

Consultation Conclusions on
Full Portability of MPF Benefits under the MPF System

July 2025

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I. INTRODUCTION

1. On 28 March 2025, the Mandatory Provident Fund Schemes Authority (MPFA) launched a one-month public consultation to gauge the views of the public on the specific proposals on full portability of mandatory provident fund (MPF) benefits (full portability). The public consultation was completed on 28 April 2025. This document provides a summary of stakeholders' views collected and sets out the consultation conclusions.

Background

2. The Chief Executive announced in the 2024 Policy Address that the MPFA would work out the details for implementing the full portability proposal, under which an employee (EE) would be able to, making use of the eMPF Platform launched in June 2024, transfer the MPF benefits derived from employer mandatory contributions (ERMC) in respect of the current employment to an MPF scheme of the EE's choice and would consult the public within 2025 on the detailed proposal of full portability. The Financial Secretary further highlighted in the 2025-26 Budget that the MPFA would submit recommendations on specific proposals of full portability to the Government after a public consultation, such that full portability could be launched soon after full implementation of the eMPF Platform.

3. The aim of full portability is to allow EE to transfer all MPF benefits derived from mandatory contributions to an MPF scheme of their choice so as to encourage EE to proactively manage their MPF investments, and foster market competition, thereby creating room for further fee reductions.
4. Currently, EE is allowed to transfer MPF benefits derived from employee mandatory contributions (EEMC) from the Contribution Account in an MPF scheme participated by the employer (ER) to a Personal Account in an MPF scheme of the EE's choice in its entire amount once a calendar year under Employee Choice Arrangement (ECA)¹. ECA has been well received by the public.
5. Transfer of EEMC across MPF schemes is excluded from ECA, since ER need to ascertain the whereabouts and amount of such benefits, which must be ring-fenced for offsetting their EE's severance payment (SP) / long service payment (LSP) (Offsetting Arrangement) under the Employment Ordinance (Cap. 57) (EO).
6. The abolition of Offsetting Arrangement was implemented on 1 May 2025 (transition date). For EE whose employment commences on or after 1 May 2025 (New EE), ER can no longer use EEMC in respect of the current employment to offset EE's

¹ MPF legislation also provides for transfers more than once a calendar year if the governing rules of the MPF scheme from which the accrued benefits are transferred so provide. In practice, all MPF schemes have allowed ECA transfer only once a calendar year since the implementation of ECA.

SP/LSP, rendering it unnecessary to ring-fence their ERMIC for the Offsetting Arrangement. For EE whose employment commences before 1 May 2025 (Existing EE), ER can no longer use ERMIC in respect of the current employment to offset EE's SP/LSP in respect of the years of service starting from the transition date (post-transition portion of SP/LSP), but, given the abolition of Offsetting Arrangement has no retrospective effect according to the EO, may continue to offset EE's pre-transition portion of SP/LSP (SP/LSP in respect of the years of service before the transition date) using ERMIC throughout the EE's whole employment period. As such, there is still a need to ring-fence and keep track of the transfer of ERMIC across different MPF schemes for Existing EE.

7. The eMPF Platform commenced operation and onboarding by MPF trustees in June 2024. The eMPF Platform is a centralized and integrated digital platform to standardize, streamline and automate MPF scheme administration work, with a view to enhancing operational efficiency, reducing administration costs and providing one-stop hassle-free user experience for scheme members and ER. eMPF Platform can facilitate transferring and tracking of MPF benefits. It is expected that onboarding of all MPF trustees will be completed by end 2025.
8. Potential enablement on managing MPF benefits riding on the eMPF Platform and the implementation of abolition of Offsetting

Arrangement are both conducive factors to achieving full portability which has been the long-term goal of the MPF System.

9. In this connection, the MPFA conducted a review and formulated proposals to consult members of the public on certain proposed key parameters for implementing full portability.

Full Portability Proposals Put Forward in the Public Consultation

Principles considered under Full Portability Proposals

10. In formulating the proposals for full portability, the MPFA took into account the following key considerations:
 - (a) the proposals should provide more choices to scheme members over ERMIC in respect of the current employment;
 - (b) the proposals should safeguard a smooth transition under the abolition of Offsetting Arrangement, such that operations for making claims to use ERMIC to offset the pre-transition portion of SP/LSP for Existing EE would not be adversely affected; and
 - (c) the proposals should uphold system efficiency and avoid cumbersome procedures which would unduly add to the administrative burden and operating costs of MPF stakeholders (including ER and trustees).

Specific proposals for Implementing Full Portability

11. Taking into account the above considerations, the MPFA **proposed** to implement full portability by providing for the following transfer options²:
- (a) **Core Proposal:** New EE might choose to transfer ERMC in respect of the current employment from the Contribution Account in an MPF scheme participated by the ER to a Personal Account in an MPF scheme of EE's choice, with ERMC in its entire amount transferred once a calendar year. The proposed arrangement would be the same as the current arrangement under ECA; and
 - (b) **Extended Proposal:** Existing EE might choose to transfer ERMC in respect of the current employment from the Contribution Account in an MPF scheme participated by the ER to a new type of account known as designated ERMC account in an MPF scheme of EE's choice, with ERMC in its entire amount transferred once a calendar year. Each scheme member might only maintain one designated ERMC account at any one time for each current employment in order to satisfy the condition for efficient handling of offsetting claims related to EE who exercised the full portability option.

² In the paper provided by the Administration on "Mandatory Provident Fund "Full Portability"" for the meeting of the Legislative Council Panel on Financial Affairs held on 2 June 2025, the Core Proposal and Extended Proposal are described as Phase One Proposal and Phase Two Proposal respectively.

12. Taken together, the Core Proposal and Extended Proposal of full portability aimed to cover a broader range of EE including both New EE and Existing EE, and strike a proper balance between enhancing members' choice, safeguarding smooth transition under the abolition of Offsetting Arrangement, and upholding the integrity and efficiency of the MPF System.
13. The implementation of full portability would provide an enhanced option for EE in the management of their MPF benefits but there would not be obligation for EE to transfer ERMFC out from the MPF scheme currently participated by the ER if EE were satisfied with the MPF scheme participated by the ER.

Implementation arrangements

14. To realize the benefits of the full portability proposals the soonest possible, implementation by phases might be considered given that the Extended Proposal (for Existing EE) would require a longer lead time compared to the Core Proposal (for New EE), taking into account the different types of legislative amendments required to effect the two proposals³ and the need for setting up a new type of account under the Extended Proposal (hence the additional time required for developing new business flows and system support work for the eMPF Platform).

³ The legislative exercise for effecting the Extended Proposal (i.e. full portability for Existing EE) would require amendments to the Employment Ordinance as well as the Mandatory Provident Fund Schemes Ordinance (MPFSO), and thus would take longer to complete compared to that for effecting the Core Proposal (covering New EE) which would require amendment to subsidiary legislation of MPFSO only.

15. Regarding the transfer frequency and amount for full portability, the current parameters for ECA, i.e. making transfers in the entire amount once a calendar year, were proposed given they had been well-tested and familiar among scheme members. Moreover, with MPF being a long-term investment, frequent transfers would not be in scheme members' interest and therefore not encouraged. Following ECA's parameters would also be conducive to the educational and publicity efforts related to implementation of full portability.

Consultation

16. The public consultation was open from 28 March 2025 to 28 April 2025. The consultation paper was uploaded onto the MPFA website (<http://www.mpfa.org.hk>), and a QR code was provided to facilitate interested parties to access the consultation document. A total of five questions relating to (i) the key principles to be considered under full portability proposals, (ii) specific proposals and (iii) implementation arrangements of full portability were put forward in the consultation paper (**Annex A**).
17. Press release was issued and invitations were sent to a wide variety of stakeholder groups to invite their views on the full portability proposals. A wide range of response channels were set up, including electronic mail, facsimile and post for stakeholders to submit written responses, as well as online electronic response

form which facilitated stakeholders to share specific views regarding the five questions set out in Annex A (a QR code was also offered for easy access to the online electronic response form). In addition, the MPFA arranged four stakeholder engagement sessions and nine stakeholders' organizations comprising major labour unions, chambers of commerce, and ER / human resource professional groups participated in these sessions (the list is set out in **Annex B**). Moreover, views from the Mandatory Provident Fund Schemes Advisory Committee (MPFSAC) and Labour Advisory Board (LAB) on the proposals were sought⁴.

18. The MPFA received a total of 70 submissions (including written responses / replies through the online electronic response form), and they came from respondents including labour unions, chambers of commerce, ER / human resource professional groups, MPF trustees, financial services companies, professional and industry associations, as well as individuals of the public and individual ER.

Findings and Way Forward

19. The MPFA notes stakeholders' general support of the three principles to be considered and the specific proposals of full portability, which took into account the expectations of both New EE and Existing EE, and the need to perform different operations under the MPF System, uphold system efficiency and avoid

⁴ The LAB Secretariat arranged circulation of the Consultation Document to LAB Members to seek their views and it did not receive feedback by the end of the consultation period.

cumbersome procedures. Most respondents also agreed that ERM might be transferred in its entire amount once a calendar year, which would be identical to the existing ECA. Meanwhile, respondents held diverse views on whether to implement the full portability proposals by phases after full implementation of the eMPF Platform.

20. The MPFA would like to take this opportunity to thank all respondents who sent in submissions, provided feedback through the online electronic response form and/or participated in the stakeholder engagement sessions for their valuable views and constructive comments. Specific views collected and the MPFA's responses are set out in Section II.
21. The MPFA has duly considered all comments from stakeholders and incorporated relevant suggestions as appropriate. This consultation conclusion should be read together with the Consultation Paper. The MPFA's recommendation to the Government is set out in Section III.
22. The MPFA will support the Government in the legislative exercises and embark on work relevant to the enhancement of the eMPF Platform in tandem with the legislative amendment exercise so that MPF scheme members can benefit from full portability as soon as

practicable while ensuring that the same performance and risk management standards are adhered to by the eMPF Platform.

23. It is expected that the implementation of full portability will not only widen the choices of the working population in MPF management, but also foster competition in the MPF market, thereby driving MPF trustees to continue reducing fees, improving performance and enhancing service quality. This will be conducive to providing better retirement protection for the working population in Hong Kong.
24. The implementation of MPF full portability will mark another milestone in the development of the MPF System. Once the proposed full portability is implemented, the proportion of vested MPF benefits that scheme members can freely transfer will increase from the current level of over 70% to nearly 100%⁵.

⁵ A very small portion of vested MPF benefits belongs to employee voluntary contributions, the portability of which is subject to the governing rules of individual MPF schemes.

II. SUMMARY OF VIEWS COLLECTED

25. There were in total 70 submissions (including written responses / replies through the online electronic response form) received in respect of the specific proposals covered in the consultation paper.
26. The MPFA notes that an overwhelming majority of the submissions supported the full portability proposals, with over 94% of the submissions expressing agreement to the Core Proposal applicable to New EE and Extended Proposal applicable to Existing EE. Share of respondents agreeing to the principles in formulating the full portability proposals was even higher, at more than 98%, and responses expressing agreement similarly exceeded those indicating disagreement for both the proposed full portability transfer parameters and implementation of the two proposals by phases.
27. Below is a summary of the level of support in respect of each question covered in the consultation paper.

Proposals / issues consulted	Level of support*
Principles in formulating the proposals for full portability	98.5%
Core proposal – Proposed transfer mechanism for employee whose employment commences on or after 1 May 2025 (New EE)	95.5%

Proposals / issues consulted	Level of support*
Extended proposal – Proposed transfer mechanism for employee whose employment commences before 1 May 2025 (Existing EE)	94.1%
Transfer frequency and amount (applicable to both New EE and Existing EE)	81.2%
Timing and sequence of implementation	58.5%

* Ratios of submissions expressing agreement (responses which did not cover a particular consultation question, representing less than 8% of total responses received, are excluded from calculating the ratios).

28. The key comments received under each proposal / issue consulted and MPFA's responses are set out in more detail as follows:

A. Key considerations for full portability

I. Do you agree with the three key considerations in formulating the proposals for full portability?

29. There was broad-based consensus among stakeholders on the key considerations in formulating the proposals to expand the transferable portion of MPF benefits during current employment from covering only EEMC under ECA to also include ERMIC through implementing full portability.

30. Labour unions and scheme members supported the key considerations and commended the overall proposals for providing

wider choices for all EE over their ERMIC. Meanwhile, the majority of business chambers, ER and industry bodies also expressed support, recognizing that the proposals would leverage on the efficiencies enabled by the eMPF Platform and not result in undue administrative burdens for relevant stakeholders.

31. Respondents generally agreed that taking into account the key considerations in designing the full portability proposals, EE could have greater choices in managing their MPF benefits while upholding the efficiency and meeting the operational needs (including processing offsetting claims) of the MPF System.

MPFA's response

32. The full portability proposals were formulated with a view to furthering scheme members' overall interests, taking into account the need to balance between enhancing members' choice over their MPF benefits derived from ERMIC, as well as the need to maintain efficiency for different types of operations and contain the overall administrative costs for the MPF System.
33. Noting that the vast majority of respondents agreed with the key considerations, the MPFA will adhere to the key considerations and balance a myriad of factors when implementing full portability, including scheme members' control over their MPF investments, administrative complexity, and system efficiency.

B. Core Proposal

II. Do you agree with enabling New EE to access full portability by extending the existing ECA transfer mechanism from covering EEMC only to also including ERM, so that they can have more choices in managing their MPF benefits?

34. Respondents were familiar with the existing ECA and it was well understood that ERM of New EE would no longer be subject to SP/LSP offsetting. The vast majority of respondents agreed with the proposed approach of enabling New EE to access full portability by applying the operationally-proven ECA transfer mechanisms to ERM.

35. Some respondents sought to clarify if ERM transfers would be made together with or separate from EEMC transfers after implementation of full portability.

MPFA's response

36. The MPFA notes the general support for the Core Proposal. ERM of New EE can be transferred to a Personal Account in an MPF scheme of the EE's choice because it is no longer subject to offsetting following the abolition of Offsetting Arrangement. There is no need for the current ER to ascertain the whereabouts and amount of the relevant ERM for SP/LSP offsetting purposes.

37. To ensure uniform treatment and choice among New and Existing EE, it is proposed that ERM and EEM transfers would be handled separately. This also implies that the “once a calendar year” restriction on transfer frequency would be applied separately.
38. EE may subsequently transfer the MPF benefits held in the Personal Account to another Personal Account in another MPF scheme, which is the same as the current arrangement applicable to Personal Accounts in general.

C. Extended Proposal

III. Do you agree with enabling Existing EE to access full portability through establishing the designated ERM account, so that they would also benefit from full portability and more choices in managing MPF benefits?

39. The Extended Proposal similarly received a high level of support, as respondents acknowledged that the proposal adhered to the key considerations and operational requirements of the MPF System while meeting the expectations of Existing EE for greater choices in managing their MPF. It was generally recognized that a separate arrangement was needed to cater for Existing EE, as the relevant ERM would remain subject to potential SP/LSP offsetting in respect of years of service before 1 May 2025 under the EO.

40. A labour union and some stakeholders suggested that the MPFA should consider permitting the maintenance of multiple designated ERMC accounts for each current employment (vis-à-vis the proposal in the consultation document of maintaining one designated ERMC account at any one time for each current employment), so as to allow more flexible investment choices for Existing EE to better respond to changing market dynamics.
41. Meanwhile, some ER and industry bodies observed that robust design and business workflow should be put in place to ensure that ERMC held in designated ERMC accounts would be clearly ring-fenced and traceable. One ER body further suggested that such workflows should leverage on automation to help further minimize the administrative costs of implementing full portability.

MPFA's response

42. The MPFA notes the general support for the transfer mechanism under the Extended Proposal. Since the abolition of Offsetting Arrangement has no retrospective effect⁶ according to the EO, it is necessary to set up a new type of account (i.e. designated ERMC account) to ensure the ring-fencing and secure tracking of ERMC transferred by Existing EE, so as to satisfy the operational needs arising from possible SP/LSP offsetting claims for employment that commenced before 1 May 2025.

⁶ In respect of EE's SP/LSP for the employment period before 1 May 2025.

43. While the MPFA recognizes aspirations for more flexible choices for Existing EE, this has to be balanced against the efficient and feasible processing of possible offsetting claims according to the law. Restricting the number of designated ERMIC accounts ensures that Existing EE's ERMIC for each current employment will remain clearly traceable across at most two different MPF accounts⁷, which ensures compliance with potential SP/LSP offsetting under the EO without incurring undue administrative burden and costs on MPF stakeholders. If the number of designated ERMIC accounts were to be relaxed (e.g. to two for each current employment), it may create unwanted complications for the handling of SP/LSP offsetting claims and compromise operational efficiency from a system perspective.
44. The MPFA also wishes to clarify that implementation of the Extended Proposal will not affect the prevailing contribution payment process of ER. ER will still be making ER contributions to the MPF scheme participated by the ER. In case offsetting of SP/LSP under the EO is required upon cessation of employment of EE, ER will be entitled to locate the relevant ERMIC to make the offsetting claim.
45. Careful design of front-end application on the eMPF Platform (for making offsetting claims against ERMIC held in different accounts

⁷ Including the Contribution Account in the MPF scheme participated by ER and one designated ERMIC account in the MPF scheme chosen by EE.

with the designated ERMC account ascertained) as well as establishing simple business rule to handle claims that involve ERMC held in two different schemes (e.g. offsetting against the contribution account before the designated ERMC account) can further help prevent imposing additional administrative burden on ER.

D. Transfer frequency and amount

IV. Do you agree that the frequency and amount basis of full portability transfers should be consistent with ECA, a well-tested and familiar arrangement amongst EE that can enhance choices and at the same time reasonably contain the additional administration cost to the whole system, hence to scheme members' benefit?

46. The majority of respondents agreed that the frequency and amount of full portability transfers should be consistent with ECA, which had been operationally proven and familiar among scheme members.
47. Some labour unions and scheme members aspired for further relaxation of the transfer parameters for full portability. Suggestions included relaxing the frequency of transfers to twice a calendar year or even no limit, as well as arranging recurrent transfers or enabling multiple transfers within a calendar year.

48. Some ER and industry bodies commented that the proposed transfer frequency should serve as a baseline for now, and that a more flexible range of choices might be considered in the future, riding on potential enablement from the eMPF Platform.
49. Some labour representatives sought to clarify if there would be additional restrictions on subsequent transfers, after the relevant ERM from current employment had been transferred under full portability to an MPF scheme of EE's choice.

MPFA's response

50. Given the substantial support, the MPFA considers it prudent to follow the transfer parameters adopted by ECA which are well-tested, operationally-proven, and familiar amongst scheme members. Such an arrangement will facilitate scheme members' management of MPF benefits, whilst avoiding proliferation of the number of transfers and small-balance accounts (both of which has cost implications for the MPF System eventually borne by all scheme members).
51. The MPFA recognizes aspirations for more flexible choices from scheme members. However, as a general principle, MPF is a long-term investment for retirement protection, where frequent transfers do not cohere with scheme members' interest and investment horizon, and therefore is not encouraged. Similar to

the initial implementation of ECA back in 2012, the MPFA will roll out a comprehensive campaign to educate scheme members that a transfer should be made after prudent considerations, and it is not necessary to exercise the full portability option in a rush.

52. At the same time, the MPFA will continually monitor members' usage of the full portability option after its implementation and keep in view whether refinements to the parameters of transfer may be warranted with proper safeguard against frequent transfers, and without compromising the principle of MPF as a long-term investment.
53. The MPFA wishes to clarify that, after the initial full portability transfer, both New and Existing EE will not be precluded from subsequently transferring the relevant MPF benefits held under a Personal Account or designated ERM account to another MPF scheme of their choice (including back to the MPF scheme participated by ER).

E. Timing and sequence of implementation

V. Do you agree that the full portability proposals should be implemented by phases in order to realize their benefits the soonest possible?

54. Stakeholders held diverse views on whether the Core Proposal and Extended Proposal should be implemented by phases. Those in

support of phased implementation saw the benefit of enabling a portion of EE⁸ to enjoy the benefit of full portability sooner, whereas others were of the view that the phased approach could potentially be misinterpreted as differentiated treatment of different EE, and might give rise to confusion among the public during implementation.

55. The respondents generally recognized that full portability would only be implemented after the eMPF Platform had come into full operation covering all MPF trustees / schemes, and that development of new business flows and system support work would be required to enable its implementation. Nevertheless, there was a general preference for both earlier implementation of the two proposals to benefit scheme members sooner, as well as earlier sight of a concrete timetable to better prepare for their rollout.
56. Alternative implementation dates and/or approaches were raised by some respondents. A labour union mentioned the expectation for the Core Proposal to be implemented upon the effective date for the abolition of Offsetting Arrangement, and the Extended Proposal to be implemented immediately after all trustees have onboarded the eMPF Platform. Meanwhile, one ER body suggested that implementation of full portability should be deferred for a few

⁸ Limited to those New EE who had just entered/re-entered the workforce or switched jobs on or after 1 May 2025.

years, so as to allow stakeholders to direct more time and resources to familiarize themselves with the various operations on the eMPF Platform.

MPFA's response

57. The MPFA notes the diverse views among stakeholders regarding whether to implement the Core Proposal and Extended Proposal by phases, given the merits and potential challenges under each approach.
58. The full portability proposals can only be implemented after the full operation of the eMPF Platform covering all MPF trustees / schemes, which will take up the transfer workflow for MPF benefits between different MPF schemes. The timing and sequence of implementing full portability would depend on, among others, the complexity and progress of the legislative amendment exercise, the time required for other preparation works, e.g. enhancements and testing for extension of full portability functionalities and workflows, as well as education and publicity, and scheme members' readiness.
59. The MPFA will embark on work relevant to the enhancement of the eMPF Platform in tandem with the legislative amendment exercise, in accordance to the implementation approach selected, so that scheme members can benefit from full portability as soon as

practicable while ensuring that the same performance and risk management standards are adhered to by the eMPF Platform.

F. Other relevant views

60. During the consultation, respondents provided other specific comments and/or sought further clarification on issues relevant to the full portability proposals. Their comments and views are summarized in the ensuing paragraphs.

Publicity, education and supervision

61. Stakeholders generally attached a high degree of importance to publicity and education in ensuring the smooth implementation of full portability. In particular, labour representatives suggested that the benefits of full portability could be better realized if EE had easier access to information on MPF scheme and funds for more informed decision-making.
62. A common view among ER and industry bodies was that full portability should be positioned as an available option for EE to enhance their management of MPF benefits, but not an obligation to transfer MPF benefits out from scheme participated by ER. It was also suggested that some publicity and education campaigns should be tailor-made for human resource administrators and small-and-medium-sized enterprises to facilitate their understanding of full portability.

63. An industry body indicated the need for enhancing supervision of MPF intermediaries to strengthen member protection from potential misconduct after implementation of full portability.

MPFA's response

64. As part of its ongoing work, the MPFA has been sparing no efforts in promoting MPF-related investor education and educating scheme members on how to better manage their MPF by choosing MPF investments according to their needs and risk tolerance level. Target-specific publicity and education initiatives will be formulated in due course to assist EE and ER to familiarize with the details of full portability transfers. The MPFA will also provide suitable training for MPF intermediaries to assist them in acquiring the relevant knowledge to explain the arrangement of full portability to EE.
65. The understanding of full portability as an available option is consistent with the MPFA's overall position. Similar to the arrangements for ECA, this message will be incorporated into the MPFA's publicity and education campaigns.

Issues related to SP/LSP offsetting

66. A number of ER and industry stakeholders sought to clarify the sequence for offsetting ERM (under the same current employment) simultaneously held under a Contribution Account and designated ERM account.

67. A few ER representatives and an MPFSAC member expressed the view that enablement of full portability transfers may lead to increased cases of poor investment outcome that could adversely affect ER's interests, in the form of lower total balance of ERMIC available for potential SP/LSP offsetting.

MPFA's response

68. The MPFA will establish business rules for handling SP/LSP offsetting claims involving ERMIC held simultaneously under a Contribution Account and designated ERMIC account in sequence, on the premise that the design should be simple, prudent and not impose additional administrative burden on relevant stakeholders.
69. The MPFA wishes to clarify that enablement of full portability transfers would not adversely affect EE's and ER's interests. The risk profile of MPF investment remains the same as constituent funds from low to high risk levels are available across all MPF schemes, which are subject to stringent regulations and oversight by the MPFA. Furthermore, the interests of EE and ER are aligned as they share a common interest in choosing investment funds with good risk-adjusted performances.

Fee and cost-related issues

70. Some respondents asked if the fee reduction effect of full portability could be directly quantified. Others sought to clarify

if out-of-pocket fees would be incurred when effecting full portability transfers.

MPFA's response

71. Although it is difficult to directly quantify the fee reduction effect of full portability as multiple factors are involved in determining MPF fee levels, experience from ECA and Default Investment Strategy validates the importance of a multi-pronged strategy including enhancing market competition in lowering fees.
72. The MPFA wishes to clarify that no additional fees will be charged to EE's account for exercising full portability, except that necessary investment transaction costs (such as exchange levies) in some cases which may be charged on a strictly cost-recovery basis.

Treatment of employer voluntary contributions

73. Some industry stakeholders sought to clarify if, in addition to ERMV, the full portability proposals would also cover employer voluntary contributions (ERVV).

MPFA's response

74. It is inappropriate to include ERVV in the full portability proposals. All along, the portability and vesting arrangements of VC are subject to the governing rules of individual MPF schemes. In particular, portability of VC should be left as a matter between ER

and EE, thus no legislative amendments should be introduced. Excessive regulation of the VC might discourage ER from the voluntary contributions of additional benefits.

III. CONCLUSIONS AND RECOMMENDATIONS

75. Based on the views collected from the four stakeholder engagement sessions, consultation with the MPFSAC and the 70 submissions received (including written responses / replies through the online electronic response form), there was clear support for providing EE greater choices in managing their MPF benefits by allowing the transfer of ERM C from the Contribution Account under the MPF scheme participated by the ER to an MPF scheme of EE's choice.
76. On the frequency and amount of full portability transfers, most stakeholders agreed that ERM C in the relevant Contribution Account may be transferred in its entire amount once a calendar year, which is identical to the existing ECA.
77. Nevertheless, stakeholders held diverse views on whether to implement the full portability proposals by phases after full implementation of the eMPF Platform. While some stakeholders agreed with a phased approach to enable New EE to enjoy the benefits of full portability sooner, other stakeholders were concerned that this arrangement could potentially be misinterpreted as differentiated treatments for different EE and could cause confusion among the public.

Recommendations submitted to the Government

78. In the light of the outcome of the public consultation, the MPFA has recommended, for the Government's consideration, that full portability should entail implementing both the Core Proposal and Extended Proposal with a view to covering all EE. Specifically:

- (a) The Core Proposal will provide the option for New EE to choose to transfer, once a calendar year, the entire ERMIC in respect of the current employment from the Contribution Account in an MPF scheme participated by the ER to a Personal Account in an MPF scheme of the EE's choice; and
- (b) The Extended Proposal will provide the option for Existing EE to choose to transfer, once a calendar year, the entire ERMIC in respect of the current employment from the Contribution Account in an MPF scheme participated by the ER to a new type of account (i.e. designated ERMIC account) in an MPF scheme of the EE's choice.

79. The MPFA considers that the above recommendations will not only widen the choices of the working population in MPF management, but also foster competition in the MPF market, thereby driving MPF trustees to continue reducing fees, improving performance and enhancing service quality. This will be conducive to providing better retirement protection for the working population. The recommendations, moreover, have struck an adequate balance

between enhancing members' choice, safeguarding smooth transition under the abolition of Offsetting Arrangement and upholding the MPF System's efficiency.

80. The MPFA will monitor the usage of the full portability option after its implementation and review whether refinements to the transfer parameters may be warranted with proper safeguard against frequent transfers and without compromising the principle of MPF as a long-term investment, while at the same time containing overall costs as well as avoiding other issues such as the potential proliferation of small balance accounts.

Implementation time

81. The MPFA has reflected that stakeholders held diverse views as to whether the full portability proposals should be implemented by phases, and reported their comments on merits and potential drawbacks of the two approaches. The MPFA can execute the enhancement to the eMPF Platform in tandem with the legislative amendment exercise in accordance with the approach selected for implementation so that MPF scheme members can benefit from full portability as soon as possible.

Consultation Questions

1. Do you agree with the three key considerations in formulating the proposals for full portability?

(Details as set out in paragraph 38 of the consultation document)

2. Do you agree with enabling New EE to access full portability by extending the existing ECA transfer mechanism from covering EEMC only to also including ERMIC (i.e. core proposal), so that they can have more choices in managing their MPF benefits?

(Details as set out in paragraphs 43 to 44 of the consultation document)

3. Do you agree with enabling Existing EE to access full portability through establishing the designated ERMIC account (i.e. extended proposal), so that they would also benefit from full portability and more choices in managing MPF benefits?

(Details as set out in paragraphs 46 to 51 of the consultation document)

4. Further to the above, do you agree that the frequency and amount basis of full portability transfers should be consistent with ECA, a well-tested and familiar arrangement amongst EE that can enhance choices and at the same time reasonably contain the additional administration cost to the whole system, hence to scheme members' benefit?

(Details as set out in paragraphs 39 to 40 of the consultation document)

5. Do you agree that the above proposals should be implemented by phases in order to realize their benefits the soonest possible?

(Details as set out in paragraph 58 of the consultation document)

**Public Consultation on Full Portability of MPF Benefits
List of Participants in Stakeholders Engagement Sessions**

Labour unions

The Federation of Hong Kong and Kowloon Labour Unions
The Hong Kong Federation of Trade Unions

Chambers of commerce

The Chinese General Chamber of Commerce
The Chinese Manufacturers' Association of Hong Kong
Employers' Federation of Hong Kong
The Federation of Hong Kong Industries
The Hong Kong Chinese Enterprises Association
The Hong Kong General Chamber of Commerce

Human resource associations

The Hong Kong Institute of Human Resource Management

**Public Consultation on Full Portability of MPF Benefits
List of Respondents (Written Submissions* and Submissions from
Organizations/Financial Services Companies^ through Electronic
Response Forms)**

1. Aon
2. Bank of East Asia (Trustee) Limited
3. China Taiping Life Insurance (Hong Kong) Company Limited
4. The Chinese Manufacturers' Association of Hong Kong
5. Consumer Council
6. Employers' Federation of Hong Kong
7. The Federation of Hong Kong and Kowloon Labour Unions
8. GUM
9. The Hong Kong Federation of Insurers
10. The Hong Kong Federation of Trade Unions
11. The Hong Kong Institute of Human Resource Management
12. Hong Kong Investment Funds Association
13. Hong Kong Professionals and Senior Executives Association
14. The Hong Kong Retirement Schemes Association
15. The Hong Kong and Shanghai Banking Corporation Limited
16. Hong Kong Small and Medium Enterprises Association

17. Hong Kong Trustees' Association
18. Institute of Financial Planners of Hong Kong
19. Pension Schemes Association
20. Professional Insurance Brokers Association
21. Sun Life Trustee Company Limited

- * Some written submissions reached the MPFA after the consultation period ended on 28 April 2025.
- ^ Respondents that were Financial Services Companies and submitted in their roles as organizations. There were another 49 electronic response forms submitted by non-financial companies, individuals, and respondents who did not indicate their roles.