

**Subcommittee on Mandatory Provident Fund Schemes Ordinance
(Amendment of Schedule 2) Notice 2013 and Mandatory Provident Fund
Schemes Ordinance (Amendment of Schedule 3) Notice 2013**

**Follow-up action arising from the discussion at the meeting
on 18 June 2013**

Based on Q3 2012 statistical data, the Mandatory Provident Fund Schemes Authority's projection of the number of employees and self-employed persons ("SEPs") whose income is less than the current minimum level of relevant income ("Min RI") (\$ 6500)/ the proposed Min RI (\$ 7,100); and the Mandatory Provident Fund ("MPF") contributions they would otherwise be required to make but for the Min RI, is set out in the table below. It is expected that the number of persons concerned would be reduced following the implementation of the revised Statutory Minimum Wage on 1 May 2013 and the expected impact is not reflected in the information in the table below.

	Less than the current Min RI (\$6500)	Less than the proposed Min RI (\$7100)
Employee's Monthly Earnings		
No. of employees covered by MPF schemes	179 500	232 800
Their Average income (per employee member)	\$4,135	\$4,750
SEP's Monthly Earnings		
No. of SEPs covered by MPF schemes	42 300	50 700
Their Average income (per SEP member)	\$3,270	\$3,870
Projected amounts of exempted contributions		
Employees	\$37.12 million	\$55.29 million
SEPs	\$6.92 million	\$9.84 million
Total	\$44.04 million	\$65.13 million

Note : Estimations are based on the information obtained from various sources, including (i) the Q3 2012 General Household Survey compiled by the Census & Statistics Department; (ii) the information provided by the Financial Services and the Treasury Bureau on monthly earnings of civil servants and teachers; and (iii) the September 2012 MPF Schemes Statistical Digest issued by the MPFA.

Hong Kong adopts a three-pillar model for retirement protection. The MPF System is to assist the working population to prepare for retirement through contribution by themselves and their employers. The Government

helps address the retirement protection of those in need of subsidies through the non-contributory social security system. The three pillars complement each other.

Financial Services and the Treasury Bureau
Mandatory Provident Fund Schemes Authority
21 June 2013