

Government Injection of HK\$6,000 into Eligible MPF/ORSO Scheme Members' Accounts

Frequently Asked Questions

To facilitate eligible MPF/ORSO scheme members to understand the eligibility criteria and other details of the Injection exercise, this leaflet lists out a set of **Frequently Asked Questions (FAQs)** to explain the arrangement and application of the criteria. The details of the eligibility criteria and a flowchart are also included to help scheme members check their eligibility. Only those members who meet the criteria in the Eligibility Criteria set out overleaf are eligible for receiving the injection.

General Questions

1. What is the earliest date by which scheme members can receive the \$6,000 injection? Why does it take so long to start paying out the injection?

A1. The MPFA plans to start the injection by batches through the trustees from March 2009. Eligible MPF and ORSO scheme members will receive written notifications from their trustees.

The injection of \$6,000 into the accounts of eligible MPF and ORSO scheme members is a colossal project involving legislative amendments and complicated administrative procedures. Only after having gone through all these procedures can the MPFA arrange to transfer the necessary funds to trustees which will in turn inject the contributions into the accounts of eligible persons.

2. How will the Government inject the contributions into the accounts of eligible scheme members?

A2. The contributions will be injected into the MPF accounts of eligible members by batches in March and April 2009. The MPFA will inject the contributions into eligible members' MPF preserved accounts if members possess such accounts. If members do not possess MPF preserved accounts but only have MPF contribution accounts, the contributions will be injected into their contribution accounts. For members who have withdrawn their accrued benefits on statutory grounds and closed their MPF accounts (except on the ground of small account balance), the injection will be paid by cheque or bank transfer. If members have withdrawn their accrued benefits on the ground of small account balance and closed their MPF accounts, the trustees concerned will set up MPF preserved accounts for them to receive the injection.

3. When will scheme members be notified about the payment details?

A3. The trustees will notify eligible scheme members in writing within 10 working days after the injection of contributions.

4. Can members of the public seek to review their eligibility if they are considered as ineligible?

A4. Yes. Scheme members who consider themselves eligible but are considered as ineligible can lodge requests for review of eligibility from April to 30 September 2009. The MPFA plans to launch an Injection Hotline in April 2009 (details to be announced later). The trustees will notify scheme members after the injection of contributions. Therefore, scheme members need not enquire about their own cases at this stage.

FAQs for MPF Regular Employees

5. I have both a full-time job and a part-time job and therefore, I have two contribution accounts. The income from each job is less than \$10,000. Will I receive the injection?

A5. If an employee or an SEP has more than one employment at the same time, his/her total relevant income will be used to assess his/her eligibility to receive the injection. If the total monthly income from the two sources of employment does not exceed \$10,000, the employee would be eligible for the injection; otherwise, the employee would not be eligible for the injection.

6. I only became employed after 1 March 2008, will I receive the injection?

A6. No. To be eligible for the injection, an employee must be employed at a point in time between 1 March 2007 and 29 February 2008 and meet the income criteria. Since you were employed after 1 March 2008, you are not eligible for the injection.

7. My monthly income was \$10,000, no more, no less. Will I receive the injection?

A7. Yes. Members with a monthly income of \$10,000 or below are eligible for the injection.

8. I have been unemployed since 2006. The contributions accrued from my previous employment have been transferred to a preserved account. Will I receive the injection?

A8. No. Based on the criteria announced by the Government, employed persons within the

coverage period (including employed or self-employed) are eligible for the injection if they held an MPF preserved account on 29 February 2008; had contribution records under an MPF scheme or were ORSO schemes members during the above period; and the relevant income of their final jobs in any one of the last three months (excluding the month(s) without income records) in the above period was \$10,000 or below. Since you were not employed at any time between 1 March 2007 and 29 February 2008, you are not eligible for the injection.

9. Does the monthly income include double pay, bonus, overtime pay and commission? Is "income" calculated as defined under the MPFS Ordinance or the Employment Ordinance?

A9. The monthly income of employees under MPF schemes is determined in accordance with the definition of "relevant income" under the MPF Ordinance. Therefore, monthly income includes double pay, bonus, overtime pay and commission. The monthly income of employees under ORSO schemes is determined in accordance with the definition of "income" under the relevant scheme rules.

10. I have several jobs, can I use the job with income of less than \$10,000 to claim eligibility for the \$6,000?

A10. No. The eligibility of a scheme member is determined by the total income derived from all of his/her concurrent jobs.

11. How can I prove that my income did not exceed \$10,000?

A11. Having gathered all the information from MPF trustees, ORSO scheme employers and trustees, the MPFA has consolidated the information and conducted data matching exercise to verify whether the total income of an individual employee meets the injection criteria. Employees are not required to submit any proof of income. Instead, they should check the contribution status of their MPF accounts for the relevant months. If in doubt, they should raise enquiries with their trustees or employers.

12. Is a summer helper (intern) who was employed over 60 days, but left employment before 29 February 2008, eligible to receive the injection?

A12. Yes. Based on the criteria announced by the Government, persons employed within the coverage period (including employed or self-employed) are eligible for the injection if they held an MPF preserved account on 29 February 2008; had contribution records under an MPF scheme or were ORSO schemes members during the above period; and the relevant income in any one of the last three months (excluding the month(s) without income records) of their final job in the above period was \$10,000 or below. Therefore, if the summer helper (intern) had an MPF account on 29 February 2008 and his/her relevant income in the above period was \$10,000 or below, and he/she had made MPF contributions within the coverage period, he/she is eligible for the injection.

13. An employee had an income of less than \$10,000 in one of the three relevant months (i.e. December 2007, January and February 2008). If he/she then retired, permanently departed from Hong Kong or passed away, will he/she receive the injection?

A13. Yes. Based on the criteria announced by the Government, an employee is eligible for the injection provided that he/she held an MPF contribution account on 29 February 2008 and earned a monthly relevant income of \$10,000 or below in any one of the three months of December 2007, January and February 2008. As for a deceased scheme member, the injection will become part of his/her estate to be claimed by his/her heir. For a member who has ceased employment, he/she should provide the trustee of his/her last MPF scheme with his/her correspondence address and daytime telephone number for the trustee to follow up on the injection arrangement.

14. I am not a casual employee under the Industry Schemes. I was employed briefly between 1 March 2007 and 29 February 2008. As my employment was less than 60 days, I was not required to make MPF contributions. Nevertheless, I held an MPF preserved account on 29 February 2008. Will I receive the injection?

A14. No. Based on the criteria announced by the Government, persons who were not employed or self-employed are eligible for the injection if they held an MPF preserved account on 29 February 2008; were employed at a point in time between 1 March 2007 and 29 February 2008; had contribution records under an MPF scheme or were ORSO scheme members during the above period; and the relevant income in any one of the last three months of their final job in the above period was \$10,000 or below. Although you were employed at some point between 1 March 2007 and 29 February 2008, the duration of your employment was less than 60 days. Your employer was not legally obliged to enroll you in an MPF scheme and make contributions for you (except for casual employees in the catering and construction industries). You therefore do not have contribution records under an MPF scheme and hence are not eligible for the injection.

FAQs for Self-Employed Persons (SEPs)

15. Will an SEP who only opened an MPF account after 29 February 2008 receive the injection?

A15. Based on the criteria announced by the Government, if an SEP under an MPF scheme remained self-employed and held an MPF contribution account on 29 February 2008, his/her eligibility will be determined by the amount of relevant income he/she reported to his/her trustee. The SEP will receive the injection if his/her reported average monthly income was \$10,000 (or annual income was \$120,000) or below.

Self-employed persons are required by law to enroll in an MPF scheme within 60 days from the day they

become self-employed. As for the injection, if an individual became self-employed on 29 February 2008 and had enrolled in an MPF scheme on or before 28 April 2008, he/she will be eligible given he/she meets other eligibility criteria.

16. Is an SEP eligible for the injection by simply reporting to his/her trustee that his/her monthly income was less than \$10,000?

A16. Every year, an SEP is required to report their relevant income for the next financial year to their trustee 30 days before the end of the scheme's financial period. An SEP may report his/her relevant income by:

- using the "assessable profit" stated in the most recent tax return as the relevant income;
- using the basic personal allowance;
- making a written income declaration to his/her trustee; or
- contributing the maximum amount of \$12,000 per year or \$1,000 per month.

An SEP who reports false information commits a criminal offence. An offender is liable to a maximum penalty of a fine of \$100,000 and to imprisonment for one year.

Other than the income criteria, an SEP is required to meet other eligibility criteria to receive the injection.

17. I am an SEP, but have not opened an MPF account. If I open an account now, will I receive the injection?

A17. No. The Government stipulates that SEPs are eligible for the injection only if they held an MPF account on 29 February 2008.

18. I am an employee as well as an SEP (as I am a contractor). My employer contributes for me and I contribute to my SEP account every month. How will the MPFA assess my monthly relevant income?

A18. The total monthly income will be used to calculate the relevant income.

19. Some SEPs failed to enroll in an MPF scheme within the permitted period (within 60 days from the day they become self-employed). Can they enroll after the permitted period and backdate the date of commencement of self-employment so as to become an eligible person?

A19. An SEP who failed to enroll himself in an MPF scheme within the permitted period and, as a result of such failure, did not have an MPF account on 29 February 2008, would not be eligible for the injection, even if he/she subsequently enrolled himself/herself in an MPF scheme and backdated the commencement of his/her self-employment to a date prior to 29 February 2008.

FAQs for ORSO Scheme Members

20. When will ORSO scheme members receive the injection?

A20. ORSO scheme members who do not have any MPF accounts will receive notification from the trustee chosen by their employers in March 2009. The trustees concerned will set up MPF preserved accounts for them to receive the injection. Scheme members should return the completed preserved account application/enrolment form with their investment options and signatures to the trustees on or before 31 March. It is expected that ORSO scheme members will receive the injection starting from April and will be notified by their trustees in writing.

21. Under an ORSO scheme, an employee's entitlement to scheme benefits is generally calculated with reference to the employee's completed years of service (i.e. the vesting scale). Will the injection be calculated on the same basis?

A21. The vesting scale of individual ORSO schemes does not affect the amount of the injection. An eligible scheme member will receive the \$6,000 contribution in full.

22. ORSO trustees and employers may not have the most recent contact information for scheme members, especially those who have left service for some time. What should trustees and employers do? What actions are required from scheme members?

A22. ORSO trustees and employers are only required to provide the MPFA with contact information from the most reliable source or the last known contact information. Where necessary, scheme members can contact the MPFA.

23. If an adjustment payment was made after an ORSO scheme member left service, will that payment be considered as part of the income of his/her last month of employment?

A23. If an adjustment payment was made after an ORSO scheme member had left service, and that payment affected the contribution amount of the last month, it should be treated as part of the income of the last month of employment. If the adjusted income of the last month was over \$10,000, but the income of the two months preceding the last month was \$10,000 or below, the member is still eligible.

Information contained in this leaflet is only for general reference. Individual cases may not be fully covered. For injection details and progress, please take note of the MPFA's latest announcement(s).

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Eligibility Criteria

Eligibility Criteria	
Regular employees (including full-time and part-time employees) and ORSO scheme members	<ul style="list-style-type: none"> > (a) If you were a holder of an <u>MPF</u> contribution account as at 29 February 2008; or (b) If you were a member of an <u>ORSO</u> scheme (a defined contribution or a defined benefit scheme) as at 29 February 2008; and > If your relevant income in any one of the three months of December 2007, January and February 2008 was HK\$10,000 or below (excluding the month(s) without income records).
Casual employees of Industry Schemes (covering the catering and construction industries)	<ul style="list-style-type: none"> > If you were a holder of an MPF Industry Scheme contribution account as at 29 February 2008; and > Your average monthly relevant income during the period between 1 March 2007 and 29 February 2008 (i.e. the total relevant income over those 12 months divided by 12) was HK\$10,000 or below.
Self-employed persons	<ul style="list-style-type: none"> > If you were a holder of an MPF contribution account as at 29 February 2008; and > If the annual relevant income that you have reported to or have on record with your trustee for the scheme financial year covering the period of 1 December 2007 to 29 February 2008 was HK\$120,000 or below, i.e. the average monthly relevant income was HK\$10,000 or below. (If the above period spans two scheme financial years, only one of the scheme financial years' average monthly relevant income is required to be HK\$10,000 or below.)
Employed or self-employed persons in the coverage period*	<ul style="list-style-type: none"> > If you were a holder of an MPF preserved account as at 29 February 2008; and > You were employed or self-employed at any time between 1 March 2007 and 29 February 2008 (i.e. the coverage period*); had contribution records under an MPF scheme or were an ORSO scheme member during the above period; and the relevant income in any one of the last three months of your last job in the above period was HK\$10,000 or below (excluding the month(s) without income records).

For any eligible person whose income level or employment status has changed or who has become unemployed, ceased to be self-employed or deceased after 29 February 2008, his/her eligibility to receive the injection will not be affected.

(* Coverage period refers to the period from 1 March 2007 to 29 February 2008.)

(+ If your final employment was in March 2007, the relevant income of January, February and March 2007 will be taken for determining eligibility.)

(^ MPFSO refers to the Mandatory Provident Fund Schemes Ordinance while ORSO refers to the Occupational Retirement Schemes Ordinance.)



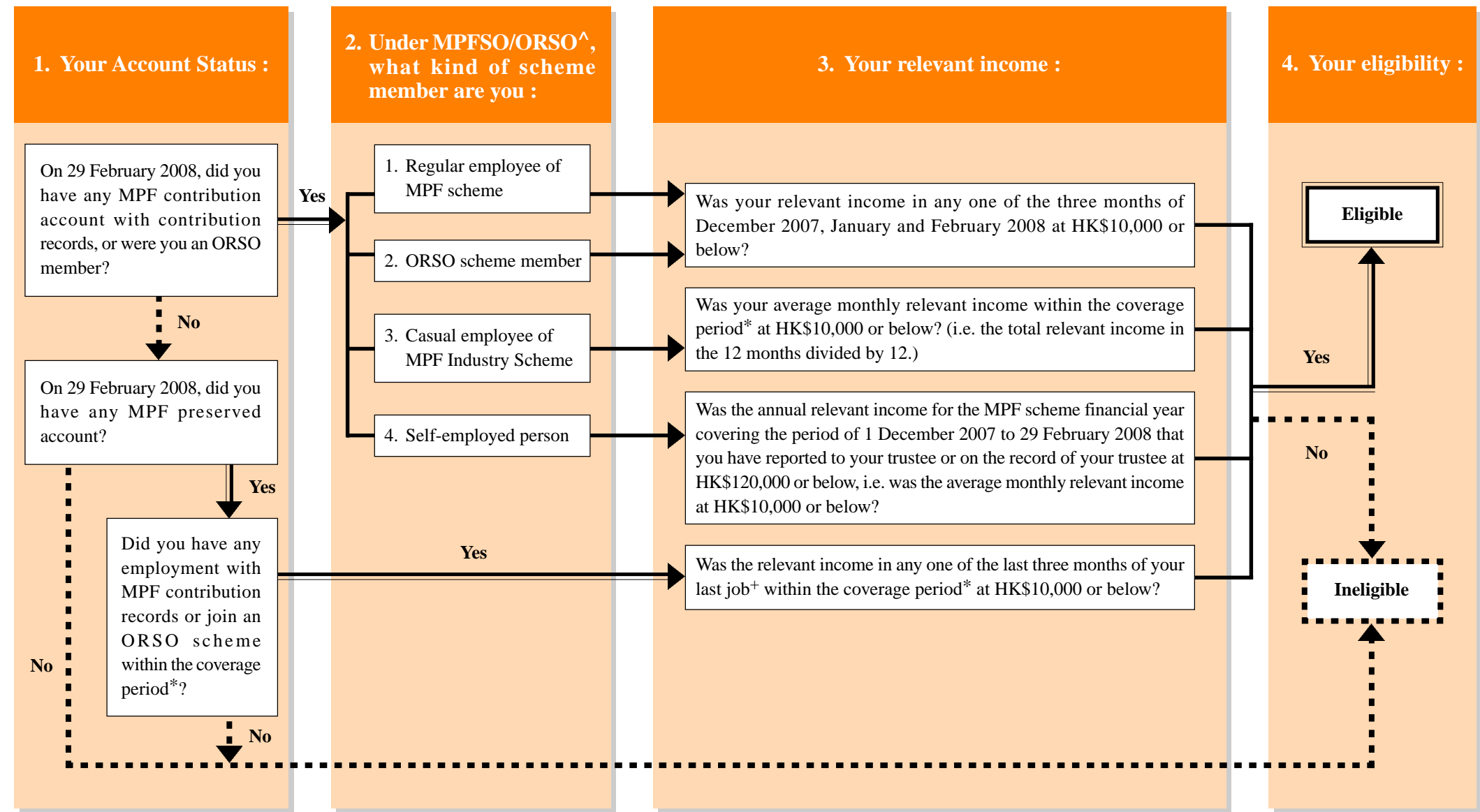
MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

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Hotline: 2918 0102 Website: www.mpfa.org.hk

Flowchart for Checking Eligibility Criteria

Scheme members can check their eligibility by making reference to the following flowchart and answering the questions one by one:



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