

立法會
Legislative Council

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by the Administration)

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**Bills Committee on Mandatory Provident Fund Schemes
(Amendment) Bill 2014**

**Minutes of third meeting on
Tuesday, 7 October 2014, at 9:00 am
in Conference Room 1 of the Legislative Council Complex**

Members present : Hon CHAN Kin-por, BBS, JP (Chairman)
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Cyd HO Sau-lan, JP
Hon NG Leung-sing, SBS, JP
Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon SIN Chung-kai, SBS, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP

Members attending : Hon Alan LEONG Kah-kit, SC

Members absent : Hon LEE Cheuk-yan
Hon WONG Ting-kwong, SBS, JP
Hon Starry LEE Wai-king, JP
Hon WONG Kwok-kin, SBS
Hon LEUNG Kwok-hung
Hon CHUNG Kwok-pan

Public officers attending : Mr Eddie CHEUNG
Deputy Secretary for Financial Services and the Treasury (Financial Services) 2

Miss Susanna LAI
Principal Assistant Secretary for Financial Services and the Treasury (Financial Services)3

Miss Elaine NG
Senior Government Counsel
Department of Justice

Attendance by invitation : Mandatory Provident Fund Schemes Authority

Ms Gabriella YEE
Head (Policy Development and Research)

Democratic Alliance for the Betterment and Progress of Hong Kong

Mr NGAN Man-yu
Deputy Spokesperson on Manpower

The Federation of Hong Kong and Kowloon Labour Unions

Mr TSE Ngai-kin
Officer

Hong Kong Confederation of Trade Unions

Mr POON Man-hon
Policy Researcher

Individual

Mr Peter WONG

Civic Party

Mr Jacky YAU
District Developer

The Actuarial Society of Hong Kong

Mr Jack MAK
Chairman of Pension & Employee Benefits
Committee

The Law Society of Hong Kong

Mrs Christine KOO
Member of the Law Society's Retirement Schemes
Committee

Hong Kong Investment Funds Association

Mrs Sally WONG
Chief Executive Officer

Clerk in attendance: Ms Annette LAM
Chief Council Secretary (1)3

Staff in attendance : Miss Evelyn LEE
Assistant Legal Adviser 10

Ms Connie HO
Senior Council Secretary (1)3

Action

I. Meeting with deputations and the Administration

Submissions from deputations/individual not attending the meeting

1. Momentum 107
(LC Paper No. CB(1)2033/13-14(01) – Submission)
2. The Hong Kong Federation of Insurers
(LC Paper No. CB(1)2033/13-14(05) – Submission)
3. The Hong Kong Association of Banks
(LC Paper No. CB(1)2033/13-14(06) – Submission)
4. Hong Kong Doctors Union
(LC Paper No. CB(1)2033/13-14(07) – Submission)

5. Clifford Chance, Hong Kong
(LC Paper No. CB(1)2033/13-14(08) – Submission)
6. Consumer Council
(LC Paper No. CB(1)2033/13-14(09) – Submission)
7. Hong Kong Trustees' Association
(LC Paper No. CB(1)2033/13-14(10) – Submission)
8. Employers' Federation of Hong Kong
(LC Paper No. CB(1)2033/13-14(11) – Submission)
9. Hospital Authority
(LC Paper No. CB(1)2033/13-14(12) – Submission)
10. Mr YEUNG Wai-sing, Eastern District Council Member
(LC Paper No. CB(1)2033/13-14(13) – Submission)
11. The Hong Kong Retirement Schemes Association
(LC Paper No. CB(1)2057/13-14(02) – Submission)

At the invitation of the Chairman, 8 deputations/individual as listed in the **Appendix** presented their views.

2. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

Declaration of interests

3. Mr NG Leung-sing declared that the corporation that he worked for had engaged in the provision of Mandatory Provident Fund ("MPF") services.

Follow-up action required of the Administration

4. The Administration was requested to provide information on:
 - (a) the procedures for an employee to recover any default MPF contributions from an employer, and enforcement actions which would be taken by Mandatory Provident Fund Schemes Authority ("MPFA") under the Mandatory Provident Fund Schemes Ordinance; and

- (b) how MPFA, the MPF industry and/or the Securities and Futures Commission ("SFC") improve and streamline the current approval processes with a view to driving down the MPF fees.

5. At the request of the Chairman, the Administration would provide a written response to the deputations' written submissions received and views expressed at the meeting.

II. Any other business

6. There being no other business, the meeting ended at 10:38 am.

Council Business Division 1
Legislative Council Secretariat
4 November 2014

**Proceedings of the third meeting of
the Bills Committee on Mandatory Provident Fund Schemes (Amendment) Bill 2014
on Tuesday, 7 October 2014, at 9:00 am
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
000000 – 000220	Chairman	Opening remarks	
000221 – 000405	Chairman Mr SIN Chung-kai Chief Council Secretary (1)3 Ms Cyd HO	<p>Members noted that only five deputations out of a total of 13 had turned up at the meeting on time despite that the Secretariat had reconfirmed the deputations' attendance prior to the meeting. In view that some deputations might not be able to attend the meeting due to traffic problems arising from the public assemblies on streets in connection with the "Occupy Central" movement, <u>Ms Cyd HO</u> suggested that another meeting with deputations be arranged later this year to solicit public's views on the Mandatory Provident Fund Schemes (Amendment) Bill 2014 ("the Bill"). The Chairman took note of Ms Cyd HO's suggestion.</p> <p><i>(Post-meeting note: A total of eight deputations/individual had finally attended the meeting to present their views on the Bill to the Bills Committee. On the advice of the Chairman, arrangement had been made to solicit written submissions from the deputations/individuals which/who did not turn up for the meeting. Of these five deputations/individuals, one of them (the Hong Kong Retirement Schemes Association) had provided written submission to the Bills Committee (LC Paper No. CB(1)2057/13-14(02)), three of them (The Lion Rock Institute, Mr LO Ming-hin and Miss Kellie WONG) advised that Mr Peter WONG's submission (LC Paper No. CB(1)2057/13-14(01)) also represented their views and the remaining one (The Hong Kong Federation of Trade Unions) indicated that it had no intention to make any submission.</i></p>	
000406 – 000618	Chairman	<u>The Chairman</u> welcomed the deputations to present their views to the Bills Committee and briefed them on the points-to-note when making their presentation.	

Time marker	Speaker	Subject(s)	Action required
000619 – 000900	Mr NGAN Man-yu, Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB")	Presentation of views	
000901 – 001141	Mr TSE Ngai-kin, The Federation of Hong Kong and Kowloon Labour Unions ("HKFLU")	Presentation of views [LC Paper No. CB(1)2072/13-14(02)]	
001142 – 001535	Mr POON Man-hon, Hong Kong Confederation of Trade Unions ("HKCTU")	Presentation of views [LC Paper No. CB(1)2072/13-14(01)]	
001536 – 002023	Mr Peter WONG	Presentation of views [LC Paper No. CB(1)2057/13-14(01)]	
002024 – 002430	Mr Jacky YAU, Civic Party	Presentation of views	
002431 – 002711	Mr Jack MAK, The Actuarial Society of Hong Kong ("ASHK")	Presentation of views [LC Paper No. CB(1)2033/13-14(02)]	
002712 – 002905	Mrs Christine KOO, The Law Society of Hong Kong ("LSHK")	Presentation of views [LC Paper No. CB(1)2033/13-14(03)]	
002906 – 003300	Mrs Sally WONG, Hong Kong Investment Funds Association ("HKIFA")	Presentation of views [LC Paper No. CB(1)2033/13-14(04)]	
003301 – 004030	Chairman Administration	At the invitation of the Chairman, the Administration gave a consolidated response to the views expressed by deputations as follows – (a) having been in operation for over 13 years since its inception in December 2000, it was necessary to enhance the Mandatory Provident Fund ("MPF") System in the light of operational experience, comments from	

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		<p>stakeholders and market developments;</p> <p>(b) the legislative proposals under the Bill aimed at enhancing the operation of the MPF System by (i) providing more flexibility on withdrawal of MPF accrued benefits and adding new ground for early withdrawal of accrued benefits; (ii) clarifying the criterion for approving new MPF constituent funds ("CFs") and simplifying regulatory requirements with a view to driving down fees and (iii) improving arrangements on information disclosure, prosecution, etc;</p> <p>(c) the proposals in relation to phased withdrawal of accrued benefits and the provision of an additional ground of terminal illness for early withdrawal had taken into account the views received during the public consultation exercise on withdrawal of accrued benefits conducted in late 2011 by the Mandatory Provident Fund Schemes Authority ("MPFA");</p> <p>(d) the Administration had, in the light of the views expressed by members of the Legislative Council's Panel on Financial Affairs ("the FA Panel"), amended the legislative proposal to require trustees to process free of charge a scheme member's request to make withdrawal of accrued benefits of no more than 12 times a year, with no restriction on the amount withdrawn in each installment;</p> <p>(e) on the suggestions of allowing early withdrawal of accrued benefits on the ground of "critical illness" and making reference to the list of critical illnesses adopted by the insurance industry when defining such term, the Administration advised that:</p> <p>(i) unlike the multi-purpose mandatory saving schemes in other jurisdictions which had much higher contribution rates, the MPF System was a dedicated scheme designed solely to assist the workforce in saving for their retirement and its contribution rate was relatively low at 5% only. Any proposal of</p>	

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		<p>introducing additional ground for withdrawal of accrued benefits must be carefully considered or it would defeat the purpose of the MPF System;</p> <p>(ii) allowing early withdrawal of accrued benefits for medical treatment of critical illness should be weighed against the consideration that the scheme member, if not terminally ill, would still require provisions for his retirement;</p> <p>(iii) allowing early withdrawal to meet medical expenses meant that there would be less accrued benefits to help meet the retirement needs of the scheme member in future, which was inconsistent with the policy objective of the MPF System;</p> <p>(iv) at present, the Mandatory Provident Fund Schemes Ordinance (Cap. 485) ("MPFSO") provided for early withdrawal of accrued benefits on the ground of "total incapacity", which was defined in relation to the kind of work that a scheme member was last performed before becoming incapacitated;</p> <p>(f) the definition of "remaining life expectancy" was proposed having regard to the medical profession's views and the Australian Superannuation System which also had a similar ground for early withdrawal of retirement benefits;</p> <p>(g) on driving down MPF fees, MPFA had implemented measures to lower such fees and would continue its efforts in this regard. Consolidation of MPF personal accounts by scheme members would also reduce the additional administrative cost incurred by maintenance of multiple accounts; and</p> <p>(h) the proposal of extending the prosecution time bar had taken into account the arrangements in similar legislation. It was inappropriate to make direct comparison between the time bars for civil litigation and criminal prosecution.</p>	

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004031 – 004211	Chairman Mr SIN Chung-kai Mr TSE Ngai-kin, HKFLU	<u>Mr TSE Ngai-kin</u> of HKFLU reiterated his view that the procedures for making early withdrawal on the ground of "terminal illness" should be as simple as possible to avoid causing administrative hassles to scheme members.	
004212 – 004936	Chairman Mr KWOK Ka-ki Mrs Sally WONG, HKIFA	<p>Mr KWOK Ka-ki's views and concerns -</p> <p>(a) the MPF System was unable to provide sufficient retirement protection for scheme members as the high fees charged by investment managers and trustees had eaten up the returns of MPF investments;</p> <p>(b) whether the MPF industry had made any efforts in reducing the administrative costs, promoting low-fee CFs and enhancing the transparency of the operation of MPF schemes/ funds;</p> <p>(c) the use of electronic means of communication between trustees and scheme members might not be beneficial to employees at the grassroots level who might be illiterate or without internet access. The trustees should ensure that the relevant scheme members would be provided with the necessary information through appropriate channels/means.</p> <p><u>Mrs Sally WONG</u> of HKIFA responded that –</p> <p>(a) the MPF industry noted the public concern on the fee issue. According to the information provided by MPFA, the average fund expense ratio ("FER") had declined by 20% over the past six years from 2.1% in 2007 to 1.69% in May 2014;</p> <p>(b) the management fees charged by investment managers and the administrative fees charged by trustees accounted for about one-third and two-thirds of the FER respectively. The management fees charged by investment managers at about 0.5% was not particularly high in Hong Kong context and was broadly comparable to that in overseas countries;</p> <p>(c) the constraints embedded in the MPF System had rendered it difficult to duplicate a</p>	

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		<p>particular Exchange Traded Fund ("ETF"), thereby hindering the introduction of low-fee CFs in the form of index tracking funds;</p> <p>(d) the HKIFA queried the appropriateness of incorporating the approval criterion of "in scheme members' interests" for new CFs in the legislation. To provide clarity and certainty to the MPF industry as well as to allow flexibility to accommodate market developments and cater for the needs of employees, HKIFA was of the view that a balanced and pragmatic approach was to have this criterion enshrined in the relevant code and/or guidelines, rather than in the legislation;</p> <p>(e) the code/guidelines should provide a detailed set of criteria/requirements which the MPFA would consider when deciding whether or not a new CF was "in scheme members' interests;" and</p> <p>(f) HKIFA welcomed public views on how to improve information disclosure by the MPF industry to help enhance the transparency of the operation of MPF schemes/funds.</p>	
004937 – 005718	<p>Chairman Mr TANG Ka-piu Mrs Sally WONG, HKIFA Mr Jack MAK, ASHK</p>	<p>Mr TANG Ka-piu's enquiries about -</p> <p>(a) the appropriate number of CFs in an MPF scheme given that the proliferation of funds had created a problem of choice for scheme members;</p> <p>(b) whether the cumbersome approval procedures of new MPF schemes/funds involving the MPFA and the Securities and Futures Commission ("SFC") had increased the administrative cost of trustees; and</p> <p>(c) whether the proposed phased withdrawal, in which trustees were statutorily required to process free of charge a scheme member's request to make withdrawal no more than 12 times a year, would increase the administrative cost of trustees.</p> <p>Mrs Sally WONG's (HKIFA) response –</p>	

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		<p>(a) phased withdrawal would incur additional administrative costs to the trustees. While supporting the Administration's proposal to increase the number of free withdrawal from four times a year as originally proposed to 12 times a year as proposed under the Bill, HKIFA was of the view that a minimum amount should be set for each withdrawal to avoid driving up tremendously the related administration cost;</p> <p>(b) according to overseas experience, the optimal number of CFs in a provident fund scheme was about eight to 12. The average number of CFs in MPF schemes in Hong Kong was in that range; and</p> <p>(c) raised query about the need for two regulators to approve new CFs as the division of work between MPFA and SFC in approving new MPF schemes/funds was unclear and there was doubt as to how the work of the two authorities was coordinated. The administrative cost of trustees had increased as additional professional manpower was engaged to deal with the requirements and procedures of the two authorities.</p> <p>Mr Jack MAK's (ASHK) views -</p> <p>(a) the optimal number of CFs to be provided in an MPF scheme would depend on the degree of maturity of the MPF market as well as the knowledge and the level of awareness of scheme members. The MPFA should enhance public education in MPF investments while promoting a wider fund choice for scheme members to cater to their needs in different life stages and economic situations.</p>	
005719 – 010212	Chairman Mr POON Siu-ping Administration	<p>Mr POON Siu-ping's views and concerns -</p> <p>(a) whether the Chinese medicine practitioners ("CMPs") sector had expressed any difficulties in certifying the remaining life expectancy of terminally-ill patients as required under the Bill; and</p>	

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		<p>(b) given that the financial penalty imposed on employers for default MPF payment had been low in the past, and employees were hesitant to lodge a complaint whilst still in the employment of the employers who were in default of making MPF contribution, the prosecution time bar should be further extended to beyond three years to facilitate the MPFA to take enforcement actions against non-compliant employers more effectively.</p> <p>The Administration responded that -</p> <p>(a) the proposal for extending the prosecution time bar from six months to three years was drawn up with reference to similar offences and in consultation with the Department of Justice. The proposed prosecution time bar was considered appropriate;</p> <p>(b) the requirement for obtaining medical certification in respect of remaining life expectancy was not new to Hong Kong and had been adopted in other legislation. For instance, registered CMPs could certify the remaining life expectancy of an individual under the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Cap. 360);</p> <p>(c) the current proposal of 12-month life expectancy for terminal illness had taken into account the views expressed by medical practitioners and CMPs during public consultation, who were supportive of the proposal. In the light of the concerns expressed by members of the FA Panel, MPFA had again written to some CMP associations to reconfirm whether CMPs had the expertise in making the assessment and issuing the certification, and their replies were affirmative. The Chinese Medicine Council of Hong Kong also advised that it could issue relevant guidelines to registered CMPs if necessary.</p>	

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010213 – 010840	Chairman Ms Cyd HO Mr POON Man-hon, HKCTU	<p>Ms Cyd HO's concern that given the non-substantial amount of outstanding MPF contribution by the employers, employees might, upon taking into account the time and procedures involved, decide not to pursue for the recovery of the relevant payment from their former employers in order not to affect their present employment.</p> <p>At the request of Ms Cyd HO, the Administration would provide information on the procedures for an employee to recover default MPF contributions from an employer and actions taken by MPFA to enforce MPFSO.</p> <p>Mr POON Man-hon's (HKCTU) views -</p> <p>(a) agreed with Ms Cyd HO's observation that some employees had given up pursuing the recovery of employer's default MPF contributions given the small amount of the relevant payment and the time involved. The situation had improved in recent years as MPFA had stepped up enforcement action against non-compliant employers; and</p> <p>(b) the extension of the prosecution time bar to three years as proposed under the Bill might not be long enough to cater to the situation where an employee, who had not been enrolled to an MPF scheme, filed a complaint to MPFA after a few years' time upon ceasing employment with the concerned employer.</p>	The Administration to take follow-up action as in paragraph 4(a) of the minutes
010841 – 010952	Chairman Mr TANG Ka-piu	<u>Mr TANG Ka-piu</u> solicited deputations' views on the proposed adoption of the criterion of "in scheme member's interests" by MPFA in approving new MPF schemes/funds.	
010953 – 011510	Chairman Ms Cyd HO Administration	<p>Ms Cyd HO's enquiries on –</p> <p>(a) whether the existing approval processes of new MPF schemes/funds could be streamlined to help drive down MPF fees; and</p> <p>(b) whether the proposed establishment of an independent Insurance Authority ("IIA") would complicate or streamline the relevant approval processes.</p> <p>The Administration responded that –</p>	

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		<p>(a) at present, a new MPF scheme/fund required the approval of MPFA and SFC;</p> <p>(b) being the primary regulator for the MPF System, MPFA was responsible for the overall approval of MPF trustees and products and ensuring that MPFSO was properly observed;</p> <p>(c) SFC was responsible for vetting and authorizing the offering documents and marketing materials of MPF products, as well as for approving investment managers and continued monitoring of their conduct in the investment management of MPF products;</p> <p>(d) the two major aspects of the regulatory functions of the proposed IIA were (i) prudential regulation of insurers to ensure that they were financially sound and (ii) regulation of insurers and insurance intermediaries to ensure that the sale and after-sale administration of insurance policies (e.g. policy renewal or insurance claims) were conducted honestly, fairly and professionally; and</p> <p>(e) MPFA met regularly with the MPF industry to listen to their views on streamlining the administrative procedures. There were also regular communication between MPFA and SFC to delineate their roles and responsibilities in the approval processes of new MPF schemes/funds.</p> <p>At the request of Ms Cyd HO, the Administration would provide information on how MPFA, the MPF industry and/or the SFC improve and streamline the current approval processes of new CFs with a view to driving down the MPF fees.</p>	<p>The Administration to take follow-up action as in paragraph 4(b) of the minutes</p>
011511 – 012055	Chairman Mr Kenneth LEUNG Administration	<p><u>Mr Kenneth LEUNG</u> enquired about the approval procedures of an "Approved Pooled Investment Fund" ("APIF"), which comprised investment-linked insurance policy, to be launched by an insurance company and whether the IIA's approval would be required for such fund after the</p>	

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		<p>establishment of the IIA.</p> <p>The Administration responded that:</p> <ul style="list-style-type: none"> (a) APIF under MPF System did not comprise any investment-linked insurance policy; (b) application for launching a new APIF under the MPF System should be submitted to MPFA and SFC in parallel for approval. Approval from the existing Insurance Authority or IIA in future was not required; and (c) IIA would have an oversight on whether the insurance company could satisfy the relevant solvency requirements. 	
012056 – 012840	Chairman Mr NG Leung-sing Administration	<p>Mr NG Leung-sing disclosed his interests and expressed the following views –</p> <ul style="list-style-type: none"> (a) the return of MPF investments had been adversely affected by the low interest rate environment and financial crisis since its inception in 2000. The Administration should manage the expectation of the public and educate scheme members not to rely solely on MPF accrued benefits to support their retirement life and that MPF should complement personal savings in retirement planning; (b) the Administration/MPFA should proactively engage the stakeholders of the industry in exploring means to lower the MPF fee level while maintaining reasonable regulation over the MPF industry; and (c) MPFA should consider engaging labour unions and District Councils to promote the consolidation of MPF accounts at the district level with a view to reducing the administrative cost incurred by the maintenance of multiple accounts by scheme members. <p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) the retirement protection system in Hong 	

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		<p>Kong was in line with the multi-pillar model recommended by the World Bank. The MPF System was complementary to other pillars, namely voluntary private savings and the non-contributory social security system, in providing retirement protection;</p> <p>(b) MPFA would step up efforts in educating scheme members the role of the MPF System for assisting the working population to save for their retirement, and that retirement income for scheme members should be funded from a combination of personal and MPF savings;</p> <p>(c) MPFA had on-going discussion with the MPF industry on how to further drive down MPF fees;</p> <p>(d) last year, MPFA had launched publicity programmes through various channels, including newspapers, online platforms, electronic media and outreach activities at district level, to raise scheme members' awareness of the benefits of account consolidation as well as enhancing their understanding of the related procedures and assisting them in making consolidation. Scheme members responded positively to the campaign and 82 940 applications for account consolidation were received by trustees from 16 September 2013 to 30 August 2014. MPFA would continue its efforts in promoting account consolidation.</p>	
012841 – 013334	Chairman Administration	<p>The Chairman's advice and concern -</p> <p>(a) MPFA and SFC should furnish each other with a copy of its correspondence with applicants of new MPF schemes/funds to avoid overlapping of work between the two authorities (such as asking duplicated questions about the applications being processed), thereby expediting the processing of the relevant applications and reducing the administrative burden of the MPF industry; and</p> <p>(b) whether MPFA would consider providing scheme members with the option of putting</p>	

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		<p>their MPF accrued benefits on fixed deposits to provide a low-risk and low-fee investment choice for those who were approaching the retirement age.</p> <p>The Administration responded that –</p> <p>(a) MPFA undertook to consider the Chairman's suggestion, adding that it had on-going communication with SFC when processing an application;</p> <p>(b) given that investment returns of fixed deposits might not be able to cover the administrative costs of trustees, the Mandatory Provident Fund Schemes (General) Regulation ("the Regulation") (Cap. 485A) provided that each MPF scheme must offer a "MPF conservative fund" with lower risk exposure. The conservative fund could only invest into Hong Kong Dollar assets, including short-term bank deposits and high-quality short terms bonds; and</p> <p>(c) since the inception of the MPF System on 1 December 2000, the annualized internal rate of return of "MPF conservative fund", upon netting fees and charges, was slightly higher than the interest rate of fixed bank deposits, demonstrating that these funds were able to provide returns comparable to bank deposits over time.</p>	<p>The Administration to follow up.</p>
013335 – 013515	Chairman Mrs Christine KOO, ("LSHK")	Mrs Christine KOO (LSHK) supported that MPFA should step up public education on MPF schemes/funds.	
013516 – 013832	Chairman Mr POON Man-hon, HKCTU	<p>Mr POON Man-hon's (HKCTU) view that the Administration should consider relaxing the restrictions on early withdrawal of MPF accrued benefits by allowing scheme members to make early withdrawal on the ground of serious illness for meeting the related medical expenses and their living expenses.</p> <p>The Administration reiterated that –</p> <p>(a) unlike the multi-purpose mandatory saving schemes in other jurisdictions, the MPF</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>System was a dedicated scheme designed solely for saving for retirement purpose, and its contribution rate was relatively low at 5% only;</p> <p>(b) "terminal illness" was proposed to be included as a ground for early withdrawal because preservation of retirement savings for old age protection had become significantly less relevant to a dying scheme member;</p> <p>(c) allowing early withdrawal for medical treatment should be weighed against the consideration that the scheme member, if not terminally ill, would still require provisions for retirement;</p> <p>(d) allowing early withdrawal to meet medical expenses meant less accrued benefits would remain for the retirement needs of the scheme member in future, which was inconsistent with the policy objective of the MPF System; and</p> <p>(e) at present, MPFSO provided for early withdrawal of accrued benefits by scheme members on the ground of "total incapacity".</p>	
013833 – 013905	Chairman Administration	<p>The Administration was requested to provide a written response to the deputations' written submissions received and views expressed at the meeting.</p> <p>Meeting arrangements</p>	The Administration to take follow-up action as in paragraph 5 of the minutes.