

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – November 2010

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 30.11.2010	As at 31.10.2010	Change	As at 30.11.2010	As at 31.10.2010	Change
Employers	243 200	242 400	+800	98%	98%	-
Employees	2 248 000	2 240 500	+7 500	100%	100%	-
Self-employed persons (SEPs)	260 900	261 000	-100	78%	78%	-

* to the nearest 100

3. The enrolment rates of employers, employees and SEPs remained unchanged. As at the end of November 2010, 17 500 employers, 368 000 employees and 18 900 SEPs were registered under the Industry Schemes¹.

Complaint Handling

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

4. In November 2010, 428 complaints were received by the MPFA, of which 385 complaints were made against 326 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	2
➤ Non-enrolment in MPF Schemes	148
➤ Default contribution	351
➤ Others (e.g. dismissal; no pay records)	77
(B) Complaints concerning Trustees, Intermediaries, schemes under the Occupational Retirement Schemes Ordinance (“ORSO”), etc	43

[^] Included multiple selections.

Complaints received by the Labour Department (“LD”)

5. In November 2010, the LD received 26 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 235 complaints received in the period from January to November 2010 :

- 90 cases were resolved after conciliation or advice given;
- 97 cases were referred to the Labour Tribunal/ Minor Employment Claims Adjudication Board for adjudication;
- 9 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
- 39 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 November 2010	Number of Cases
<p>A. <u>Prosecution</u> Number of summonses applied during the month</p> <ul style="list-style-type: none"> - <i>Non-enrolment of employees</i> 16 - <i>Non-enrolment (Employee / SEP dispute)</i> 0 - <i>Default contribution</i> 177 - <i>False statement</i> 38 - <i>Failure to comply with a lawful requirement made by the Authority in the course of exercising or performing its functions</i> 1 	<p>232</p>
<p>B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears)</p> <ul style="list-style-type: none"> - Number of employers with notices issued 	<p>20 400</p>
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> - Number of cases submitted 28 - Number of employees involved 169 	
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> - Number of cases submitted 8 - Number of employees involved 144 	
<p>E. <u>Submission to the High Court</u></p> <ul style="list-style-type: none"> - Number of cases submitted 0 - Number of employees involved 0 	
<p>F. <u>Submission to liquidators / receivers</u> Number of cases submitted</p>	<p>12</p>
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> - Number of employment establishments visited 	<p>140</p>

Education and Publicity

9. The MPF Investment Education Campaign continued in November to publicize the six major decision points of a scheme member's MPF investment journey. A roving exhibition was held at a shopping mall in the New Territories from 12 to 14 November. The exhibition comprised exhibits, game booths, and MPF counters which offered free and professional MPF information services by Certified Financial Planners. A number of advertising platforms including an online flash banner on a popular web portal and a print advertisement in a free newspaper were engaged to promote the event.

10. Telecast of a series of 20-second TV Announcements in the Public Interest (APIs) and 1-minute video clips entitled "Making Informed Decisions for Your MPF Life" 「積金人生 決策審慎」 were arranged on two free local TV channels and TV panels on MTR trains at the East Rail, West Rail, and Ma On Shan Line respectively. An on-line game for promoting the video series was launched at a popular web portal. Furthermore, seat-back advertisements that promote the slogans of the six major decision points were arranged on 50 buses for three weeks from 26 November. Time-check messages and radio segments entitled "通識 60 秒" were broadcast on an English and a Chinese radio station respectively to promote the tips on MPF investment. Key messages carried in the radio segments were published weekly in a free newspaper.

11. Different youth education activities were conducted in November. The Skit performance was conducted in 14 secondary schools to disseminate messages regarding the benefits of early planning for retirement as well as the merits of MPF and compounding effect of MPF investment to the senior form students. Meanwhile, 38,000 copies of the MPF youth booklet were distributed to all F.7 school leavers through the Careers Sections of local secondary schools. In addition, three MPF talks were conducted to disseminate MPF messages to post-secondary students.

12. Outreaching activities were organized for the construction industry on 22 and 26 November to remind employees under the Industry Schemes their MPF rights and responsibilities. Two outreaching activities for taxi and mini-bus drivers were organized on 11 and 23 November respectively. 1,000 posters highlighting the obligations of self-employed persons and the six major decision points on MPF investment were produced and distributed to mini-bus drivers' and taxi drivers' associations for distribution to their members.

13. For communication with other members of the community, 16 MPF briefing sessions were conducted for labour relations officers, civil servants, employees, union members and the general public. MPF consultation services were also offered to the community through an enquiry counter co-organized with District Council members. Furthermore, two MPF district carnivals, being part of the partnership programme with a political party, were organized to help convey MPF messages to the general public.

14. On the media front, 16 press releases were issued. They covered MPFA's enforcement actions, the registration of two MPF industry schemes for another ten years and awards received by the MPFA. Besides, different publications, including newspapers, magazines and newsletters, carried 18 articles contributed by the MPFA on various aspects of the MPF System.

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

Mandatory Provident Fund Schemes Authority
29 December 2010