

立法會

Legislative Council

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Panel on Financial Affairs

Meeting on 2 June 2025

Background brief on Mandatory Provident Fund “Full Portability”

Purpose

This paper provides background information on Mandatory Provident Fund (“MPF”) “Full Portability” and summarizes the major views and concerns expressed by Members of the Legislative Council (“LegCo”) on the relevant subject in recent years.

Background

2. The “Employee Choice Arrangement” (commonly known as MPF “Semi-portability”) was implemented under the MPF System in November 2012 to provide an employee with the option of transferring MPF benefits derived from employee mandatory contributions (“EEMC”) in respect of the current employment from the Contribution Account in an MPF Scheme participated by the employer to an MPF Scheme of the employee’s choice, with EEMC in its entire amount transferred once a year.

3. In the 2024 Policy Address, the Chief Executive announced the implementation of MPF “Full Portability” which allows an employee to transfer MPF benefits derived from employer mandatory contributions (“ERMC”) in respect of the current employment to an MPF Scheme of the employee’s choice, so as to encourage employees to proactively manage their MPF investments and promote market competition, thereby creating room for fee reductions.

4. The Mandatory Provident Fund Schemes Authority (“MPFA”) launched a one-month public consultation on 28 March 2025¹ to gauge the views of the public on the specific proposals for implementing MPF “Full Portability”. MPFA proposes to implement MPF “Full Portability” by providing the following transfer options:

¹ The consultation paper is available on [MPFA’s website](#).

- (a) Core proposal: A new employee whose employment commences on or after 1 May 2025 may choose to transfer ERMIC in respect of the current employment from the Contribution Account in an MPF Scheme participated by the employer to a Personal Account in an MPF Scheme of the employee's choice, with ERMIC in its entire amount transferred once a year; and
- (b) Extended proposal: An existing employee whose employment commenced before 1 May 2025 may choose to transfer ERMIC in respect of the current employment from the Contribution Account in an MPF Scheme participated by the employer to a new type of account known as designated ERMIC account in an MPF Scheme of the employee's choice, with ERMIC in the entire amount transferred once a year.

5. In terms of implementation timeline, as the two proposals involve different levels of legislative amendments and system support work, and the extended proposal may require a longer lead time, MPFA deems that implementation of MPF "Full Portability" by phases may be considered. The Administration plans to complete the legislative amendments within 2025 and launch MPF "Full Portability" soon after the full implementation of the eMPF Platform.²

Major views and concerns expressed by Members

6. The major views and concerns expressed by Members during relevant discussions in recent years are summarized in the ensuing paragraphs.

7. Members enquired whether the Administration had assessed **the challenges that might be encountered** in the course of implementing MPF "Full Portability", such as **administrative complexities** and **employees' difficulties in making their choices**. The Administration responded that in formulating the detailed proposal of MPF "Full Portability", it had requested MPFA to **avoid imposing additional administrative work on employers or increasing administrative costs for trustees**. The Administration had also requested MPFA to balance a myriad of factors in the detailed proposal for public consultation, including scheme members' control over their MPF investments, administrative complexity, and system efficiency.

² The eMPF Platform has come into operation since June 2024, and MPF schemes have been/will be onboard the eMPF Platform gradually. All MPF trustees are expected to complete onboarding the Platform by end 2025.

8. Members were concerned about how the Administration would ensure that employees had adequate financial knowledge and the capability to manage investments to make appropriate investment decisions. They therefore enquired whether it would **step up publicity and educational efforts** to help employees better understand the operation of MPF “Full Portability” and choose a suitable MPF scheme. Members also enquired whether the Administration and MPF scheme administrators were providing adequate financial education and investment advisory services.

9. The Administration advised that it had been working closely with relevant regulators to enhance the public’s financial knowledge and investment management skills. MPFA had been committed to promoting MPF-related investor education and educating scheme members on how to better manage their MPF by choosing MPF investments according to their needs and risk tolerance level. Subject to LegCo’s support on the legislative amendments for MPF “Full Portability”, **MPFA would roll out publicity and education initiatives at an appropriate juncture**, through media interviews, articles, online media promotions and direct communication with stakeholders, etc., so as to assist employees and employers to understand the actual operation of MPF “Full Portability”. MPFA would also **provide suitable training for MPF intermediaries** to assist them in acquiring the relevant knowledge to explain the arrangement of MPF “Full Portability” to employees. Meanwhile, the one-stop “MPF Fund Platform” on MPFA’s website provided detailed information on different funds under each MPF scheme, thereby assisting scheme members in choosing MPF schemes and funds that suited their personal needs. The Administration and MPFA would continue to monitor the evolving needs of scheme members and introduce policies and measures to improve the MPF System in a timely manner.

10. Members requested the Administration to advise on **the additional expenditure for implementing MPF “Full Portability”**, as well as the use of the expenditure such as system upgrades, public education and regulation work. The Administration advised that to prepare for the implementation of MPF “Full Portability”, pre-launch system enhancement to the eMPF Platform was required. The Administration would utilize the remnant from the \$4.9 billion funding already reserved for the eMPF Platform Project and approved by LegCo to cover the non-recurrent costs, while the eMPF Platform Company would absorb the incremental recurrent costs without incurring additional Government expenditure. In addition, the relevant expenses on publicity and education as well as regulatory and supervisory work were part of MPFA’s operating expenditures, hence **no additional Government expenditure was required**.

11. Members asked the Administration whether it would **set monitoring indicators for the effectiveness of MPF “Full Portability”**, such as the number of MPF transfers, the amount involved in the transfer cases and the proportion of the MPF trustees reducing fees. The Administration explained that **whether an employee chose** to transfer his/her accrued benefits to an MPF scheme of his/her own choice was **a personal decision**, which depended on a myriad of factors. From the launch of the MPF “Semi-portability” in November 2012 to April 2025, the cumulative number of transfer cases had exceeded 1 million, involving a total amount of over \$50 billion.

Council questions

12. Details of the relevant questions raised at Council meetings of the Seventh LegCo are hyperlinked in the [Appendix](#).

Relevant papers

13. A list of relevant papers is set out in the [Appendix](#).

Council Business Divisions
Legislative Council Secretariat
26 May 2025

Mandatory Provident Fund “Full Portability”

List of relevant papers

Committee	Date of meeting	Paper
Panel on Financial Affairs	4 April 2022	Agenda Item VIII: Proposed legislative amendments to facilitate Mandatory Provident Fund investment in debt securities issued in the Mainland and progress update on the eMPF Platform Project Minutes
	17 March 2023	Agenda Item IV: Budget of the Mandatory Provident Fund Schemes Authority for the financial year of 2023-2024 and latest progress of the eMPF Platform Project Minutes
	18 March 2024	Agenda Item III: Budget of the Mandatory Provident Fund Schemes Authority for the financial year of 2024-2025 and latest development of the eMPF Platform Minutes
	28 October 2024	Agenda Item I: Briefing by the Secretary for Financial Services and the Treasury on the Chief Executive’s 2024 Policy Address Minutes
	14 March 2025	Agenda Item III: Budget of the Mandatory Provident Fund Schemes Authority for the financial year of 2025-2026 and latest development of the eMPF Platform Minutes

Committee	Date of meeting	Paper
Panel on Manpower	4 February 2022	Agenda Item I: Proposed abolition of the “offsetting” arrangement under the Mandatory Provident Fund System Minutes
	16 May 2023	Agenda Item III: Supporting measures for the abolition of the “offsetting” arrangement under the Mandatory Provident Fund System Minutes
	28 April 2025	Administration’s paper on implementation of the Mandatory Provident Fund system progress report as at the end of March 2025
Finance Committee	8 April 2025	Administration’s written replies to Members’ initial questions on the Estimates of Expenditure 2025-2026 (Reply Serial Nos: FSTB(FS)021, FSTB(FS)055, FSTB(FS)078 and FSTB(FS)121)

Council meeting	Paper
11 May 2022	Question 10 : The eMPF Platform project
2 November 2022	Question 11 : Enhancing the Mandatory Provident Fund system
15 March 2023	Question 2 : eMPF Platform
22 March 2023	Question 3 : Mandatory Provident Fund schemes
31 January 2024	Question 13 : Mandatory Provident Fund
13 November 2024	Question 6 : Employers’ contributions to the Mandatory Provident Fund
4 December 2024	Question 11 : The eMPF Platform
4 December 2024	Question 13 : Operational problems of the eMPF Platform