

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress report as at the end of November 2006

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 2006 is as follows:

	Number of Participants*			Enrolment Rate		
	As at 30.11.2006	As at 31.10.2006	Change	As at 30.11.2006	As at 31.10.2006	Change
Employers	231 500	231 300	+ 200	99.1%	99.0%	+ 0.1%
Employees	2 058 200	2 057 800	+ 400	98.9%	98.9%	-
Self-employed persons (SEPs)	285 200	284 200	+ 1 000	74.7%	74.4%	+ 0.3%

* to the nearest 100

3. The enrolment rates of employers and SEPs increased by 0.1% and 0.3% respectively. The enrolment rate of employees remained stable. As at the end of November 2006, 15 300 employers, 279 900 employees and 21 600 SEPs were registered under the Industry Schemes¹.

Complaint Handling

Complaints received by the MPFA

4. Of the total 785 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in November 2006, 97% concerned scheme members and 461 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 2006</u>	<u>% *</u>
(A) Complaints concerning scheme members:	
➤ Wrongful reduction of wages / benefits	2
➤ Involuntary change from employee to SEP	0
➤ Non-enrolment in MPF Schemes	29
➤ Default contribution	90
➤ Others (e.g. dismissal; no pay records)	8
(B) Complaints concerning trustees, intermediaries, Occupational Retirement Schemes Ordinance (ORSO) etc	4
* <i>Multiple selections allowed.</i>	

Complaints received by the Labour Department (“LD”)

5. In November 2006, the LD received 17 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of the total 228 complaints received from 1 January 2006 to the end of November 2006:

- 97 cases were resolved after conciliation or advice given;
- 101 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 4 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; and
- 26 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 proactive inspections of employment premises, investigation of complaints, making claims at law courts on behalf of employees to recover the outstanding default contributions, imposing financial penalties on and prosecuting defaulting employers.

8. The enforcement actions taken by the MPFA in November 2006 are summarized below:

Enforcement action in November 2006	Number of Cases
A. <u>Prosecution</u>	
Number of summonses applied during the month	40
- <i>Non-enrolment of employees</i>	1
- <i>Non-enrolment (Employee / SEP dispute)</i>	0
- <i>Default contribution</i>	39
- <i>False statement</i>	0
- <i>Obstruct Authority in the exercise or performance of functions</i>	0
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) Number of Notices issued to employers	22 900
C. <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	62
- Number of employees involved	162
D. <u>Submission to the District Court</u>	
- Number of cases submitted	10
- Number of employees involved	111
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	17
G. <u>Proactive Inspections</u>	
- Number of employment establishments visited	186

Education and Publicity

9. The second phase of the MPF Investment Education Campaign with the theme "Look After Your MPF Investment. Add Value to Your Future." (多一分關心 多一分保障 強積金) continued to roll out in November 2006. The 15-second TV API series was broadcast on buses, and the posters under the same theme continued to be displayed in KCR stations to encourage members of the public to take care of their MPF investment.

10. In addition, an outreach activity was organised with the support of the Sham Shui Po District Council to disseminate MPF messages to employers and employees of eating establishments in the district.

11. For self-employed persons (SEPs), two outreach programmes were arranged in November in collaboration with associations of minibus drivers and taxi drivers to publicize the rights and responsibilities of SEPs under the MPF System.

12. On the media front, 21 press releases were issued to the media and 16 articles were published in newspapers, focusing mainly on the MFPA's enforcement measures against non-compliant employers and scheme member protection. In addition, messages on stepping up the imposition of financial penalties on defaulting employers were disseminated to the scheme members through trustees' newsletters and websites.

13. For community outreach activities, five talks were organised for labour unions and community groups during the month.

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