

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – April 2013

Purpose

This paper is a 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 30.04.2013	As at 31.03.2013	Change**	As at 30.04.2013	As at 31.03.2013	Change**
Employers	259 100	259 100	-	100%	100%	-
Employees	2 377 900	2 376 400	+1 500	98%	98%	-
Self-Employed Persons (SEPs)	218 600	219 000	-500	64%	65%	-

* rounded to the nearest 100

** Each figure presented in the “Change” column is derived by rounding the difference between the unrounded enrolment/enrolment rate figure of the two months. Each figure in the “Change” column is therefore not the simple difference between the two corresponding monthly figures presented in the table.

3. The enrolment rates of employers, employees and SEPs remained stable. As at the end of April 2013, 19 400 employers, 438 900 employees and 17 600 SEPs were registered under the Industry Schemes¹.

¹ These figures have excluded double registration between the two Industry Schemes trustees.

Complaint Handling

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

4. In April 2013, 397 complaints were received by the MPFA, of which 355 complaints were made against 246 employers. The nature of the complaints received is set out as follows:

	<u>Number of complaints[^]</u>
(A) Complaints concerning scheme members:	
➤ Involuntary change from “employee” status to “SEP” status	4
➤ Non-enrolment in MPF Schemes	163
➤ Default contribution	317
➤ Others (e.g. no pay records)	66
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	42

[^] *Include multiple selections*

Complaints received by the Labour Department (LD)

5. In April 2013, the LD received 11 MPF-related complaint cases. They were all related to alleged wrongful deduction of wages and default contribution.

6. Of the 42 complaint cases received from 1 January 2013 to 30 April 2013:

- 10 cases were resolved after conciliation or advice given;
- 11 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- 21 cases where the employees had lodged claims with the LD were awaiting conciliation results.

Enforcement

7. The MPFA continued to enforce the Mandatory Provident Fund Schemes Ordinance (MPFSO) 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 April 2013	Number of Cases
A. <u>Prosecution</u> Number of summonses applied during the month - <i>Default contribution</i> - <i>False statement</i>	 19 7 12
B. <u>Contribution Surcharge</u> (5% of the contributions in arrears) - Number of employers with notices issued	 22 400
C. <u>Submission to the Small Claims Tribunal</u> - Number of cases submitted - Number of employees involved	 15 27
D. <u>Submission to the District Court</u> - Number of cases submitted - Number of employees involved	 4 109
E. <u>Submission to the High Court</u> - Number of cases submitted - Number of employees involved	 0 0
F. <u>Submission to liquidators / receivers</u> - Number of cases submitted	 15
G. <u>Proactive Inspections</u> - Number of employment establishments visited	 143

Education and Publicity

9. During the month, a briefing on operation of the MPF System and MPF regulations was conducted at a non-governmental organization, with the aim of passing on relevant knowledge to its staff so that they could provide MPF information to the ethnic minorities they serve. Furthermore, the MPFA participated in a job fair targeting the ethnic minorities organized by the Hong Kong Construction Industry Council, distributed leaflets in ethnic minority languages and answered MPF-related enquiries from job-seekers on the spot.

10. For MPF investment education, sharing by three celebrities with positive spirit in their career development continued to be published in newspapers and magazines to remind scheme members of the proper attitude in managing MPF investment.

11. Two quarterly publications carrying fee information on MPF funds extracted from the Fee Comparative Platform on MPFA's website were printed to cater for the needs of scheme members who do not have convenient access to the Internet.

12. The publicity programmes to further enhance public awareness of the Employee Choice Arrangement continued in April. TV and radio Announcements in the Public Interests continued to be broadcast on 37 local TV channels and 20 radio channels respectively, while print advertisements were placed on paper placemats at local restaurants.

13. For youth education, a parenting workshop on money management for kindergarten kids was conducted. For the multimedia competition on MPF for tertiary students, a prize presentation ceremony was held on 25 April to wrap up the programme. On-campus promotions were also held in three tertiary institutions to promote the youth-oriented smartphone application of the MPFA to the students. The MPFA also participated in a youth career and education fair organized by a recruitment magazine from 23 to 24 April.

14. In addition, 23 talks on MPF were given to employees, employers, human resources practitioners, civil servants, tertiary students and the community. A district carnival, a tea gathering and a meeting with a labour union were organized.

15. On the media front, 10 press releases were issued. One publicized an MPFA education programme for students in tertiary institutions, whereas others were on MPFA's enforcement actions. In addition, the MPFA contributed 16 articles to different publications on various aspects of the MPF System and MPF investment.

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

Mandatory Provident Fund Schemes Authority
7 May 2013