

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress report as at the end of March 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 March 2007 is as follows:

	Number of Participants*			Enrolment Rate		
	As at 31.03.2007	As at 28.02.2007	Change	As at 31.03.2007	As at 28.02.2007	Change
Employers	234 300	233 800	+500	98.8%	99.1%	-0.3%
Employees	2 052 300	2 084 000	-31 700	97.5%	98.3%	-0.8%
Self-employed persons (SEPs)	284 100	284 300	-200	75.6%	74.3%	+1.3%

* to the nearest 100

3. The enrolment rates of employers and employees decreased by 0.3% and 0.8% respectively. The enrolment rate of SEPs increased by 1.3%. As at the end of March 2007, 15 400 employers, 284 900 employees and 21 400 SEPs were registered under the Industry Schemes¹.

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

Complaint Handling

Complaints received by the MPFA

4. Of the total 783 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in March 2007, 95% concerned scheme members and 516 employers were involved. The breakdown is as follows:

<u>Nature of complaints received in March 2007</u>	<u>% *</u>
(A) Complaints concerning scheme members:	
➤ Wrongful reduction of wages / benefits	5
➤ Involuntary change from employee to SEP	0
➤ Non-enrolment in MPF Schemes	29
➤ Default contribution	87
➤ Others (e.g. dismissal; no pay records)	11
(B) Complaints concerning trustees, intermediaries, Occupational Retirement Schemes Ordinance (ORSO) etc	7

* *Multiple selections allowed.*

Complaints received by the Labour Department (“LD”)

5. In March 2007, the LD received 14 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of the 41 complaints received from 1 January 2007 to the end of March 2007:

- 5 cases were resolved after conciliation or advice given;
- 11 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 23 cases where the employees had lodged claims with the LD were awaiting conciliation result; and
- 2 cases were awaiting the employees’ 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 March 2007 are summarized below:

Enforcement action in March 2007	Number of Cases
A. <u>Prosecution</u> 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>	66 3 0 63 0 0
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) Number of Notices issued to employers	23 000
C. <u>Submission to the Small Claims Tribunal</u> - Number of cases submitted - Number of employees involved	48 132
D. <u>Submission to the District Court</u> - Number of cases submitted - Number of employees involved	7 364
E. <u>Submission to the High Court</u> - Number of cases submitted - Number of employees involved	1 121
F. <u>Submission to liquidators / receivers</u> - Number of cases submitted	21
G. <u>Proactive Inspections</u> - Number of employment establishments visited	71

Education and Publicity

9. The TV series of five one-minute programmes “Smart Employees, Smart MPF Tips” (打工仔積金有計) continued to broadcast on RoadShow Media on buses and TV panels on KCR trains in March 2007 to provide practical tips to the general public on how to take care of their MPF investment. The TV series was also broadcast at other venues including the MPFA Tsuen Wan Branch Office and investment seminars organized by trustees.

10. For publicity relating to the Industry Schemes, two seminars-cum-dinners were held in partnership with the labour unions in the catering and hotel industries respectively. In addition, MPF messages were disseminated to the employees in the construction industry under a series of sponsorship programmes with labour unions, including monthly newsletters, distribution of leaflets and give-away items at the labour centres.

11. Community outreach activities continued. Ten MPF district carnivals, being part of a series of partnership programmes with political parties, were held in March. Three talks were arranged for labour unions and community groups during the month.

12. On the media front, 21 press releases were issued to the media and 15 articles were published in newspapers, focusing mainly on the benefits of early retirement planning, and reminding the scheme members to choose funds wisely at different life stages, particularly for those members who were close to retirement age.