

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – May 2011

Purpose

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

Enrolment

2. The estimated enrolment statistics are as follows:

	Enrolment*			Enrolment Rate		
	As at 31.05.2011	As at 30.04.2011	Change	As at 31.05.2011	As at 30.04.2011	Change
Employers	247 400	247 500	-100	100%	100%	-
Employees	2 281 700	2 278 300	+3 400	99%	99%	-
Self-employed persons (SEPs)	241 200	241 300	-100	77%	77%	-

* to the nearest 100

3. The enrolment rates of employers, employees and SEPs remained stable. As at the end of May 2011, 17 900 employers, 382 400 employees and 18 600 SEPs were registered under the Industry Schemes¹.

Complaint Handling

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

4. In May 2011, 416 complaints were received by the MPFA, of which 393 complaints were made against 298 employers. The nature of the complaints received was as follows:

¹ These figures have excluded double registration between the two Industry Schemes trustees.

	<u>Number of complaints[^]</u>
(A) Complaints concerning Scheme members:	
➤ Involuntary change from “employee” status to “SEP” status	3
➤ Non-enrolment in MPF Schemes	168
➤ Default contribution	355
➤ Others (e.g. dismissal; no pay records)	83
(B) Complaints concerning Trustees, Intermediaries, Schemes under the Occupational Retirement Schemes Ordinance, etc	23

[^] Included multiple selections.

Complaints received by the Labour Department (“LD”)

5. In May 2011, the LD received 22 MPF-related complaint cases, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 96 complaint cases received from January 2011 to May 2011:
- 27 cases were resolved after conciliation or advice given;
 - 36 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
 - 33 cases where the employees had lodged claims with the LD were awaiting conciliation result.

Enforcement

7. 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.

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

Enforcement action in May 2011	Number of Cases
A. <u>Prosecution</u> Number of summonses applied during the month - <i>Non-enrolment of employees</i> - <i>Default contribution</i> - <i>False statement</i>	270 11 252 7
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) - Number of employers with notices issued	17 000
C. <u>Submission to the Small Claims Tribunal</u> - Number of cases submitted - Number of employees involved	40 151
D. <u>Submission to the District Court</u> - Number of cases submitted - Number of employees involved	6 320
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	13
G. <u>Proactive Inspections</u> - Number of employment establishments visited	233

Education and Publicity

9. The MPF Investment Education Campaign continued in May to publicize the six major decision points of a scheme member's MPF investment journey. Time-check messages on MPF investment were broadcast on a Cantonese radio station from 23 May to 5 June. Telecast of a video series entitled "Making Informed Decisions for Your MPF Life" 「積金人生 決策審慎」 was arranged on out-of-home media platforms including RoadShow on buses, TV panels in the lobbies of commercial buildings and a TV wall in

Causeway Bay. Furthermore, seat-back advertisements that promoted the slogans of the six major decision points were arranged on 30 buses for three weeks starting from 20 May. In order to address those areas of MPF investment which scheme members need better understanding, explanations in Q&A format were uploaded on the MPFA website.

10. With a view to enhancing the deterrent effect against MPF non-compliance so as to further protect employees' MPF rights, the "Non-Compliant Employer and Officer Records" (NCEOR) were posted on the MPFA website on 23 May. The public could check the records of employers and their officers who breached the Mandatory Provident Fund Schemes Ordinance in the past five years. Stakeholders like representatives of labour unions and Consumer Council were briefed on the objectives and how to make use of the NCEOR.

11. For youth education, a training workshop entitled "Financial Planning and Personal Development", co-organized with the Hong Kong Teachers' Centre of the Education Bureau, was conducted on 14 May. Concepts of financial planning and knowledge on MPF were presented in the workshop and teaching kits were given out to 46 participating teachers to facilitate their in-class teaching in Liberal Studies. In order to promote the fan page for MPFA youth programme on a social media platform, online voting for the best slogan under the theme of "Rolling My Money To Generate Compounding Effect" 「積少成多 將錢滾大」 was held between 9 May to 31 May.

12. To reach out to members of the community and to educate them on MPF investment, 11 MPF talks were conducted for students of a tertiary institution and a construction industry council, civil servants, members of a labour union and the general public.

13. On the media front, to tie in with the launch of the NCEOR, the MPFA organized a media briefing and issued a press release on this initiative. The media were briefed to help promote the deterrent effect of the NCEOR as well as the transparency of the MPFA's enforcement actions. In addition, 14 press releases were issued on the MPFA's enforcement actions and the publication of a new booklet. Different publications also carried a total of 16 articles contributed by the MPFA on various aspects of the MPF System and MPF investment.

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