

## LegCo Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – February 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 29.02.2012	As at 31.01.2012	Change	As at 29.02.2012	As at 31.01.2012	Change**
<b>Employers</b>	253 600	253 000	+600	98%	98%	-
<b>Employees</b>	2 353 000	2 350 500	+2 500	100%	99%	-
<b>Self-employed persons (SEPs)</b>	229 100	229 400	-300	69%	70%	-

\* to the nearest 100

\*\* changes are derived from unrounded figures and are rounded off to the nearest integer

3. The enrolment rates of employers, employees and SEPs remained stable. As at the end of February 2012, 18 500 employers, 400 900 employees and 18 200 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 February 2012, 336 complaints were received by the MPFA, of which 314 complaints were made against 239 employers. The nature of the complaints received was as follows:

<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	120
➤ Default contribution	281
➤ Others (e.g. dismissal; no pay records)	52
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	22

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

#### Complaints received by the Labour Department (“LD”)

5. In February 2012, the LD received 23 MPF-related complaint cases. They were all related to alleged wrongful deduction of wages and default contribution.

6. Of the 36 complaint cases received from 1 January to 29 February 2012:

- 2 cases were resolved after conciliation or advice given;
- 3 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 2 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
- 29 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:

<b>Enforcement action in February 2012</b>	<b>Number of Cases</b>
<p>A. <u>Prosecution</u></p> <p>Number of summonses applied during the month</p> <ul style="list-style-type: none"> <li>- <i>Non-enrolment of employee</i> 4</li> <li>- <i>Default contribution</i> 75</li> <li>- <i>False statement</i> 2</li> </ul>	81
<p>B. <u>Contribution Surcharge</u> (5% of the contributions in arrears)</p> <ul style="list-style-type: none"> <li>- Number of employers with notices issued</li> </ul>	20 400
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted 35</li> <li>- Number of employees involved 114</li> </ul>	114
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted 7</li> <li>- Number of employees involved 352</li> </ul>	352
<p>E. <u>Submission to the High Court</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted 0</li> <li>- Number of employees involved 0</li> </ul>	0
<p>F. <u>Submission to liquidators / receivers</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted</li> </ul>	13
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> <li>- Number of employment establishments visited</li> </ul>	267

## **Education and Publicity**

9. Promotion activities for the MPF Investment Education Campaign continued during the month with the aim of equipping scheme members 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 a paid local TV channel, Mong Kok Post Office, an online portal and an outdoor video wall in Central.

10. 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 shown on an online portal, a free newspaper, a weekly magazine, four-sheet panels at Tsim Sha Tsui ferry pier, digital panels at Mong Kok Post Office and some MTR stations, as well as broadview banners on MTR trains to publicize investment education messages.

11. On the other hand, in order to encourage MPF scheme members to manage their preserved accounts (PAs) proactively, a thematic campaign using online media as key communication platform was developed in view of the increasing trend of getting quick knowledge online. A quiz game featuring “Maggiology” was the core element of the campaign with the aim of disseminating relevant knowledge to assist scheme members in managing their PAs. Advertisements were placed in free Chinese newspapers and popular websites from late February to early March to publicize the game and promote participation. In addition, to encourage scheme members to develop good habits of keeping key MPF documents for better management of their PAs, a “Maggiology” MPF folder with educational messages was produced as a giveaway to participants of the online quiz game under the campaign.

12. With a view to stepping up publicity on MPFA’s enforcement actions and enhancing the deterrent effect against non-compliance, the MPFA collaborated with the television division of a local radio station to produce a five-episode TV drama series named《識法保積金》which was broadcast on two free and one paid local TV channels on five consecutive Sundays from 12 February to 11 March. Each episode of the drama series could be reviewed on the MPFA website and the Programme Archive of the radio station’s website after the broadcast.

13. For youth education, to wrap up the Kindergarten Programme, a finale of Acting Competition cum Prize Presentation Ceremony was held on 25 February. Furthermore, money management concepts and MPF messages

were disseminated to kindergarten kids and their parents through a seminar and an exhibition. For the Skit Programme, eight skit performances were conducted at secondary schools to encourage students to cultivate a good habit of saving for the future. Two secondary school-based “Other Learning Experience” activities and two training workshops for the participants of the Multimedia Competition on MPF for Students of Tertiary Institutions were also carried out.

14. The MPFA participated in the “Education and Careers Expo 2012” organized by the Hong Kong Trade Development Council from 9 to 12 February. An exhibition booth was staged to enhance the understanding of the workforce and students on the MPF System and MPF investment. Around 6 000 members of the public visited the booth. In addition, the MPFA also participated in a youth career and education fair from 24 to 25 February.

15. A total of 21 talks on MPF were delivered in February to employers, employees, civil servants, a political party, students and the general public to educate the community on the MPF System and MPF investment.

16. During the reporting period, the MPFA organized a media briefing to introduce MPFA’s enforcement initiatives in 2012-13, highlighting the imposition of financial penalties on employers who habitually defaulted on MPF contributions. The briefing also introduced the new TV drama series 《識法保積金》.

17. Separately, 15 press releases were issued, two of which were on MPFA's public education initiatives targeting scheme members and kindergarten children and their parents respectively while the others were on MPFA's enforcement actions. Eighteen articles contributed by the MPFA on various aspects of the MPF System and MPF investment were published in different publications.

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