

立法會
Legislative Council

LC Paper No. CB(1)1166/14-15
(These minutes have been seen
by the Administration)

Ref : CB1/SS/10/14

**Subcommittee on Mandatory Provident Fund Schemes (Amendment)
Ordinance 2015 (Commencement) Notice 2015**

**First meeting on
Wednesday, 3 June 2015, at 9:00 am
in Conference Room 2B of the Legislative Council Complex**

Members present : Hon CHUNG Kwok-pan (Chairman)
Hon LEUNG Yiu-chung
Hon WONG Ting-kwong, SBS, JP
Hon Cyd HO Sau-lan, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu, JP

Member absent : Hon SIN Chung-kai, SBS, JP

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

Miss Wendy CHUNG
Principal Assistant Secretary for Financial Services
and the Treasury
(Financial Services) 3

Ms Gabriella YEE
Head (Policy Development and Research)
Mandatory Provident Fund Schemes Authority

Miss Emma WONG
Senior Government Counsel
Department of Justice

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

Staff in attendance : Miss Evelyn LEE
Assistant Legal Adviser 10

Miss Connie HO
Senior Council Secretary (1)3

Action

I. Election of Chairman

Election of Chairman

Mr WONG Ting-kwong, the member who had the highest precedence among members of the Subcommittee present at the meeting, presided over the election of the chairman of the Subcommittee. Mr WONG invited nominations for the chairmanship of the Subcommittee.

2. Mr CHUNG Kwok-pan was nominated by Mr TANG Ka-piu and the nomination was seconded by Ms Cyd HO. Mr CHUNG accepted the nomination.

3. As there was no other nomination, Mr WONG declared that Mr CHUNG was elected Chairman of the Subcommittee.

4. Members agreed that there was no need to elect a Deputy Chairman.

II. Meeting with the Administration

(L. N. 98 of 2015

-- Mandatory Provident Fund
Schemes (Amendment)
Ordinance 2015
(Commencement) Notice
2015

- LC Paper No. LS66/14-15 -- Legal Service Division Report
- LC Paper No. CB(1)928/14-15(01) -- Administration's letter dated 18 May 2015 to the Assistant Legal Adviser
- LC Paper No. CB(1)928/14-15(02) -- Administration's paper on Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (Commencement) Notice 2015
- LC Paper No. CB(1)928/14-15(03) -- Paper on Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (Commencement) Notice 2015 prepared by the Legislative Council Secretariat (background brief)

5. The Subcommittee deliberated (Index of proceedings attached at **Appendix**).

Declaration of interest

6. Mr WONG Ting-kwong declared that he was the Chairman of the Mandatory Provident Fund Schemes Advisory Committee while Mr POON Siu-ping declared that he was the Non-executive Director of the Board of the Mandatory Provident Fund Schemes Authority.

Follow-up action by the Administration

7. The Administration was requested to provide a copy each of the two versions of the publicity leaflets on early withdrawal of Mandatory Provident Fund accrued benefits on the additional ground of terminal illness for the Subcommittee's reference.

(Post-meeting note: The relevant publicity leaflets provided by the Administration were issued to members vide LC Paper No. CB(1)1118/14-15 on 17 July 2015.)

III. Any other business

Invitation of views

8. Members agreed that it was unnecessary for the Subcommittee to invite the public or relevant stakeholders to give views on the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (Commencement) Notice 2015 ("Commencement Notice").

Legislative timetable

9. The Subcommittee completed the scrutiny of the Commencement Notice. The Subcommittee would not propose any amendment to the Notice.

10. Members noted that the scrutiny period of the Commencement Notice would expire at the Council meeting of 17 June 2015, and that the deadline for giving notice of amendment to the Notice was 10 June 2015. Members noted that the Chairman would give a verbal report of the Subcommittee's deliberations to the House Committee at its meeting on 5 June 2015.

11. There being no other business, the meeting ended at 9:37am.

Council Business Division 1
Legislative Council Secretariat
3 August 2015

**Proceedings of the first meeting of the Subcommittee on Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (Commencement) Notice 2015
on Wednesday, 3 June 2015, at 9:00 am
in Conference Room 2B of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
000000 – 000158	Mr WONG Ting-kwong Mr TANG Ka-piu Mr CHUNG Kwok-pan Ms Cyd HO	<u>Election of Chairman</u> Mr CHUNG Kwok-pan was elected Chairman of the Subcommittee.	
000159 – 000429	Chairman Mr WONG Ting-kwong Mr POON Siu-ping	<u>Opening remarks by the Chairman</u> <u>Declaration of interest by Mr WONG Ting-kwong and Mr POON Siu-ping</u>	
000430 – 000858	Chairman Administration	<u>Briefing by the Administration on the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (Commencement) Notice 2015 ("Commencement Notice")</u>	
000859 – 001354	Chairman Mr TANG Ka-piu Administration	Mr TANG Ka-piu enquired about - (a) the estimated cost savings upon implementation of the new measures to reduce the compliance burden of trustees to help drive down MPF fees; and (b) whether a scheme member who had made early withdrawal of Mandatory Provident Fund ("MPF") accrued benefits on the ground of terminal illness but subsequently recovered and re-entered the MPF system would be subject to any legal liability under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). The Administration responded that – (a) as a very rough estimate, the savings resulting from the measures of reducing compliance burden of trustees would be around 0.02% of system wide net asset value per annum (i.e. approximately \$100	

Time marker	Speaker	Subject(s)	Action required
		<p>million). The actual savings would however depend on a range of factors ; and</p> <p>(b) a scheme member would not be held legally liable merely because the member had made early withdrawal of MPF accrued benefits on the ground of terminal illness but had subsequently recovered and re-entered the MPF system upon taking up employment again. MPFA would not keep any record on scheme members making early withdrawals on "terminal illness" ground.</p>	
001355 – 001442	Chairman Mr WONG Ting-kwong	Mr WONG Ting-kwong indicated his support for the Commencement Notice to bring the relevant provisions of the Mandatory Provident Fund Schemes Amendment Ordinance 2015 into operation on 1 August 2015.	
001443 – 002019	Chairman Ms Cyd HO Administration	<p>Mr Cyd HO's views and suggestions -</p> <p>(a) on new arrangements regarding the early withdrawal of MPF accrued benefits on "terminal illness" ground, two versions of publicity leaflets, one of which should be tailor made for grassroots employees and presented in simple language with no legal terms, should be prepared;</p> <p>(b) a dedicated telephone hotline should be set up to answer scheme members' telephone enquiries on matters pertaining to the operation of the MPF system; and</p> <p>(c) medical practitioners and medical social workers should be briefed on the early withdrawal arrangements on "terminal illness" ground so that they could proactively advise those scheme members who were diagnosed as suffering from a terminal illness of the relevant arrangements.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration responded that –</p> <ul style="list-style-type: none"> (a) MPFA was preparing two separate versions of publicity leaflets to facilitate scheme members' understanding of early withdrawal of accrued benefits on the ground of terminal illness; (b) apart from the existing hotline operated by the MPFA, MPF trustees had been requested to enhance their hotline services with trained staff to provide scheme members with up-to-date information on the new arrangements regarding the withdrawal of MPF accrued benefits; and (c) leaflets would be distributed to medical practitioners and patient groups, as well as parties who might provide support to scheme members suffering from terminal illnesses, e.g. social workers, insurance agents and MPF intermediaries, to familiarize them with the early withdrawal arrangements on the additional ground of terminal illness. 	
002020 – 002456	Chairman Mr LEUNG Yiu-chung Administration	<p>Mr LEUNG Yiu-chung's views –</p> <ul style="list-style-type: none"> (a) shared Ms Cyd HO's view that the Administration should familiarize medical practitioners with the new arrangements in relation to early withdrawal of MPF accrued benefits on the ground of terminal illness so as to enable them to proactively tender relevant advice to schemes members suffering from terminal illnesses; and (b) MPFA should publicize the legislative changes and the related new arrangements in collaboration with labour unions through sponsoring talks and seminars on the relevant topics organized by labour unions. 	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration responded that –</p> <p>(a) MPFA had been working closely with various medical associations to ensure that medical practitioners were familiar with the new arrangements on early withdrawal of MPF accrued benefits on the "terminal illness" ground and were able to remind patients of their right to make withdrawal where necessary; and</p> <p>(b) MPFA had cooperated with various labour unions from time to time in the past and would continue to explore opportunities for future cooperation.</p>	
002457 – 002721	Chairman Mr WONG Ting-kwong Administration	Mr WONG Ting-kwong's suggestion of requesting MPF trustees to mail the publicity materials to their respective MPF scheme members to facilitate effective publicity and ensure receipt of the leaflets by scheme members.	
002722 – 002747	Chairman Ms Cyd HO Administration	Ms Cyd HO requested the Administration to provide a copy each of the two versions of the publicity leaflets on early withdrawal of MPF accrued benefits on the additional ground of terminal illness for the Subcommittee's reference.	The Administration to follow up as stated in paragraph 7 of the minutes.
002748 – 003029	Chairman Administration	<p>The Chairman enquired about the implementation date of the phased withdrawal arrangements of MPF accrued benefits by scheme members.</p> <p>The Administration advised that taking into account the time required by trustees to update their procedural guidelines, systems and forms, the MPFA planned to bring the provisions relating to withdrawal of accrued benefits by instalments into operation in early 2016 the earliest. The Administration would specify the commencement date of these provisions by a separate notice.</p>	

Time marker	Speaker	Subject(s)	Action required
		<u>Invitation of views</u> Members considered it not necessary for the Subcommittee to invite views from the public and relevant stakeholders.	
003030– 003230	Chairman Administration	<u>Section-by-section examination of the Commencement Notice</u> Members raised no questions.	
003231 – 003707	Chairman Mr WONG Ting-kwong Ms Cyd HO Clerk	The Subcommittee completed the scrutiny of the Commencement Notice, and did not propose any amendment to it. Legislative timetable.	