

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – November 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 30.11.2011	As at 31.10.2011	Change**	As at 30.11.2011	As at 31.10.2011	Change**
Employers	251 800	251 200	700	98%	98%	-
Employees	2 329 900	2 330 800	-900	100%	100%	-
Self-employed persons (SEPs)	229 500	229 700	-100	70%	70%	-

* to the nearest 100

** changes are derived from unrounded figures

3. The enrolment rates of employers, employees and SEPs remained stable. As at the end of November 2011, 18 300 employers, 393 700 employees and 18 400 SEPs were registered under the Industry Schemes¹.

Complaint Handling

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

4. In November 2011, 387 complaints were received by the MPFA, of which 349 complaints were made against 282 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	8
➤ Non-enrolment in MPF Schemes	157
➤ Default contribution	292
➤ Others (e.g. dismissal; no pay records)	73
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	38

[^] *Included multiple selections.*

Complaints received by the Labour Department (“LD”)

5. In November 2011, the LD received 15 MPF-related complaint cases, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 212 complaint cases received from 1 January 2011 to 30 November 2011:

- 83 cases were resolved after conciliation or advice given;
- 92 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
- 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 November 2011	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> 5 - <i>Non-enrolment (Employee / SEP dispute)</i> 4 - <i>Default contribution</i> 111 - <i>False statement</i> 1 	<p>121</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>20 500</p>
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> - Number of cases submitted 23 - Number of employees involved 54 	
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> - Number of cases submitted 11 - Number of employees involved 179 	
<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> <p>Number of cases submitted</p>	<p>10</p>
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> - Number of employment establishments visited 	<p>275</p>

Education and Publicity

9. Publicity programmes under the MPF Investment Education (IE) Campaign continued in November to equip members of the public with the basic knowledge for making informed decisions in their lifelong MPF investment journey. A one-minute series would be broadcast on a Cantonese radio station for 20 weeks starting from the week of 7 November. The video series “Making Informed Decisions for Your MPF Life” (「積金人生 決策審慎」) was telecast on a number of out-of-home media platforms and a popular online portal in November.

10. To publicize IE messages in an interesting and layman manner, a series of five episodes of comic strips engaging a popular local comic character “Maggiology” (「馬仔」) was developed. During the month, the comic strips were published on various platforms like paid newspaper, bus shelters and an iPhone application.

11. In November, the second burst of publicity for the amendment of the minimum level of relevant income for MPF contributions continued. It included banner advertisements in a popular online portal and a recruitment website, TV Announcements in the Public Interest (APIs) in Cantonese and English on 39 local free and pay TV channels, as well as radio APIs in Cantonese, Putonghua and English on 12 radio channels.

12. Youth education activities continued. The Skit performance entitled “Fortune Cookies” was conducted in 30 secondary schools to educate the junior form students on the proper attitudes and basic concepts of financial planning, as well as to disseminate MPF messages to them. In order to enhance the knowledge of tertiary students on the MPF System and MPF investment with a view to preparing them for joining the MPF System when they take part-time jobs or after their graduation, a Multimedia Competition on MPF (「積金 MAX 創意」大專多媒體創作大賽) was launched. Roving shows were staged at three universities to promote the Competition and disseminate MPF messages.

13. Furthermore, a total of 25 MPF talks were delivered to students of tertiary institutions, civil servants, union members, employers, employees and the general public to educate the community on the MPF System and MPF investment.

14. In this month, a press release was issued on 24 November publicising MPFA’s activities to remind SEPs of their MPF statutory obligations. Apart from this, 15 other press releases were issued on enforcement actions. Separately, different publications carried 18 articles contributed by the MPFA on various aspects of the MPF System and MPF investments.

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

Mandatory Provident Fund Schemes Authority
15 December 2011