

Press Release

**LCQ8: Mandatory provident fund schemes for people working in HK
under Working Holiday Scheme**

Wednesday, June 10, 2015

Following is a question by the Hon Tommy Cheung and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (June 10):

Question:

Some employers have relayed to me that they must register the people whom they employ, who came to Hong Kong under the Working Holiday Scheme (the Scheme), in a Mandatory Provident Fund (MPF) scheme and make contributions for them, as in the case of local employees. Such employers have pointed out that this requirement both increases the administrative work of employers and causes inconvenience to such employees because when employees leave Hong Kong and return to their home countries, they must undergo complicated and time-consuming procedures, as well as make a declaration about their permanent departure from Hong Kong before they can claim the accrued benefits in their MPF accounts. In this connection, will the Government inform this Council:

(1) of the number of people who came to work in Hong Kong under the Scheme last year, and whether the authorities know the total amount of MPF contributions made by them and their employers;

(2) given that some people, who had come to Hong Kong under the Scheme, did not claim the accrued benefits in their MPF accounts upon their permanent departure from Hong Kong, whether the authorities know how their MPF trustees handle the monies concerned; and

(3) whether it will consider amending the relevant legislation to exempt people who come to work in Hong Kong under the Scheme from participation in MPF schemes; if so, of the details; if not, the reasons for that?

Reply:

President,

(1) and (3) According to statistics provided by the Immigration Department, 1 448 visa applications were approved under the Working Holiday Scheme in 2014. We do not have figures on the number of holders of Working Holiday Visa working in Hong Kong and the total amount of Mandatory Provident Fund (MPF) contributions made by them and their employers.

If a person who comes to Hong Kong for employment through the Working Holiday Scheme satisfies the exemption criteria specified in section 4 of the Mandatory Provident Fund Schemes Ordinance (the Ordinance) (Chapter 485) and section 203 of the Mandatory Provident Schemes (General) Regulation (the Regulation) (Chapter 485A), neither he nor his employer is required to make MPF contributions.

The exemption criteria are that permission is given to the person to land or remain in Hong Kong for the purposes of employment under the conditions of stay imposed in accordance with section 11 of the Immigration Ordinance (Chapter 115) and the period during which the person is given permission to remain in Hong Kong does not exceed 13 months.

If the original period during which the person is given permission to remain in Hong Kong for the purposes of employment is extended in accordance with section 11 of the Immigration Ordinance (Chapter 115), and the original period and the extended period together exceed 13 months, the person ceases to be exempt from the Ordinance from the end of 13 months after the beginning of the original period.

(2) If an employee departs Hong Kong permanently, he can choose to make a declaration that he has already departed or is about to depart Hong Kong permanently, and provides proof satisfying the trustee that he is permitted to reside permanently in a place outside Hong Kong in order for him to claim all MPF accrued benefits. If an employee decides not to withdraw his MPF contributions when he departs Hong Kong permanently, according to the Regulation, his accrued benefits could be retained in a personal account under the scheme previously chosen by his employer, unless the employee elects to transfer those accrued benefits to a personal account in any other master trust scheme or industry scheme held by the employee. The approved trustee will

invest the accrued benefits in accordance with the instructions given by the employee concerned until the approved trustee receives new instructions from him.

Ends