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

List of follow-up actions arising from the discussion at the meeting on 17 November 2014

The Administration was requested to:

- (a) provide its feedback to members' proposals on the following:
 - (i) reducing the number of free withdrawals of Mandatory Provident Fund ("MPF") accrued benefits by scheme members from no more than 12 times a year as proposed by the Bill to say, no more than four times a year, or setting a minimum amount for each withdrawal to reduce the administrative cost of trustees arising from the phased withdrawal arrangement;
 - (ii) allowing early withdrawal of MPF accrued benefits by a scheme member who has been certified by a registered medical practitioner or a registered Chinese medicine practitioner of having a "terminal illness" without the need of defining "remaining life expectancy";
 - (iii) including "critical illness" as an additional ground for early withdrawal of MPF accrued benefits.
- (b) assess the impact of the adoption of "critical illness" as a ground of early withdrawal of MPF accrued benefits, in addition to the existing "total incapacity" ground for early withdrawal or as an alternative to the "terminal illness" ground for scheme members suffering from serious illness to withdraw their MPF accrued benefits early;
- (c) advise whether allowing early withdrawal of MPF accrued benefits for treatment of terminal illness/critical illness would affect scheme members' eligibility for various financial assistance schemes from the Government; and
- (d) clarify, in respect of the first 12 instalments under the proposed section 35B of the Mandatory Provident Fund Schemes (General) Regulation (Cap.485A), whether the setting of a minimum amount per withdrawal by trustees in an agreement made with a scheme member concerned is permissible under the Bill.

Council Business Division 1
<u>Legislative Council Secretariat</u>
20 November 2014