

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

IV.10 Guidelines on Enrolment and Contribution Arrangements for Self-employed Persons

INTRODUCTION

Section 7C of the Mandatory Provident Fund Schemes Ordinance (“the Ordinance”) provides for the enrolment of self-employed persons (other than self-employed persons who are less than 18 or are 65 years of age or more) (“SEPs”) in Registered Schemes and the making of mandatory contributions.

2. Section 47A of the Ordinance empowers the Mandatory Provident Fund Schemes Authority (“the Authority”) to specify or approve the form and contents of documents required for the purposes of the Ordinance.

3. Section 6H of 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 setting out the enrolment and contribution arrangements in relation to SEPs who participate or are going to participate in Registered Schemes, and prescribing the format of the enrolment form to be used by SEPs.

CLARIFICATION OF THE RELEVANT TERMS

5. 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.

6. Relevant terms which appear in the Guidelines are defined as follows:-

- (a) **“Registered Scheme”** means a master trust scheme or an industry scheme.
- (b) **“Permitted Period”** means the period within which the SEP must become a member of a Registered Scheme. The Permitted Period is 60 days for SEPs. If the last day of the Permitted Period is a public holiday, a gale warning day or a black rainstorm warning day, then it shall mean the next following day which is not a public holiday, a gale warning day or a black rainstorm warning day.
- (c) **“Existing SEP”** means a person who becomes an SEP before 1 December 2000 and remains in self-employment on 1 December 2000.
- (d) **“New SEP”** means a person who becomes an SEP on or after 1 December 2000.

ENROLMENT AND CONTRIBUTION ARRANGEMENT

7. An SEP is required to become a member of a Registered Scheme within the Permitted Period and make mandatory contributions for himself before the end of each contribution period. The enrolment and contribution arrangements for SEPs are specified below.

Existing SEPs

8. An Existing SEP has to enrol himself to become a member of a Registered Scheme on or before 29 January 2001. The first mandatory contribution should be made on or before the end of the contribution period in which the SEP becomes a member of the Registered Scheme.

9. For example, if on 2 January 2001 an Existing SEP enrolls himself into a Registered Scheme that has a financial year ending on 31 December each year and elects to contribute on a yearly basis, the first mandatory contribution on his relevant income for the period from 1 December 2000 to 31 December 2001 should be made on or before 31 December 2001 (i.e. the end of the contribution period in which the SEP becomes a member). Of course, if the Existing SEP enrolls himself into a Registered Scheme on or before 31 December 2000, the first mandatory contribution on his relevant income for the period from 1 December 2000 to 31 December 2000 would be due on 31 December 2000.

10. Similarly, if an Existing SEP enrolls himself into a Registered Scheme on 2 January 2001 and elects to contribute at the end of each calendar month, the first mandatory contribution on his relevant income for the period from 1 December 2000 to 31 January 2001 should be made on or before 31 January 2001 (i.e. the end of the contribution period in which the SEP becomes a member). Of course, if the Existing SEP enrolls himself into a Registered Scheme on or before 31 December 2000, the first mandatory contribution on his relevant income for the period from 1 December 2000 to 31 December 2000 would be due on 31 December 2000.

New SEPs

11. A New SEP has to become a member of a Registered Scheme within 60 days from the day he becomes self-employed. The first mandatory contribution should be made on or before the end of the contribution period in which the SEP becomes a member of the Registered Scheme. The arrangements for enrolment and contribution applicable to a New SEP are the same as those applicable to an Existing SEP.

SEP's Signature Requirement for Submission of Enrolment Form to the Trustee

12. In enrolling, an SEP is required to confirm the accuracy and completeness of the enrolment information by signing in such area(s) as designated in the enrolment form or by submitting the enrolment form in such manner as the approved trustee may reasonably require.

13. An enrolment form is not properly completed for the purpose of section 47A of the Ordinance if it is not completed in accordance with paragraph 12. In the circumstances, trustees may refuse to process the application for enrolment of the concerned SEP(s).