

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – May 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 31.05.2013	As at 30.04.2013	Change**	As at 31.05.2013	As at 30.04.2013	Change**
Employers	259 100	259 100	-	100%	100%	-
Employees	2 382 700	2 377 900	+4 900	99%	98%	-
Self-Employed Persons (SEPs)	218 000	218 600	-500	64%	64%	-

* 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. It 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 May 2013, 19 400 employers, 441 200 employees and 17 500 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 May 2013, 464 complaints were received by MPFA, of which 418 complaints were made against 265 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	8
➤ Non-enrolment in MPF Schemes	153
➤ Default contribution	365
➤ Others (e.g. no pay records)	98
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	46

[^] Include multiple selections

Complaints received by the Labour Department (LD)

5. In May 2013, the LD received 13 MPF-related complaint cases. They all involved alleged wrongful deduction of wages and default contribution.

6. Of the 55 complaint cases received from 1 January 2013 to 31 May 2013:

- 16 cases were resolved after conciliation or advice given;
- 18 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 MPFA are summarized below:

Enforcement Action in May 2013	Number of Cases
A. <u>Prosecution</u> Number of summonses applied during the month (- <i>Non-enrolment of employees</i>) (- <i>Default contribution</i>) (- <i>False statement</i>)	30 (4) (19) (7)
B. <u>Contribution Surcharge</u> (5% of the contributions in arrears) - Number of employers with notices issued	24 400
C. <u>Submission to the Small Claims Tribunal</u> - Number of cases submitted - Number of employees involved	42 149
D. <u>Submission to the District Court</u> - Number of cases submitted - Number of employees involved	4 93
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	28
G. <u>Proactive Inspections</u> - Number of employment establishments visited	146

Education and Publicity

9. For MPF investment education, the video series “Making Informed Decisions for Your MPF Life” (「積金人生 決策審慎」) are being telecast on the TV panels on buses as well as the outdoor video walls at high-patronage shopping malls in Tsim Sha Tsui and Mong Kok from May to June to equip scheme members with the basic knowledge for making informed decisions in their lifelong MPF investment journey.

10. For youth education, seven performances of the interactive drama “Fortune Cookies” were staged as part of the Secondary School Programme to educate junior form secondary students on the proper attitude towards money management. The MPFA also participated in a job fair organized by a charitable organisation on 8 May to provide job seekers with essential MPF information, encourage them to consider consolidating multiple personal accounts for easier management and handle their enquiries on MPF.

11. In addition, a total of 11 talks on MPF were given to employees, employers, civil servants, tertiary students and the community to educate them on the MPF System and MPF investment.

12. In May, 20 press releases on MPFA's enforcement actions were issued. Moreover, MPFA contributed 18 articles to different publications mainly on various aspects of the MPF System and MPF investment.

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

Mandatory Provident Fund Schemes Authority
6 June 2013