

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress report as at the end of November 2005

Purpose

This paper updates Members on the latest progress of implementing the Mandatory Provident Fund (MPF) System.

Enrolment

2. The enrolment position as at the end of November 2005 is as follows:

	Number of Participants*			Enrolment Rate		
	As at 30.11.2005	As at 31.10.2005	Change	As at 30.11.2005	As at 31.10.2005	Change
Employers	224 700	224 300	+ 400	98.1%	98.0%	+ 0.1%
Employees	1 949 700	1 943 500	+ 6 200	97.4%	97.1%	+ 0.3%
Self-employed persons (SEPs)	288 100	288 400	- 300	77.9%	78.0%	- 0.1%

* to the nearest 100

3. The enrolment rates of employers and employees increased slightly by 0.1% and 0.3% respectively. The enrolment rate of SEPs dropped slightly by 0.1%. As at the end of November 2005, 14 900 employers, 262 400 employees and 21 900 SEPs were registered under the Industry Schemes¹.

Complaint Handling

Complaints received by the MPFA

4. Of the total 722 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in November 2005, 98% concerned scheme members and 459 employers were involved. The breakdown is as follows:

¹ Double registration with the two Industry Schemes trustees has been eliminated.

<u>Nature of complaints received in November 2005</u>	<u>% *</u>
(A) Complaints concerning scheme members:	
➤ Wrongful reduction of wages / benefits	4
➤ Involuntary change from employee to SEP	0
➤ Non-enrolment in MPF Schemes	26
➤ Default contribution	88
➤ Others (e.g. dismissal; no pay records)	9
(B) Complaints concerning trustees, intermediaries, Occupational Retirement Schemes Ordinance (ORSO) etc	3
* <i>Multiple selection allowed.</i>	

Complaints received by the Labour Department (“LD”)

5. In November 2005, the LD received 23 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of a total of 186 complaints received from 1 January 2005 to the end of November 2005:

- 73 cases were resolved after conciliation or advice given;
- 70 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 12 cases where the employers were insolvent were referred to the Legal Aid Department, the Official Receiver’s Office and the Protection of Wages on Insolvency Fund;
- 27 cases where the employees had lodged claims with the LD were awaiting conciliation result; and

- 4 cases was awaiting the employee's decision on whether to lodge claim with the LD for conciliation.

Enforcement

7. The MPFA continued to enforce the MPF Schemes Ordinance by proactive inspections of employment premises, investigation of complaints, making claims at law courts on behalf of employees to recover the outstanding default contributions, and prosecuting offending employers.

8. The enforcement actions taken by the MPFA in November 2005 are summarized below:

Enforcement action in November 2005	Number of Cases
A. <u>Prosecution</u> Number of summonses applied during the month	77
- <i>Non-enrolment of employees</i>	2
- <i>Non-enrolment (Employee / SEP dispute)</i>	0
- <i>Default contribution</i>	75
- <i>False statement</i>	0
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) Number of Notices issued to employers	25 700
C. <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	51
- Number of employees involved	83
D. <u>Submission to the District Court</u>	
- Number of cases submitted	5
- Number of employees involved	51
E. <u>Submission to the High Court</u>	
- Number of cases submitted	0
- Number of employees involved	0
F. <u>Submission to liquidators / receivers</u>	
- Number of cases submitted	19
G. <u>Proactive Inspections</u>	
- Number of employment establishments visited	287

Education and Publicity

9. Programmes under the MPF Investment Education Campaign, which was kicked off in late October 2005, were rolled out during the month under review. In addition to newspaper supplements and API, a new MPF radio series (積金投資面面觀) were launched in Mr Chan Wing-luk's "Crosstrade" programme on Commercial Radio to provide basic investment knowledge to the general public in the context of MPF investment. The programmes are replayable on the MPFA Website by visitors to the site.

10. A large seminar was held last month in conjunction with labour unions in the construction industry to promote the MPF Industry Schemes and the Investment Education Campaign among workers in the industry. In addition, workshops on MPF investment had been conducted for Vocational Training Council trainers of MPF Intermediary Continuing Professional Development Courses to enable them to cascade the information to their trainees.

11. On the media front, two full-page supplements were published in two Chinese newspapers to promote the MPF investment messages. In addition, more than 40 articles and press releases had been published in newspapers and magazines in November, focusing on MPF investment and member protection.

12. Community outreach activities continued, with eight talks organized for youth organizations, labour unions and professional groups. Two partnership programmes with political parties were held in November to disseminate messages on MPF investment through district carnivals.

13. Members are invited to note the contents of this paper.