

## LegCo Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – September 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 30.09.2011	As at 31.08.2011	Change**	As at 30.09.2011	As at 31.08.2011	Change**
<b>Employers</b>	252 100	251 000	+1 100	99%	99%	-1%
<b>Employees</b>	2 330 100	2 324 800	+5 300	100%	100%	-
<b>Self-employed persons (SEPs)</b>	240 500	240 700	-200	74%	77%	-4%

\* to the nearest 100

\*\* changes are derived from unrounded figures

3. The enrolment rates of employers and SEPs dropped by 1 and 4 percentage points respectively. The enrolment rate of employees remained stable. As at the end of September 2011, 18 300 employers, 393 500 employees and 18 400 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 September 2011, 370 complaints were received by the MPFA, of which 333 complaints were made against 260 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	4
➤ Non-enrolment in MPF Schemes	131
➤ Default contribution	304
➤ Others (e.g. dismissal; no pay records)	57
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	37

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

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

5. In September 2011, the LD received 17 MPF-related complaint cases, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 184 complaint cases received from 1 January 2011 to 30 September 2011:

- 69 cases were resolved after conciliation or advice given;
- 76 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 5 cases where the employer was insolvent was referred to the Legal Aid Department, the Official Receiver’s Office and the Protection of Wages on Insolvency Fund; and
- 34 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 September 2011</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 employees</i> 5</li> <li>- <i>Non-enrolment (Employee / SEP dispute)</i> 6</li> <li>- <i>Default contribution</i> 135</li> <li>- <i>False statement</i> 4</li> </ul>	
<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>	19 700
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted 55</li> <li>- Number of employees involved 141</li> </ul>	
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted 8</li> <li>- Number of employees involved 125</li> </ul>	
<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>	
<p>F. <u>Submission to liquidators / receivers</u></p> <p>Number of cases submitted</p>	13
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> <li>- Number of employment establishments visited</li> </ul>	308

## **Education and Publicity**

9. Publicity for the MPF Investment Education Campaign continued during the month 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 two free local TV channels from 5 September for two weeks and on a popular web portal. A roving exhibition was held at a shopping mall in Siu Sai Wan from 3 to 4 September. The exhibition comprised exhibits, game booths, and MPF consultation services where Certified Financial Planners provided members of the public with free and professional analysis of MPF investment and retirement planning. To promote the event, the MPFA arranged publicity in various media, including newspapers, posters, Internet, plus direct mailers in hardcopy and electronic form to target participants.

10. Moreover, the MPFA co-organized a seminar on MPF investment with a media partner on 17 September to disseminate MPF investment messages to the public. Similar to the roving exhibition, the MPFA also arranged MPF consultation services free of charge on the seminar day. Two advertorials summarizing the views discussed at the Seminar were published on 24 and 26 September respectively.

11. The thematic campaign to publicize the amendment of the minimum level of relevant income for MPF contributions continued in September. TV Announcements in the Public Interest (APIs) in Cantonese and English continued to broadcast on 39 local free and pay TV channels while radio APIs in Cantonese, Putonghua and English were also aired on 12 radio channels.

12. The MPFA rolled out a series of youth education activities in September. To educate kindergarten kids on the proper concept of money management and encourage them to form the good habit of saving for the future, a storybook was developed and distributed to about 650 kindergartens for some 90 000 pupils. A teaching kit was also provided to each kindergarten to facilitate teachers’ in-class teaching. MPF messages were included in the storybook and teaching kit for parents and teachers. A school-based Acting Competition and Parenting Photo Competition were also launched. For the Parenting Programme for Primary School Students, two versions of task books were specially designed for junior (P.1-P.3) and senior (P.4-P.6) primary school students based on their respective levels of knowledge, and distributed to 164 primary schools for some 80 000 pupils. A teaching manual was also provided to facilitate teachers’ in-class teaching. The pupils would learn the

proper attitudes and basic skills in money management through completing the tasks on money management. They were also encouraged to join a competition to share in drawing or writing the merits of saving for the future or their experience in money management. It is also the third year that the Education Bureau has been the supporting organization of the two programmes.

13. To educate members of the community on MPF investment, the MPFA conducted 20 MPF talks for civil servants, union members, human resources practitioners, self-employed persons, employers, employees and the general public. Moreover, MPF consultation services were also provided to the community through two enquiry counters co-organized with District Council members.

14. On the media front, the MPFA issued a press release on 22 September on the MPFA Management Board's discussion of the review report on withdrawal of MPF benefits. Apart from this, 12 other press releases were issued on MPFA's enforcement actions. Separately, different publications carried 18 articles contributed by the MPFA on various aspects of the MPF System and MPF investment.

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

Mandatory Provident Fund Schemes Authority  
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