

Law & Policy Group

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Hong Kong revises occupational retirement scheme rules

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Effective 26 Jun 2020, employers in Hong Kong with occupational retirement schemes (ORSO schemes) will face new compliance requirements under changes that passed the Legislative Council on 17 Jun 2020. The measures, which feature in the Occupational Retirement Schemes (Amendment) Bill 2019, aim to ensure that ORSO schemes meet the employment-based criterion and improve governance. Further information about the changes will be published by the Mandatory Provident Fund Schemes Authority (MPFA).

Highlights

Requirement to submit a written annual statement to the regulator.

- Employers with an ORSO-registered scheme will have to confirm that the scheme is employment-based, and that membership comprises eligible categories of individuals, for example, current and past employees, beneficiaries of deceased members, pensioners who are no longer active scheme members, and individuals who transferred into the scheme following a company amalgamation, restructuring or joint venture. The MPFA has published statement form templates.
- Employers with an ORSO-exempted scheme that meets the criteria for an acceptable or approved offshore scheme will have to submit an annual return that includes information on the number of scheme members, domicile, and any benefits transferred from another scheme. Currently, employers only have to submit information on the total number of scheme members who do and do not hold a Hong Kong permanent identity card.

Employers applying for new ORSO-registered or exempted schemes.

- Employers that apply to the MPFA to establish a new registered or exempted scheme will have to confirm the eligibility of all scheme members. For ORSO-exempted schemes, there is no limit on the number of scheme members who can hold a Hong Kong permanent identity card. Currently, the number of members is capped at 10% or 50 members.

ORSO-exempted scheme eligibility criteria.

- New applications for ORSO-exempted schemes will have to be registered with, or approved by, a relevant regulator outside of Hong Kong that is broadly aligned with the MPFA.

Related resources

Non-Mercer resources

- [MPFA announcement](#) (17 Jun 2020)
- [Forms for ORSO Scheme \(Mandatory Provident Fund Schemes Authority, 26 Jun 2020\)](#)

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- [Hong Kong proposes amendments to 'ORSO' retirement schemes](#) (29 May 2019)

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