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Body urges a universal pension plan

THE China Motor Bus driver's strike for a better retirement plan has prompted the Industrial Relations Institute to petition Omelco for a universal pension scheme.

Seven representatives of the institute yesterday petitioned Omelco members calling for all employers to become involved in a compulsory scheme that would take contributions from both management and staff.

The institute recommended that both employers and employees contributed five percent of an employee's salary.

"The CMB incident reflected the inadequacy of the existing system," an institute spokesman said.

"It demonstrates that companies run on family lines can virtually do what they want in regards to pensions."

CMB is controlled by the Ngan family under 93-year-old chairman Ngan Shing-kwan.

Transport Advisory Committee member, Maria Tam, has publicly criticised the way the company is run.

"The crux of the problem is that the Government has passed no legislation to make companies adopt pension schemes."

PHIL MACDONALD
The Sunday Standard

The petition, presented to Omelco members Daniel Lam Wai-keung, So Chau Yim-ping and Tam Yiu-Chung, outlined three elements the scheme should incorporate:

- A minimum compulsory tax-deductible contribution rate of five percent of the employee's salary from both the employer and employee;
- Legislation to make it compulsory for all employers to set up pension funds, to be managed by an independent trustee;
- The setting up of a watchdog committee to monitor these funds.

The committee would approve and vet all applications for the funds and oversee how the funds were managed and invested. The committee would have representatives from workers' organisations, management and the professions.

The old CMB pension scheme paid out only \$20,000 to a worker with 30 years' service. The company's new scheme will offer \$90,000 although the workers originally sought \$120,000.