

## LegCo Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress report as at the end of February 2007

#### 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 February 2007 is as follows:

	Number of Participants*			Enrolment Rate		
	As at 28.02.2007	As at 31.01.2007	Change	As at 28.02.2007	As at 31.01.2007	Change
Employers	233 800	232 700	+1 100	99.1%	98.7%	+0.4%
Employees	2 084 000	2 072 600	+11 400	98.3%	97.8%	+0.5%
Self-employed persons (SEPs)	284 300	285 100	-800	74.3%	74.5%	-0.2%

\* to the nearest 100

3. The enrolment rates of employers and employees increased by 0.4% and 0.5% respectively. The enrolment rate of SEPs decreased by 0.2%. As at the end of February 2007, 15 400 employers, 287 200 employees and 21 500 SEPs were registered under the Industry Schemes<sup>1</sup>.

#### Complaint Handling

##### Complaints received by the MPFA

4. Of the total 576 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in February 2007, 96% concerned scheme members and 372 employers were involved. The breakdown is as follows:

<sup>1</sup> Double registration with the two Industry Schemes trustees has been eliminated.

<u>Nature of complaints received in February 2007</u>	<u>% *</u>
(A) Complaints concerning scheme members:	
➤ Wrongful reduction of wages / benefits	6
➤ Involuntary change from employee to SEP	0
➤ Non-enrolment in MPF Schemes	26
➤ Default contribution	87
➤ Others (e.g. dismissal; no pay records)	13
(B) Complaints concerning trustees, intermediaries, Occupational Retirement Schemes Ordinance (ORSO) etc	6

\* *Multiple selections allowed.*

#### Complaints received by the Labour Department (“LD”)

5. In February 2007, the LD received 16 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of the 27 complaints received from 1 January 2007 to the end of February 2007:

- 1 case was resolved after conciliation or advice given;
- 3 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 22 cases where the employees had lodged claims with the LD were awaiting conciliation result; and
- 1 case 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 investigation of complaints, inspections of employment premises, 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 February 2007 are summarized below:

<b>Enforcement action in February 2007</b>	<b>Number of Cases</b>
<b>A. <u>Prosecution</u></b> Number of summonses applied during the month - <i>Non-enrolment of employees</i> - <i>Non-enrolment (Employee / SEP dispute)</i> - <i>Default contribution</i> - <i>False statement</i> - <i>Obstruct Authority in the exercise or performance of functions</i>	71 1 0 70 0 0
<b>B. <u>Contribution Surcharge</u></b> (@5% of the contributions in arrears) Number of Notices issued to employers	21 900
<b>C. <u>Submission to the Small Claims Tribunal</u></b> - Number of cases submitted - Number of employees involved	184 963
<b>D. <u>Submission to the District Court</u></b> - Number of cases submitted - Number of employees involved	13 975
<b>E. <u>Submission to the High Court</u></b> - Number of cases submitted - Number of employees involved	1 335
<b>F. <u>Submission to liquidators / receivers</u></b> - Number of cases submitted	35
<b>G. <u>Proactive Inspections</u></b> - Number of employment establishments visited	138

### **Education and Publicity**

9. During the month under review, the TV series of five one-minute programmes “Smart Employees, Smart MPF Tips” (打工仔積金有計) was re-run from 26 February to 2 March 2007 on ATV-Local Channel to provide practical tips to the general public on how to take care of their MPF investment. To augment the overall impact, the TV series was also broadcast on RoadShow Media on buses and TV panels on KCR trains from 12 February to end of March 2007.

10. In addition, the MPFA participated in the “Education and Career Expo 2007” which was co-organised by the Labour Department and Hong Kong Trade Development Council from 1 to 4 February 2007. An exhibition booth was staged to promote the benefits of early planning for retirement and the key messages of the MPF System. The Expo had attracted more than 191,000 visitors.

11. For the Industry Schemes publicity, a series of sponsorship programmes continued to roll out to disseminate MPF messages to the employees of the construction industry through the labour union’s monthly newsletters, and distribution of leaflets and give-away items at the labour centres.

12. Community outreach activities continued. An MPF district carnival, being part of a series of partnership programmes with political parties, was held in February 2007 in Kwai Tsing District. One talk was arranged for university students on MPF investment during the month.

13. On the media front, 15 press releases were issued to the media and 17 articles were published in newspapers, focusing mainly on the benefits of early retirement planning, and reminding the scheme members not to make false statements when applying for early withdrawal of MPF benefits.

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

Mandatory Provident Fund Schemes Authority  
2 March 2007