

## **Press release**

### **LCQ15: Accrued benefits of mandatory provident fund schemes**

Wednesday, April 24, 2013

Following is a question by the Hon Tang Ka-piu and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (April 24):

#### **Question:**

Under the Mandatory Provident Fund Schemes Ordinance (Cap. 485), members of mandatory provident fund (MPF) schemes (scheme members) may withdraw the accrued benefits of their MPF accounts only when they have attained the age of 65. In this connection, will the Government inform this Council whether it knows:

(a) the number of scheme members attaining the age of 65, the total amount of employees' contributions made by these scheme members, the total amount of accrued benefits withdrawn by them, and the highest and lowest amounts of accrued benefits withdrawn from the MPF accounts of these scheme members, in each year from 2001 to 2012 (set out in Table 1 of Annex);

(b) regarding those scheme members who had attained the age of 65 and withdrawn their accrued benefits in each year from 2001 to 2012, the distribution of the average annual rates of investment return of their MPF accounts in the past (set out in Table 2 of Annex);

(c) the lowest, highest and average amounts of accrued benefits in the MPF accounts of scheme members who are currently aged 55 to 65 and, among them, the number of those who have stayed in employment for more than five years (broken down by age and set out in Table 3 and Table 4 of Annex respectively); and

(d) whether the rates of investment returns, in the past 10 years, of those MPF accounts from which accrued benefits had been withdrawn had attained 5%, an assumption previously made by the Mandatory Provident Fund Schemes Authority; whether the authorities have reviewed the investment situations (gains/losses) of the MPF accounts of those scheme members who are approaching the age of retirement; if not, whether they will consider conducting such reviews regularly; if they will not consider, the reasons for that?

#### **Reply:**

President,

(a), (b) and (c) The information which MPF trustees are required to submit to the Mandatory Provident Fund Schemes Authority pursuant to the Mandatory Provident Fund Schemes Ordinance (Ordinance) does not cover the requested data.

(d) The information submitted by MPF trustees pursuant to the Ordinance does not cover the requested analysis. Moreover, there is no target rate of return set for the MPF System. MPF trustees have been offering different types of funds, in accordance with the requirements under the Ordinance, to provide investment portfolios with different expected risk exposures and rates of return. Scheme members may choose among the funds according to their personal needs.

Ends