

LegCo Panel on Manpower

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

	Number of Participants*			Enrolment Rate		
	As at 30.04.2007	As at 31.03.2007	Change	As at 30.04.2007	As at 31.03.2007	Change
Employers	235 300	234 300	+1 000	99.2%	98.8%	0.4%
Employees	2 053 400	2 052 300	+1 100	97.5%	97.5%	-
Self-employed persons (SEPs)	283 900	284 100	-200	75.6%	75.6%	-

* to the nearest 100

3. The enrolment rate of employers increased by 0.4%. The enrolment rates of employees and SEPs remained stable. As at the end of April 2007, 15 500 employers, 286 600 employees and 21 400 SEPs were registered under the Industry Schemes¹.

Complaint Handling

Complaints received by the MPFA

4. Of the total 585 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in April 2007, 95% concerned scheme members and 417 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 April 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)	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 April 2007, the LD received 15 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of the 56 complaints received from 1 January 2007 to the end of April 2007:

- 9 cases were resolved after conciliation or advice given;
- 21 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 1 case where the employer was insolvent was referred to the Legal Aid Department, the Official Receiver’s Office and the Protection of Wages on Insolvency Fund; and
- 25 cases where the employees had lodged claims with the LD were awaiting conciliation result.

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 April 2007 are summarized below:

Enforcement action in April 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>	71 2 0 69 0 0
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) Number of Notices issued to employers	26 000
C. <u>Submission to the Small Claims Tribunal</u> - Number of cases submitted - Number of employees involved	56 269
D. <u>Submission to the District Court</u> - Number of cases submitted - Number of employees involved	19 534
E. <u>Submission to the High Court</u> - Number of cases submitted - Number of employees involved	0 0
F. <u>Submission to liquidators / receivers</u> - Number of cases submitted	17
G. <u>Proactive Inspections</u> - Number of employment establishments visited	97

Education and Publicity

9. In order to broaden the coverage of the TV series “Smart Employees, Smart MPF Tips” (打工仔積金有計) at the community level, the series of five one-minuters was arranged to broadcast at seven district carnivals co-organized by the MPFA and various political parties from March to May 2007 to provide practical tips to the participants on how to take care of their MPF investment.

10. For the Self-Employed Persons publicity, a series of sponsorship programmes was organized with the Federation of Hong Kong Transport Workers Organization during the month under review. MPF messages were disseminated to its members and the general public through a train-the-trainers workshop and five public seminars, and the leaflets and give-away items distributed to them at the events.

11. Community outreach activities continued. Six MPF district carnivals, being part of a series of partnership programmes with political parties, were held in April 2007. In addition, five talks were arranged for labour unions, tertiary institution and community groups during the month.

12. During the month, a sponsorship programme was co-organized with the Hong Kong Confederation of Trade Unions, in the format of a carnival in Tuen Mun to disseminate the MPF messages to its members and the general public.

13. On the media front, 16 press releases were issued to the media on the MPFA’s enforcement actions and 13 articles were published in newspapers, focusing mainly on member protection and the proposed amendments of MPF legislation such as the inclusion of housing allowance as part of MPF relevant income, and streamlining the default contribution recovery procedures.