

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – September 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 30.9.2010	As at 31.8.2010	Change	As at 30.9.2010	As at 31.8.2010	Change
Employers	241 400	240 300	+1 100	97%	98%	-1%
Employees	2 229 400	2 218 800	+10 600	99%	100%	-1%
Self-employed persons (SEPs)	261 100	261 200	-100	78%	74%	+4%

* to the nearest 100

3. The enrolment rates of employers and employees decreased by 1 percentage point each. The enrolment rate of SEPs increased by 4 percentage points. As at the end of September 2010, 17 400 employers, 363 400 employees and 19 000 SEPs were registered under the Industry Schemes¹.

Complaint Handling

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

4. In September 2010, 445 complaints were received by the MPFA, of which 405 complaints were made against 284 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	163
➤ Default contribution	374
➤ Others (e.g. dismissal; no pay records)	42
(B) Complaints concerning Trustees, Intermediaries, schemes under the Occupational Retirement Schemes Ordinance (“ORSO”), etc	40

[^] *Included multiple selections.*

Complaints received by the Labour Department (“LD”)

5. In September 2010, the LD received 17 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 189 complaints received in 2010 (until the end of September):

- 72 cases were resolved after conciliation or advice given;
- 77 cases were referred to the Labour Tribunal/ Minor Employment Claims Adjudication Board for adjudication;
- 8 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
- 32 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 September 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> 15 - <i>Non-enrolment (Employee / SEP dispute)</i> 2 - <i>Default contribution</i> 184 - <i>False statement</i> 4 - <i>Failing to comply with a lawful requirement made by the Authority in the course of exercising or performing its functions</i> 0 	<p>205</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>19 800</p>
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> - Number of cases submitted 62 - Number of employees involved 245 	
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> - Number of cases submitted 13 - Number of employees involved 343 	
<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>21</p>
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> - Number of employment establishments visited 	<p>183</p>

Education and Publicity

9. The MPFA continued with public communication activities for the MPF Investment Education Campaign to equip scheme members with requisite knowledge for making informed decisions in their lifelong MPF investment journey. A roving exhibition was held at a shopping mall in Kowloon from 3 to 5 September. The exhibition comprised exhibits, game booths, and MPF counters which offered free and professional MPF consultation services by Certified Financial Planners. Furthermore, pre-event advertising including an online flash banner on a popular web portal and an advertisement in a free newspaper were arranged to promote the exhibition. Broadcast of a series of 60-second messages entitled “通識 60 秒” continued on a radio station. Key messages carried in the radio segments were also published weekly in a free newspaper.

10. In order to sustain the publicity on MPF fund features, the TV Announcements in the Public Interest (APIs) featuring the five major types of MPF funds were telecast on MTR stations’ trackside and concourse TV programmes. Print advertisement was also published in the print media simultaneously to augment the advertising impact.

11. A series of youth education activities were carried out in this month. A Parenting Creative Drawing Competition for Kindergarten Kids was launched and a storybook was developed and distributed to 484 kindergartens for some 90,000 pupils. A teaching kit was also provided to each kindergarten to facilitate teachers’ in-class teaching. The objective was to educate kindergarten kids on the proper concept of money management and encourage them to form the good habit of saving for the future. MPF messages were included in the storybook for parents and teachers. It is also the second year that the Education Bureau supported this programme. A media event was held on 15 September to launch the programme.

12. Furthermore, the fourth phase of the Skit Programme, a youth education activity for secondary school students, commenced on 14 September. Messages including the benefits of early planning for retirement, merits of MPF and compounding effect on MPF investment were disseminated to senior form students. 100 skit performances will be conducted in the 2010/11 school year. In addition, two MPF talks were conducted to educate students of tertiary institutions about the MPF System and MPF investment.

13. As regards communication with members of the community, 25 MPF briefing sessions, including one co-organized with a District Council member, were conducted for labour relations officers, civil servants, employees, employers, union members, visitors from the Mainland and the general public.

14. On the media front, 14 press releases were issued on MPFA's enforcement actions and the education programme for kindergarten children. Different media carried 21 articles contributed by the MPFA, explaining various aspects of the MPF System and highlighting the key points to note when making MPF investments. Also, the MPFA worked in collaboration with the Police Public Relations Branch to produce an episode for the Police Magazine to draw public's attention to the offence of making false statements to withdraw accrued benefits on the ground of permanent departure from Hong Kong. The episode was broadcast on local free and paid TV channels in September.

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

Mandatory Provident Fund Schemes Authority
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