

## LCQ22: Early withdrawal of Mandatory Provident Fund accrued benefits

Following is a question by the Hon James To and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (June 26):

Question:

Under the Mandatory Provident Fund Schemes Ordinance (Cap. 485), Mandatory Provident Fund (MPF) scheme members may withdraw their accrued benefits early under specified circumstances (such as early retirement, permanent departure from Hong Kong and terminal illness). In this connection, will the Government inform this Council:

(1) of the following figures on early withdrawal of MPF accrued benefits under each specified circumstance in each year between 2015 and 2018:

(i) the respective numbers of applications received, approved and rejected by the trustees,  
(ii) the average age of the applicants,  
(iii) the total amount of accrued benefits in the approved cases, and  
(iv) the highest, lowest and average amounts of accrued benefits in the approved cases; and

(2) as the aforesaid ordinance stipulates that a member with a "terminal illness" means the member "has an illness that is likely to reduce the life expectancy of the member to 12 months or less", but that definition depends on the subjective estimations by individual doctors on the life expectancy of their patients, whether the Government will formulate a more objective and less stringent definition for "terminal illness", such as setting out, in the form of a table in respect of the various death-causing illnesses, the specific stage(s) for each illness to be regarded as terminal illness?

Reply:

President,

(1)

(i) The Mandatory Provident Fund Schemes Authority (MPFA) started collecting from MPF trustees the number of claims processed by them for early withdrawal of MPF accrued benefits on various grounds since 2016. From 2016 to 2018, the numbers of claims for early withdrawal of MPF accrued benefits on various grounds processed by MPF trustees are as follows:

Year	Early Retirement	Permanent Departure from Hong Kong	Total Incapacity	Terminal Illness	Small Balance	Death
2016	22 100	32 700	2 100	900	300	6 700
2017	23 400	36 500	2 200	900	200	7 800
2018	20 800	33 800	1 800	800	100	7 100

Note: The figures above are rounded to the nearest hundredth

The MPFA has not collected from MPF trustees the number of rejected claims for early withdrawal of MPF accrued benefits on various grounds.

(ii) The MPFA only maintains record of the average age of MPF scheme members who withdrew MPF accrued benefits on ground of permanent departure from Hong Kong. The average age of scheme members who withdrew MPF accrued benefits on ground of permanent departure from Hong Kong is as follows:

Year	Average age of scheme members who withdrew MPF on ground of permanent departure from Hong Kong
2015	40
2016	40
2017	40
2018	41

(iii) From 2015 to 2018, the total amount involved in the claims processed by MPF trustees each year for early withdrawal of MPF accrued benefits on various grounds are as follows:

(HK\$ million)

Year	Early Retirement	Permanent Departure from Hong Kong	Total Incapacity	Terminal Illness Note (2)	Small Balance	Death	Total
2015	Note (1)	3,528	172	28	1	505	Note (1)
2016	1,859	3,323	157	86	1	502	5,928
2017	2,703	4,573	203	106	1	706	8,291
2018	2,682	4,792	211	114	Note (3)	689	8,489

Notes:

- (1) Before 2016, the MPFA did not collect from MPF trustees the figures relating to early withdrawal of MPF benefits on ground of early retirement  
(2) "Terminal illness" has been included as one of the grounds for early

withdrawal of MPF accrued benefits since August 2015

(3) Less than HK\$0.5 million

(iv) The MPFA started collecting from MPF trustees the number of claims processed by them for early withdrawal of accrued benefits on various grounds since 2016. From 2016 to 2018, the average amounts of MPF accrued benefits withdrawn early by MPF scheme members on various grounds are as follows:

(HK\$)

Year	Early Retirement	Permanent Departure from Hong Kong	Total Incapacity	Terminal Illness	Small Balance	Death
2016	84,100	101,700	75,500	91,000	2,600	74,900
2017	115,500	125,200	92,100	115,000	2,600	91,000
2018	128,900	141,700	117,400	136,300	2,700	97,000

The MPFA does not have information on the highest and lowest amounts of early withdrawal of MPF accrued benefits on various grounds.

(2) According to the Mandatory Provident Fund Schemes (General) Regulation (Cap. 485A), if a registered medical practitioner or registered Chinese medicine practitioner is of the opinion that a scheme member has any illness that is likely to reduce the member's life expectancy to 12 months or less, and issues a medical certificate to the member, the member may lodge a claim for early withdrawal of MPF benefits on ground of "terminal illness".

The definition of "terminal illness", as well as the approach to certify one's remaining life expectancy, is formulated after taking into account the views received from respondents (especially medical practitioners) during the consultation exercise in relation to the adding of "terminal illness" as one of the grounds for early withdrawal of MPF accrued benefits. As a result of medical advances, many serious illnesses previously considered as incurable may soon become curable with the development of new drugs or medical treatments. Moreover, the health conditions may vary from person to person even if they suffer from the same illness. As such, it would be difficult to generalise in the form of a table different kinds of terminal illnesses.

The government is of the view that the existing definition could better facilitate scheme members and medical practitioners in handling various cases in a practical manner. As such, the government currently has no plans to amend the definition of "terminal illness".