

See Sec.
Provident Fund

Benefits scheme for retirement rejected

CENTRAL PROVIDENT FUND

THE Government has rejected a call from legislator Mr Lau Chin-shek to reconsider the establishment of the controversial Central Provident Fund scheme.

In reply to Mr Lau's question, the Secretary for Education and Manpower, Mr John Chan Cho-chak, said the Government did not favour a CPF or similar compulsory retirement schemes, as he had said in the Legislative Council debate last July.

"Our major reservation was that, while such schemes would benefit those who have been in steady employment with a reasonable income, they would be unlikely to be of much assistance to those who have the

greatest need for retirement protection," he said.

"We were also concerned about the possible impact of a central provident fund or similar compulsory schemes on the financial market and on the economy as a whole."

Asked about Hongkong's special features which inhibited the promotion of such a scheme when compared with Asian countries, Mr Chan said it was difficult to compare the situation in different places.

He said: "In terms of our labour legislations, the protection of the interest of workers and social provisions that we make for our population, Hongkong does

not suffer at all in comparison with many of our neighbouring countries."

Mr Chan said the Government recognised there was a need to ensure that people in retirement or in old age should have sufficient financial means to maintain a reasonable standard of living.

Accepting that having only one third of the workforce covered by private provident fund schemes was not sufficient, Mr Chan said the Government would continue to promote the advantages of provident fund arrangements as well as improving long service payments.