

## Panel on Manpower

### Follow-Up Questions on Progress of the Implementation of the Mandatory Provident Fund (MPF) System

- 1(b)(i) The Administration was requested to revert to the Panel in October 2006 the outcome of its discussion with the MPF service providers on the suggestion of issuing a MPF passbook to each employee.**

The Mandatory Provident Fund Schemes Authority (MPFA) has discussed with the MPF service providers and explored in detail the most cost effective and efficient means of providing MPF account information to scheme members, including the suggestion of issuing a MPF passbook to each employee. It has been confirmed with all the MPF service providers that scheme members' account information can be easily checked by calling the trustees' service hotlines or via the Internet. Moreover, some service providers are providing quarterly account statements to their scheme members, and others would provide account statements to scheme members upon request.

However, initial discussions indicate that the establishment of an MPF passbook system will be costly and overcoming the technical and practical difficulties will also take substantial time. While some banks act as intermediaries to promote certain MPF schemes, the actual operators of MPF schemes are the trustees which do not have extensive branch networks and the administration systems to readily provide a passbook service. Even for those trustees with banking business within its financial group, there will be substantial development work required to adapt the banking passbook system to the MPF system due to the more complex nature of MPF accounts.

The MPFA will continue to discuss with MPF service providers on improving the provision of account information to scheme members.

- 1(b)(ii) The Administration was requested to provide the Panel with a breakdown of all the complaints received by the MPFA in the financial year 2005-06 by the nature of the cases and the number of scheme members involved.**

The MPFA received 9 176 complaints in 2005 – 06 from MPF scheme members. Out of the 9 176 complaints received, 8 856 were from scheme members against their employers. Breakdown by nature of the complaints is as follows:

Nature of complaints	Number of complaints
(a) Default contribution	7 833
(b) Non-enrolment	2 452
(c) Illegal deduction of wages	362
(d) No pay record or notice of termination, etc.	742
(e) Scheme administration matters	220
(f) ORSO matters	121
<b>Total</b> (multiple entry is allowed as a complainant may lodge complaint in more than one area.)	<b>11 730</b>

**1(b)(iii) The Administration was requested to provide statistics on prosecutions instituted and convictions concluded in the past few years for non-compliance with the MPF legislation.**

The summonses applied by the MPFA in the past few years and the results are as follows:

Summonses application year	Nature of Offence	RESULTS		
		Guilty	Acquitted	Pending mention or trial
1.4.2003 to 31.3.2004	Contributions in arrears	813		
	Non-enrolment of Employee	37		
	Non-enrolment of Employee (Employee /Self-employed person dispute)	1		
<i>Yearly total</i>		<i>851</i>		
1.4.2004 to 31.3.2005	Contributions in arrears	858		
	Non-enrolment of Employee	22	1	
<i>Yearly total</i>		<i>880</i>	<i>1</i>	
1.4.2005 to 31.3.2006	Contributions in arrears	676	18	30
	Non-enrolment of Employee	27		1
	Non-enrolment of Employee (Employee /Self-employed person dispute)	1	1	
<i>Yearly total</i>		<i>704</i>	<i>19</i>	<i>31</i>
1.4.2006 to 31.12.2006	Contributions in arrears	146		98
	Non-enrolment of Employee	2		2
	Obstructing the MPFA in the exercise or performance of its functions	1		
<i>Yearly total</i>		<i>149</i>		<i>100</i>