

## LegCo Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – January 2011

#### Purpose

This paper is the monthly update on the Mandatory Provident Fund (MPF) System.

#### Enrolment

2. The estimated enrolment statistics are as follows:

	Enrolment*			Enrolment Rate		
	As at 31.01.2011	As at 31.12.2010	Change	As at 31.01.2011	As at 31.12.2010	Change
<b>Employers</b>	244 700	244 000	+ 700	99%	99%	-
<b>Employees</b>	2 266 000	2 261 600	+4 400	99%	99%	-
<b>Self-employed persons (SEPs)</b>	260 400	260 500	-100	80%	80%	-

\* to the nearest 100

3. The enrolment rates of employers, employees and SEPs remained unchanged. As at the end of January 2011, 17 700 employers, 373 600 employees and 18 800 SEPs were registered under the Industry Schemes<sup>1</sup>.

#### Complaint Handling

##### Complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) on system operation

4. In January 2011, 375 complaints were received by the MPFA, of which 334 complaints were made against 280 employers. The nature of the complaints received was as follows:

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<sup>1</sup> These figures have excluded double registration between the two Industry Schemes trustees.

	<u>Number of complaints<sup>^</sup></u>
(A) Complaints concerning Scheme members:	
➤ Involuntary change from “employee” status to “SEP” status	1
➤ Non-enrolment in MPF Schemes	143
➤ Default contribution	311
➤ Others (e.g. dismissal; no pay records)	76
(B) Complaints concerning Trustees, Intermediaries, Schemes under the Occupational Retirement Schemes Ordinance (“ORSO”), etc	41

<sup>^</sup> *Included multiple selections.*

Complaints received by the Labour Department (“LD”)

5. In January 2011, the LD received 19 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution. The employees involved were awaiting conciliation result.

**Enforcement**

6. The MPFA continued to enforce the Mandatory Provident Fund Schemes Ordinance by investigating complaints, inspecting employment premises, making claims at law courts on behalf of employees to recover outstanding default contributions, and prosecuting non-compliant employers.

7. Recent enforcement actions taken by the MPFA are summarized below:

<b>Enforcement action in January 2011</b>	<b>Number of Cases</b>
A. <u>Prosecution</u>	
Number of summonses applied during the month	200
- <i>Non-enrolment of employees</i>	12
- <i>Non-enrolment (Employee / SEP dispute)</i>	0
- <i>Default contribution</i>	159
- <i>False statement</i>	29
- <i>Failure to comply with a lawful requirement made by the Authority in the course of exercising or performing its functions</i>	0

Enforcement action in January 2011	Number of Cases
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) - Number of employers with notices issued	20 800
C. <u>Submission to the Small Claims Tribunal</u> - Number of cases submitted - Number of employees involved	30 191
D. <u>Submission to the District Court</u> - Number of cases submitted - Number of employees involved	5 50
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	19
G. <u>Proactive Inspections</u> - Number of employment establishments visited	186

## Education and Publicity

8. The MPF Investment Education Campaign continued in January to publicize the six major decision points of a scheme member's MPF investment journey. Time-check messages on MPF investment and a series of 10-episode 1-minute radio segments, focusing on the "Life Journey of MPF Investment"「積金生活之旅」, presented by financial experts and celebrities were broadcast on a Cantonese radio station from 3 to 16 January and from 17 to 30 January respectively. Furthermore, bus body advertisements on 60 buses and promotion on 100 webuses with wi-fi access to video clips on MPF investment decision-making process was arranged.

9. To express our goodwill and take the festive occasion of Chinese New Year to publicize the slogans of the six major decision points in a member's lifelong MPF investment process, a series of specially designed Fai Chun and red packet of the "JJ Five Band", each representing one type of MPF fund, were

distributed to stakeholders. Moreover, the Fai Chun was widely distributed to the general public via a popular newspaper on 28 January.

10. To encourage the general public to make use of the MPF Contribution Enquiry Line for checking their MPF account status, a number of publicity initiatives including print advertisements in a free newspaper and an online flash banner on a popular web portal were engaged to promote the hotline. A flyer was also produced for wide distribution to the public.

11. In order to encourage employers to offer more MPF scheme choices for their employees, a leaflet explaining the factors to consider and steps to follow when choosing an MPF scheme was produced. Contribution articles carrying similar messages were published in the publications of three organizations including an industry federation and a chamber of commerce.

12. Youth education activities continued. Selected winning entries of the “Parenting Creating Drawing Competition for Kindergarten Kids” were displayed at the Community Art Gallery of an MTR station and 17 skit performances were presented at secondary schools to encourage youngsters to cultivate a good habit of saving for the future. Meanwhile, a series of Multimedia Training Workshops, as part of the initiatives for an Inter-University Multimedia Creative Competition on MPF(「積金人生多面睇」大學聯校多媒體創作大賽), was organized for university students in which they would acquire knowledge on financial planning, MPF investment, skills in multimedia production as well as tips on how to promote MPF messages via video. Moreover, a talk on MPF was conducted to disseminate the MPF messages to university students.

13. To reach out to members of the community and help them obtain a better understanding of the purposes of MPF investment, seven MPF talks were conducted for labour relations officers, union members, employees and the general public. Moreover, MPF consultation services and two MPF district carnivals, being part of the partnership programme with a political party and two District Council members, were also conducted for the community.

14. On the media front, 11 press releases regarding MPFA’s enforcement actions were issued. Besides, different publications carried 19 articles contributed by the MPFA on various aspects of the MPF System and MPF investment.

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