

## LegCo Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – April 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 30.04.2012	As at 31.03.2012	Change**	As at 30.04.2012	As at 31.03.2012	Change**
<b>Employers</b>	255 400	254 300	+1 100	99%	98%	-
<b>Employees</b>	2 350 900	2 347 300	+3 500	99%	99%	-
<b>Self-employed persons (SEPs)</b>	228 600	228 800	-200	69%	69%	-

\* to the nearest 100

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

3. The enrolment rates of employees, employers and SEPs remained stable. As at the end of April 2012, 18 600 employers, 405 700 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 April 2012, 325 complaints were received by the MPFA, of which 300 complaints were made against 241 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	6
➤ Non-enrolment in MPF Schemes	126
➤ Default contribution	259
➤ Others (e.g. dismissal; no pay records)	61
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	25

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

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

5. In April 2012, the LD received 11 MPF-related complaint cases. They were all related to alleged wrongful deduction of wages and default contribution.

6. Of the 57 complaint cases received from 1 January 2012 to 30 April 2012:

- 12 cases were resolved after conciliation or advice given;
- 19 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 3 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
- 23 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 April 2012</b>	<b>Number of Cases</b>
<p>A. <u>Prosecution</u>                      Number of summonses applied during the month</p> <ul style="list-style-type: none"> <li>- <i>Non-enrolment of employees</i></li> <li>- <i>Default contribution</i></li> <li>- <i>False statement</i></li> </ul>	<p>46</p> <p>3</p> <p>35</p> <p>8</p>
<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>	<p>18700</p>
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted</li> <li>- Number of employees involved</li> </ul>	<p>32</p> <p>111</p>
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted</li> <li>- Number of employees involved</li> </ul>	<p>2</p> <p>77</p>
<p>E. <u>Submission to the High Court</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted</li> <li>- Number of employees involved</li> </ul>	<p>0</p> <p>0</p>
<p>F. <u>Submission to liquidators / receivers</u></p> <ul style="list-style-type: none"> <li>- Number of cases submitted</li> </ul>	<p>10</p>
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> <li>- Number of employment establishments visited</li> </ul>	<p>245</p>

## Education and Publicity

9. During the month, the MPF Investment Education Campaign continued to equip scheme members with the basic knowledge for making informed decisions in their lifelong MPF investment journey. The publicity of the comic strip series engaging a popular local comic character “Maggiology” (「馬仔」) continued. Digital posters of the comic strips were shown on a screen in Mong Kok Post Office to publicize investment education messages.

10. A new issue of the *Summary of Fee Comparative Platform on MPF Funds*, a quarterly publication, was produced to provide simplified fee information on MPF funds for scheme members who do not have convenient access to Internet.

11. With a view to reminding employers of the importance of compliance with MPF obligations under the law, the MPFA issued letters to all employers in April to urge them to make MPF contributions on time, provide employees with pay-records within seven working days after contributions were made and notify trustees after an employee has ceased employment, and draw their attention to the financial penalty that may be imposed on offenders.

12. For youth education, a prize presentation ceremony was held on 18 April to wrap up the Multimedia Competition on MPF for Students of Tertiary Institutions (「積金 MAX 創意」大專多媒體創作大賽). The winning entries were posted on online social media for further dissemination of MPF messages. In addition, school-based Other Learning Experience activities under the New Senior Secondary Curriculum were organized in two secondary schools.

13. To reach out to members of the community and to educate them on MPF investment, an outreaching activity was carried out and 11 MPF talks were conducted for civil servants, employers, employees, students and the community.

14. During the month, finance reporters were briefed on the details of the Employee Choice Arrangement and the benefits transfer process. In addition, 14 press releases were issued. Apart from the press releases on enforcement actions, one press release introduced a new TV game show entitled *MPF Kaleidoscope* which would be telecast on TVB-Jade on five consecutive Wednesday nights in May, and another on the results of MPFA’s multimedia competition for tertiary students. Moreover, 22 articles contributed by the MPFA on various aspects of the MPF System and MPF investment were carried in different publications.

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

Mandatory Provident Fund Schemes Authority  
31 May 2012