

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – August 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 31.08.2013	As at 31.07.2013	Change**	As at 31.08.2013	As at 31.07.2013	Change**
<b>Employers</b>	261 900	261 000	+800	100%	100%	-
<b>Employees</b>	2 414 000	2 405 300	+8 700	100%	99%	-
<b>Self-Employed Persons (SEPs)</b>	216 900	217 400	-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 figures 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 August 2013, 19 700 employers, 450 900 employees and 17 400 SEPs were registered under the Industry Schemes.

## Complaint Handling

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

4. In August 2013, 416 complaints were received by MPFA, of which 380 complaints were made against 277 employers. The nature of the complaints received is set out as follows:

	<u>Number of complaints<sup>^</sup></u>
(A) Complaints concerning scheme members:	
➤ Involuntary change from “employee” status to “SEP” status	3
➤ Non-enrolment in MPF Schemes	154
➤ Default contribution	339
➤ Others (e.g. no pay records)	76
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	36

<sup>^</sup> *Include multiple selections*

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

5. In August 2013, LD received 11 MPF-related complaint cases. They all involved alleged wrongful deduction of wages and default contribution.

6. Of the 92 complaint cases received from 1 January 2013 to 31 August 2013:

- 35 cases were resolved after conciliation or advice given;
- 36 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- 21 cases where the employees had lodged claims with 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:

<b>Enforcement Action in August 2013</b>	<b>Number of Cases</b>
<b>A. <u>Prosecution</u></b>	
Number of summonses applied during the month	96
(- <i>Non-enrolment of employees</i> )	(8)
(- <i>Default contribution</i> )	(77)
(- <i>False statement</i> )	(7)
(- <i>Failure to comply with court order</i> )	(4)
<b>B. <u>Contribution Surcharge</u></b> (5% of the contributions in arrears)	
- Number of employers with notices issued	26 700
<b>C. <u>Submission to the Small Claims Tribunal</u></b>	
- Number of cases submitted	23
- Number of employees involved	89
<b>D. <u>Submission to the District Court</u></b>	
- Number of cases submitted	0
- Number of employees involved	0
<b>E. <u>Submission to the High Court</u></b>	
- Number of cases submitted	0
- Number of employees involved	0
<b>F. <u>Submission to liquidators / receivers</u></b>	
- Number of cases submitted	19
<b>G. <u>Proactive Inspections</u></b>	
- Number of employment establishments visited	191

## **Education and Publicity**

9. To sustain the thematic campaign on promoting a proactive attitude towards MPF investment management and to encourage scheme members to actively manage their MPF investment, online banners and advertorials on the sharing of three celebrities with their initiative and positive spirit in career development were launched in popular lifestyle websites from August to October 2013.

10. To complement the Consolidation of Personal Accounts Project, a thematic campaign on fund transfer was launched to explain the points to note in transferring MPF funds. A 7-episode education column was published in a tabloid in August 2013.

11. To further promote MPF investment education messages to the public, a roving exhibition, being the first one in the 2013/14 series, was held at a shopping mall in Tsz Wan Shan from 31 August to 1 September 2013. The exhibition comprised exhibits, a game booth and an enquiry counter. Participants could also make use of the free MPF consultation services with Certified Financial Planners providing professional analysis on MPF investment and retirement planning. To promote the event, publicity in various media, including advertisements in a free tabloid and on the Internet, posters at public housing estates and direct mailers to housing estates in the vicinity, was arranged.

12. A new leaflet on the amendment of the minimum level of relevant income for MPF contributions was launched in the month to enhance the public's understanding of the amendment and its impact to employees, employers and SEPs. It was mailed to all employers (about 240,000) during late August to early September 2013, together with a poster about the amendment for putting up in business premises. Besides, the leaflet is available on the MPFA website for download and can be obtained from MPFA offices and other distribution channels.

13. A new flyer to remind employers of their MPF obligations and the consequence of non-compliance was launched in the month. It was sent to employers with default contributions starting August.

14. In order to promote the latest development of the MPF System and enhance understanding of essential MPF information among SEPs, the MPFA co-organised an MPF publicity event with a construction industry association on 31 August 2013.

15. In August, a total of eight talks on MPF were given to employers, employees, civil servants and the community to educate them on the MPF System and MPF investment. Two tea gatherings were organized with a political party to reach out to the general public, and a meeting with a labour union was organized.

16. On the media front, 13 press releases on the Authority's enforcement actions were issued. Moreover, the MPFA contributed 17 articles to different publications on various aspects of the MPF System and MPF investment.

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

Mandatory Provident Fund Schemes Authority  
17 September 2013