

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report –January 2012

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 31.01.2012	As at 31.12.2011	Change	As at 31.01.2012	As at 31.12.2011	Change
Employers	253 000	252 500	+500	98%	98%	-
Employees	2 350 500	2 344 300	+6 200	99%	99%	-
Self-employed persons (SEPs)	229 400	229 400	-	70%	70%	-

* to the nearest 100

3. The enrolment rates of employers, employees and SEPs remained stable. As at the end of January 2012, 18 400 employers, 398 900 employees and 18 300 SEPs were registered under the Industry Schemes¹.

Complaint Handling

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

4. In January 2012, 290 complaints were received by the MPFA, of which 272 complaints were made against 218 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	1
➤ Non-enrolment in MPF Schemes	111
➤ Default contribution	228
➤ Others (e.g. dismissal; no pay records)	77
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	18

[^] *Included multiple selections.*

Complaints received by the Labour Department (“LD”)

5. During 1 to 31 January 2012, the LD received 13 MPF-related complaint cases. They were all related to alleged wrongful deduction of wages and default contribution, and of which:

- 1 case was referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- 12 cases where the employees had lodged claims with the LD 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:

Enforcement action in January 2012	Number of Cases
<p>A. <u>Prosecution</u></p> <p>Number of summonses applied during the month</p> <ul style="list-style-type: none"> - <i>Non-enrolment of employees</i> 7 - <i>Non-enrolment (Employee / SEP dispute)</i> 1 - <i>Default contribution</i> 110 - <i>False statement</i> 8 	<p>126</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>17 800</p>
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> - Number of cases submitted 30 - Number of employees involved 102 	
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> - Number of cases submitted 3 - Number of employees involved 48 	
<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></p> <ul style="list-style-type: none"> - Number of cases submitted 	<p>13</p>
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> - Number of employment establishments visited 	<p>250</p>

Education and Publicity

8. The MPF Investment Education Campaign continued in January to equip members of the public with the basic knowledge for making informed decisions in their lifelong MPF investment journey. The video series “Making Informed Decisions for Your MPF Life” (「積金人生決策審慎」) was telecast on the outdoor video walls at two high traffic shopping malls in Tsim Sha Tsui, TV panels on MTR platform and concourse as well as TV panels on buses.

9. There was continued publicity of a series of five episodes of comic strips engaging a popular local comic character “Maggiology” (「馬仔」). During the month, the comic strips were launched in the Smartphone applications of a popular online portal, a monthly magazine of a TV station, bus seatback stickers and in-train tube cards at MTR East Rail, West Rail, Ma On Shan Rail and Light Rail Lines to publicize investment education messages.

10. A series of radio programmes was launched on a local radio station. Six versions of 15-second time-check messages were broadcast while six versions of 30-second video messages were launched on the website of the radio station. Furthermore, six episodes of a radio drama and an online quiz game to tie in with the drama were launched.

11. Initiatives targeting the English-speaking community were arranged in January to publicize the messages about the six major decision points. Short and punchy messages were broadcast on an English channel of a local radio station. In addition, print advertisements were published on two local English newspapers.

12. To express MPFA’s goodwill and make use of the festive occasion of Chinese New Year to publicize MPF messages, a lucky windmill and a fortune mug with a silicon lid, featuring the “JJ Five Band”, were distributed to various stakeholders. Moreover, the lucky windmill was widely distributed to the general public via a popular newspaper.

13. Youth education activities continued in January to educate students on proper attitudes towards money management as well as knowledge on MPF. A Game Day cum Prize Presentation Ceremony was held for the 2011/12 MPFA Recognition Programme for Primary School Students. MPFA also disseminated messages on money management concepts and MPF to both students and their parents through interesting games, seminars and an

exhibition. For the Skit Programme, 11 performances were staged at secondary schools to encourage youngsters to cultivate a good habit of saving for the future. In addition, booklets introducing the MPF System and investment were sent to Form 6 and Form 7 graduates of all local secondary schools. For the Multimedia Competition for Students of Tertiary Institutions, a series of multimedia training workshops was organized for participating students through which they would acquire knowledge on financial planning, MPF investment and skills in multimedia production.

14. A total of seven talks on MPF were delivered in January to civil servants, employees and the general public to educate the community on the MPF System and MPF investment.

15. During the reporting period, 11 press releases were issued. One of them was on MPFA's youth education programme while the others were on MPFA's enforcement actions. 16 articles contributed by the MPFA on various aspects of the MPF System and MPF investment were published in different publications.

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

Mandatory Provident Fund Schemes Authority
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