

## **MANDATORY PROVIDENT FUND SCHEMES AUTHORITY**

### **IV.21 Guidelines on Unclaimed Benefits**

#### **INTRODUCTION**

The Mandatory Provident Fund Schemes (Amendment) Bill 2007 was passed by the Legislative Council on 9 January 2008. The Mandatory Provident Fund Schemes (Amendment) Ordinance 2008 (“Amendment Ordinance 2008”) was gazetted on 18 January 2008. Part 11 of the Amendment Ordinance 2008, which amends the provisions in relation to circumstances when accrued benefits become unclaimed benefits, shall come into operation on the day appointed by the Secretary for Financial Services and the Treasury (i.e. 1 November 2008) by notice published in the Gazette.

2. According to sections 170 to 172A of the Mandatory Provident Fund Schemes (General) Regulation as amended by the Amendment Ordinance 2008 (“the Amended Regulation”), the approved trustee of a registered scheme must take the steps as specified by the Mandatory Provident Fund Schemes Authority (“the Authority”) under different circumstances where scheme members are entitled to be paid their accrued benefits but cannot be located. Section 172B of the Amended Regulation also requires the approved trustee to report any newly identified unclaimed benefits and those unclaimed benefits that have been claimed by members to the Authority on a quarterly basis for the Authority to maintain a register of unclaimed benefits.

3. Section 6H of the Mandatory Provident Fund Schemes Ordinance (“the Ordinance”) provides that the Authority may issue guidelines for the guidance of approved trustees, service providers and other persons concerned

with the Ordinance.

4. The Authority hereby issues guidelines to prescribe the steps to be taken by approved trustees before the benefits are classified as unclaimed benefits, the information relating to unclaimed benefits to be submitted quarterly to the Authority, the format of submission and the specified period for the purposes of section 171(4) of the Amended Regulation.

#### **EFFECTIVE DATE**

5. These revised Guidelines (Version 2 – July 2008) shall become effective on the date of commencement of operation of Part 11 of the Amendment Ordinance 2008 (i.e. 1 November 2008). The previous version of these Guidelines (August 2002) shall be superseded on that day.

#### **STEPS TO BE TAKEN BY THE APPROVED TRUSTEE TO LOCATE THE SCHEME MEMBER OR CLAIMANT**

6. Section 170(1) of the Amended Regulation provides that if a member of a registered scheme or some other person has become entitled to be paid the member's accrued benefits but no claim has been lodged with the approved trustee of the scheme for payment of the member's benefits and the trustee becomes aware that the member or other person cannot be located, the trustee must, as soon as practicable after becoming so aware, take such steps as are specified in the guidelines.

7. Section 171(1) and (2) of the Amended Regulation also provides that where a member of a registered scheme or some other person has lodged a claim with the approved trustee of the scheme for payment of the member's accrued benefits and the trustee is satisfied that the member or other person is

entitled to be paid the benefits but the trustee becomes aware that the claimant cannot be located before payment of the benefits, the trustee must, as soon as practicable after becoming so aware, take such steps as are specified in the guidelines.

8. Section 172A(1) of the Amended Regulation stipulates that if the approved trustee of a registered scheme becomes aware that a scheme member on whom a benefit statement has been served under section 172(4) cannot be located while the member's accrued benefits are being retained in the scheme, the trustee must, as soon as practicable after becoming so aware, take such steps as are specified in the guidelines.

9. If the trustee cannot locate the member or other person within 6 months after taking the specified steps, the accrued benefits in any of the circumstances referred to in paragraph 6, 7 or 8 would become unclaimed benefits at the end of that period.

10. For the purposes of sections 170(1), 171(2) and 172A(1) of the Amended Regulation, the steps\* to be taken by approved trustees before they can classify the accrued benefits of a scheme member as unclaimed benefits are set out as follows:

- i. Send the scheme member/person a notice to the last known residential and correspondence address(es), if available;
- ii. Make 3 attempts (at different times and dates) within 1 month, to locate the scheme member/person via other means of contact, if known (e.g. all contact phone number(s) or fax); and
- iii. Contact the employer concerned to obtain any contact information of the scheme member and if the contact information so obtained is

different from that in the records of the trustee, repeat steps (i) and (ii) above (as the case may be).

- \* Apart from the steps requested above, trustees are encouraged, as far as reasonable, to use any possible communication means to contact the claimant.

## **PERIOD FOR A CHEQUE TO BE EXPIRED**

11. Section 171(4) of the Amended Regulation provides that if a cheque has been sent by the trustee to a claimant in payment of a scheme member's accrued benefits but the cheque is not presented for payment within the period specified in the guidelines ("Specified Period") and the trustee is not able to locate the claimant during the period of 6 months after the expiry of the Specified Period, the benefits become unclaimed benefits at the end of the 6-month period.

12. For the purpose of section 171(4) of the Amended Regulation, the Specified Period shall be 6 months from the issuance date of the cheque. However, if the trustee receives a returned cheque before the expiry of the Specified Period, the trustee should take immediate follow-up actions to locate the claimant.

## **REPORT – PRESCRIBED FORMAT AND INFORMATION**

### **Report to the Authority in Respect of Unclaimed Benefits under Section 172B of the Amended Regulation**

13. When submitting the report of unclaimed benefits to the Authority, the approved trustee of a registered scheme must ensure that the report is in the prescribed format and includes the following information:

**A. Particulars of scheme members with unclaimed benefits in the scheme as at the end of the quarter to which the report relates and whose particulars have not previously been provided to the Authority**

Date of Report	
Scheme Registration Number	
Approval Number of Trustee	
English Name of the Scheme Member with Unclaimed Benefits (if applicable)	
Chinese Name of the Scheme Member with Unclaimed Benefits (if applicable)	
HKID Number of the Scheme Member with Unclaimed Benefits (if applicable)	
Passport Number of the Scheme Member with Unclaimed Benefits (if applicable)	
MPF Membership Number/Other Reference Number of the Scheme Member with Unclaimed Benefits	
Type of Unclaimed Benefits	
Date of the Reported Quarter End	
Amount of Unclaimed Benefits	

**B. Particulars of scheme members whose unclaimed benefits have been claimed in the quarter to which the report relates**

Date of Report	
Scheme Registration Number	
Approval Number of Trustee	
English Name of the Scheme Member with Unclaimed Benefits (if applicable)	
Chinese Name of the Scheme Member with Unclaimed Benefits (if applicable)	
HKID Number of the Scheme Member with Unclaimed Benefits (if applicable)	
Passport Number of the Scheme Member with Unclaimed Benefits (if applicable)	

MPF Membership Number/Other Reference Number of the Scheme Member with Unclaimed Benefits	
Date of the Reported Quarter End	
Payment Date of Unclaimed Benefits	
Amount of Unclaimed Benefits Paid	

**C. Particulars of scheme members who have unclaimed benefits in the scheme as at the end of the quarter to which the report relates**

Date of Report	
Scheme Registration Number	
Approval Number of Trustee	
English Name of the Scheme Member with Unclaimed Benefits (if applicable)	
Chinese Name of the Scheme Member with Unclaimed Benefits (if applicable)	
HKID Number of the Scheme Member with Unclaimed Benefits (if applicable)	
Passport Number of the Scheme Member with Unclaimed Benefits (if applicable)	
MPF Membership Number/Other Reference Number of the Scheme Member with Unclaimed Benefits	
Type of Unclaimed Benefits	
Date of Reported Quarter End	
Amount of Unclaimed Benefits	

**Submission of Report**

14. In view of the fact that the data required under paragraph 13 above might be voluminous, the approved trustee of a registered scheme should submit the report to the Authority by electronic means. The trustee should also comply with the requirements for electronic interface as informed by the Authority from time to time and enclose a covering letter with a summary of the

information submitted when submitting the report. The trustee should submit the reports within 7 working days after the end of each quarter.

### **Definitions of Terms**

15. Where a term used in the Guidelines is defined in the Ordinance or the subsidiary legislation then, except where specified in the Guidelines, that term carries the meaning as defined in the Ordinance or the subsidiary legislation.