipients of Disability Allowance to receive OAA at the same time, expeditiously implementing the ‘Guangdong Scheme’ and extending it to Fujian Province;*
- (d)(e) immediately allow elderly persons to apply for CSSA on an individual basis, exempting their family members from having to make any declaration arrangement for not providing support to them; *and*
- (f) *comprehensively reform the Mandatory Provident Fund Scheme, lower its fees, increase employees’ investment choices and perfect the regulatory mechanism, with a view to increasing the returns of the scheme and thereby strengthening the retirement protection for employees.*

Note: Hon TAM Yiu-chung’s amendment is marked in *bold and italic type*.

3. Motion as amended by Hon WONG Kwok-hing

That *since the 1970s, Hong Kong has started to discuss the universal retirement protection system; the Hong Kong Federation of Trade Unions (‘FTU’) advocated the establishment of a central provident fund as early as 1986, and in 1992 FTU further put forward an integrated retirement protection plan; however, to date, Hong Kong has yet to put in place a universal integrated retirement protection scheme, so the problem of elderly poverty in Hong Kong is still serious at present, and according to a study of the Hong Kong Council of Social Service, in the first half of 2011, 33.4% of the elderly were households in poverty, with the elderly population in poverty reaching 290 000, but the existing Comprehensive Social Security Assistance (‘CSSA’) scheme and Old Age Allowance (‘OAA’) of the Government cannot resolve the problem of elderly poverty; at present, the income test under the CSSA scheme is on a household basis, requiring the family members of the elderly persons to sign what is colloquially called a ‘bad son statement’ to declare not providing support to parents, damaging elderly persons’ relationship with their families and depriving them of dignity; according to the survey findings published by Oxfam Hong Kong in 2010, some 160 000 eligible elderly persons in Hong Kong did not receive CSSA; on the other hand, the amount of OAA is insufficient to maintain a basic living; at present, various advanced countries or regions around the world, including Canada, New*

Zealand, South Korea and Taiwan, have put in place universal retirement protection in the forms of social insurance and special funds earmarked for specified purposes, which have been proven to be effective *and sustainable* retirement protection systems; in this connection, this Council urges the authorities to:

- (a) give an account of the studies on retirement protection matters conducted by the Central Policy Unit in the past; provide the frameworks, specific statistics and conclusions of such studies;
- (b) expeditiously establish a universal *integrated* retirement protection commission with responsibilities including formulating the contents of a proposal, conducting public consultation, and setting ~~an implementation timetable~~ *a timetable for implementation within the term of the current Government*;
- (c) before the implementation of a universal *integrated* retirement protection scheme, ~~refrain from introducing~~ *exempt elderly persons aged 70 or above from* any asset and income test for the newly proposed ‘Old Age Living Allowance Scheme’, in order for the scheme to serve as a transitional measure leading to the universal retirement protection scheme; and
- (d) immediately allow elderly persons to apply for CSSA on an individual basis, exempting their family members from having to make any declaration arrangement for not providing support to them.

Note: Hon WONG Kwok-hing’s amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Hon CHAN Kin-por

That the problem of elderly poverty in Hong Kong is serious ~~at present~~ *in recent years*, and according to a study of the Hong Kong Council of Social Service, in the first half of 2011, 33.4% of the elderly were households in poverty, with the elderly population in poverty reaching 290 000, but the existing Comprehensive Social Security Assistance (‘CSSA’) scheme and Old Age Allowance (‘OAA’) of the Government cannot resolve the problem of elderly poverty; ~~at present, the income test under the CSSA scheme is on a household basis, requiring the family members of the elderly persons to sign what is colloquially called a ‘bad son statement’ to declare not providing support to parents, damaging elderly persons’ relationship with their families and depriving them of dignity;~~ according to the survey findings published by Oxfam Hong Kong in 2010, some 160 000 eligible elderly persons in Hong

Kong did not receive CSSA; on the other hand, the amount of OAA is insufficient to maintain a basic living; at present, various advanced countries or regions around the world, including Canada, New Zealand, South Korea and Taiwan, have put in place universal retirement protection in the forms of social insurance and special funds earmarked for specified purposes, ~~which have been proven to be effective retirement protection systems;~~ ***besides, the number of elderly persons in Hong Kong will continue to increase, and the elderly dependency ratio and economic dependency ratio in Hong Kong will also rise sharply;*** in this connection, this Council urges the authorities to:

- (a) give an account of the studies on retirement protection matters conducted by the Central Policy Unit in the past; provide the frameworks, specific statistics and conclusions of such studies;
- (b) expeditiously establish a universal retirement protection commission with responsibilities including formulating the contents of a proposal, conducting public consultation, and setting an implementation timetable;
- (c) before the implementation of a universal retirement protection scheme, ~~refrain from introducing any~~ ***introduce a more lenient*** asset and income test for the newly proposed 'Old Age Living Allowance Scheme', in order for ~~the scheme to serve as a transitional measure leading to the universal retirement protection scheme~~ ***to make sure that the scheme can focus on elderly persons with genuine needs and ensure the sustainability of the scheme;*** and
- (d) ~~immediately allow elderly persons to apply for CSSA on an individual basis, exempting their family members from having to make any declaration arrangement for not providing support to them~~ ***at the same time, review the application arrangements for elderly persons under the CSSA system to ensure that elderly persons in need of financial assistance get appropriate support.***

Note: Hon CHAN Kin-por's amendment is marked in ***bold and italic type*** or with deletion line.

5. Motion as amended by Hon Michael TIEN

~~That the problem of elderly poverty in Hong Kong is serious at present, and according to a study of the Hong Kong Council of Social Service, in the first half of 2011, 33.4% of the elderly were households in poverty, with the elderly population in poverty reaching 290 000, but the existing Comprehensive Social Security Assistance ('CSSA') scheme and Old Age Allowance ('OAA') of the~~

~~Government cannot resolve the problem of elderly poverty; at present, the income test under the CSSA scheme is on a household basis, requiring the family members of the elderly persons to sign what is colloquially called a ‘bad son statement’ to declare not providing support to parents, damaging elderly persons’ relationship with their families and depriving them of dignity; according to the survey findings published by Oxfam Hong Kong in 2010, some 160 000 eligible elderly persons in Hong Kong did not receive CSSA; on the other hand, the amount of OAA is insufficient to maintain a basic living; at present, various advanced countries or regions around the world, including Canada, New Zealand, South Korea and Taiwan, have put in place universal retirement protection in the forms of social insurance and special funds earmarked for specified purposes, which have been proven to be effective retirement protection systems *government statistics indicate that the ageing of Hong Kong population will be increasingly serious in the next 30 years, with a sharp increase in the overall dependency ratio; if Hong Kong’s welfare policy is based on the use of the tax money paid by the current working population to meet the welfare spending on the increasingly ageing population, it will indirectly cause the next generation to face economic difficulties; since egalitarianism is not the sole means to promote social justice, the authorities should focus resources on the neediest, assisting them in improving their quality of life on the one hand and ensuring the proper use of public money on the other; hence, the authorities should use Mandatory Provident Fund (‘MPF’) as the basis of a retirement protection system, and subsidize those who cannot benefit from the MPF System;* in this connection, this Council urges the authorities to:~~

- ~~(a) give an account of the studies on retirement protection matters conducted by the Central Policy Unit in the past; provide the frameworks, specific statistics and conclusions of such studies;~~
- ~~(b) expeditiously establish a universal retirement protection commission with responsibilities including formulating the contents of a proposal, conducting public consultation, and setting an implementation timetable;~~
- ~~(c) before the implementation of a universal retirement protection scheme, refrain from introducing any asset and income test for the newly proposed ‘Old Age Living Allowance Scheme’, in order for the scheme to serve as a transitional measure leading to the universal retirement protection scheme; and~~
- ~~(d) immediately allow elderly persons to apply for CSSA on an individual basis, exempting their family members from having to make any declaration arrangement for not providing support to them~~

- (b) *comprehensively review and enhance the management system for MPF, so as to turn this system into the basis of retirement protection; and*
- (c) *with the ‘three-tiered retirement protection system’ put forward by Professor Nelson Chow of the Department of Social Work and Social Administration of the University of Hong Kong as the basis of discussion, conduct studies on a multi-tiered system of livelihood protection for the elderly, propose to dispense with means test for the first-tiered subsidy under the principle of respecting the elderly, and introduce means test above the first tier for providing different amounts of financial assistance to needy persons, with the ultimate hope that every elderly person in Hong Kong can depend on his or her own savings and government assistance to live the twilight years with dignity.*

Note: Hon Michael TIEN’s amendment is marked in *bold and italic type* or with deletion line.

6. Motion as amended by Hon Albert HO

That the problem of elderly poverty in Hong Kong is serious at present, and according to a study of the Hong Kong Council of Social Service, in the first half of 2011, 33.4% of the elderly were households in poverty, with the elderly population in poverty reaching 290 000, but the existing Comprehensive Social Security Assistance (‘CSSA’) scheme and Old Age Allowance (‘OAA’) of the Government cannot resolve the problem of elderly poverty; at present, the income test under the CSSA scheme is on a household basis, requiring the family members of the elderly persons to sign what is colloquially called a ‘bad son statement’ to declare not providing support to parents, damaging elderly persons’ relationship with their families and depriving them of dignity; according to the survey findings published by Oxfam Hong Kong in 2010, some 160 000 eligible elderly persons in Hong Kong did not receive CSSA; on the other hand, the amount of OAA is insufficient to maintain a basic living; at present, various advanced countries or regions around the world, including Canada, New Zealand, South Korea and Taiwan, have put in place universal retirement protection in the forms of social insurance and special funds earmarked for specified purposes, which have been proven to be effective retirement protection systems; in this connection, this Council urges the authorities to:

- (a) give an account of the studies on retirement protection matters conducted by the Central Policy Unit in the past; provide the frameworks, specific statistics and conclusions of such studies;

- (b) expeditiously establish a universal retirement protection commission with responsibilities including formulating the contents of a proposal, conducting public consultation, and setting an implementation timetable;
- (c) before the implementation of a universal retirement protection scheme, ~~refrain from introducing any asset and income test for the newly proposed 'Old Age Living Allowance Scheme'~~ ***exempt elderly persons aged 70 or above from any asset and income test under the newly proposed 'Old Age Living Allowance Scheme', and treat it as a short- and medium-term scheme***, in order for the scheme to serve as a transitional measure leading to the universal retirement protection scheme; and
- (d) immediately allow elderly persons to apply for CSSA on an individual basis, exempting their family members from having to make any declaration arrangement for not providing support to them.

Note: Hon Albert HO's amendment is marked in ***bold and italic type*** or with deletion line.

7. Motion as amended by Hon Gary FAN

That the problem of elderly poverty in Hong Kong is serious at present, and according to a study of the Hong Kong Council of Social Service, in the first half of 2011, 33.4% of the elderly were households in poverty, with the elderly population in poverty reaching 290 000, but the existing Comprehensive Social Security Assistance ('CSSA') scheme and Old Age Allowance ('OAA') of the Government cannot resolve the problem of elderly poverty; at present, the income test under the CSSA scheme is on a household basis, requiring the family members of the elderly persons to sign what is colloquially called a 'bad son statement' to declare not providing support to parents, damaging elderly persons' relationship with their families and depriving them of dignity; according to the survey findings published by Oxfam Hong Kong in 2010, some 160 000 eligible elderly persons in Hong Kong did not receive CSSA; on the other hand, the amount of OAA is insufficient to maintain a basic living; at present, various advanced countries or regions around the world, including Canada, New Zealand, South Korea and Taiwan, have put in place universal retirement protection in the forms of social insurance and special funds earmarked for specified purposes, which have been proven to be effective retirement protection systems; in this connection, this Council urges the authorities to:

- (a) give an account of the studies on retirement protection matters conducted by the Central Policy Unit in the past; provide the frameworks, specific statistics and conclusions of such studies;
- (b) expeditiously establish a universal retirement protection commission with responsibilities including formulating the contents of a proposal, conducting public consultation, and setting an implementation timetable;
- (c) before the implementation of a universal retirement protection scheme, refrain from introducing any asset and income test for the newly proposed 'Old Age Living Allowance Scheme', in order for the scheme to serve as a transitional measure leading to the universal retirement protection scheme; ~~and~~
- (d) immediately allow elderly persons to apply for CSSA on an individual basis, exempting their family members from having to make any declaration arrangement for not providing support to them; **and**
- (e) ***split CSSA and OAA into two independent application items and allow the elderly to apply for CSSA and OAA at the same time, in order that elderly CSSA recipients may also benefit when the Government raises OAA in the future.***

Note: Hon Gary FAN's amendment is marked in ***bold and italic type*** or with deletion line.