

LegCo Panel on Manpower

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

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 31.01.2013	As at 31.12.2012	Change**	As at 31.01.2013	As at 31.12.2012	Change**
Employers	260 600	259 800	+800	100%	100%	-
Employees	2 375 100	2 375 100	-	99%	99%	-
Self-employed persons (SEPs)	220 000	220 400	-300	65%	65%	-

* rounded to the nearest 100

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

3. The enrolment rates of employers, employees and SEPs remained stable. As at the end of January 2013, 19 200 employers, 431 100 employees and 17 700 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 January 2013, 365 complaints were received by the MPFA, of which 316 complaints were made against 243 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	7
➤ Non-enrolment in MPF Schemes	116
➤ Default contribution	267
➤ Others (e.g. no pay records)	86
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	49

[^] Include multiple selections.

Complaints received by the Labour Department (“LD”)

5. In January 2013, the LD received 11 MPF-related complaint cases. They were all related to alleged wrongful deduction of wages and default contribution. All employees of these 11 complaint cases had lodged claims with the LD and were awaiting conciliation results.

Enforcement

6. 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.

7. Recent enforcement actions taken by the MPFA are summarized below:

Enforcement action in January 2013	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> - <i>Default contribution</i> - <i>False statement</i> - <i>Failure to comply with court order</i> 	<p>78</p> <p>4</p> <p>64</p> <p>9</p> <p>1</p>
<p>B. <u>Contribution Surcharge</u></p> <p>(5% of the contributions in arrears)</p> <ul style="list-style-type: none"> - Number of employers with notices issued 	<p>21 800</p>
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <ul style="list-style-type: none"> - Number of cases submitted - Number of employees involved 	<p>39</p> <p>217</p>
<p>D. <u>Submission to the District Court</u></p> <ul style="list-style-type: none"> - Number of cases submitted - Number of employees involved 	<p>7</p> <p>120</p>
<p>E. <u>Submission to the High Court</u></p> <ul style="list-style-type: none"> - Number of cases submitted - Number of employees involved 	<p>0</p> <p>0</p>
<p>F. <u>Submission to liquidators / receivers</u></p> <ul style="list-style-type: none"> - Number of cases submitted 	<p>8</p>
<p>G. <u>Proactive Inspections</u></p> <ul style="list-style-type: none"> - Number of employment establishments visited 	<p>223</p>

Education and Publicity

8. MPFA continued to roll out publicity programmes to further enhance public awareness of the Employee Choice Arrangement (ECA) and remind scheme members to exercise the new right prudently.
9. The first ECA Fun Day was held at Olympian City on 26 and 27 January. Print advertisements were placed in three newspapers with high circulation to attract patronage before the event. Direct mailers with the event details and messages on ECA were sent out to some 100,000 households in West Kowloon to draw traffic from the residential areas in close proximity to the event venue.
10. A series of radio segments was launched to provide tips to scheme members on how to exercise the new right under the ECA as well as to promote the ECA Fun Day.
11. The ECA Promotion Truck continued to tour around the territory and visited about 30 points in the month while the panel displays on ECA continued in a high-traffic MTR station.
12. A comic strip series conveying ECA information and key points that scheme members should note was launched. The series was made available for public viewing on the thematic website on ECA. Advertisements were placed on two local news mobile apps to direct more traffic to the comic strips. To augment the publicity effect, print advertisements carrying the comic series were placed in selected high-circulation dailies and free tabloids.
13. Two versions of TV and radio APIs on ECA commencement and MPF Boss Tactics respectively continued to be broadcast on 37 TV channels and 20 radio stations. The TV APIs were also broadcast on TV panels on MTR trains.
14. The educational video on ECA continued to be broadcast on TV panels in Mongkok Post Office.
15. Online advertisements continued to be placed on a popular portal and news websites to direct more traffic to the thematic website on ECA and the educational video on ECA.
16. In addition, three talks on ECA and the regime for regulation of MPF intermediaries were organised at various employers' premises while 14 seminars on ECA were co-organised with government departments, non-governmental organizations and district council members for members of the public.

17. For the MPF Investment Education Campaign, a new series of five comic strips with a popular character “Maggiology” (「馬仔」) on reminding scheme members the importance of regular review of MPF investment and better use of the related tools to better understand their MPF investment was developed. Banner advertisements were published in a magazine, broadview banner in MTR trains and a social media platform, while the animated version of the five comic strips was launched on the MPFA’s MPF Investment Education Thematic Website (www.mpfa.org.hk/MPFIE), as well as some newspaper websites and smartphone applications.

18. In the mass media, six short and punchy messages in Q&A format with the involvement of a famous financial expert and a popular DJ were rolled out on a radio station in early January to further elaborate the aforesaid tools to facilitate scheme members to make informed decisions for their MPF investment.

19. In addition, two quarterly publications carrying summary statistics on Fund Expense Ratio (FER) of all MPF schemes and a list of MPF funds of lower FER were published respectively to cater for the needs of scheme members who may not have easy access to the online Fee Comparative Platform on the MPFA website.

20. An MPF investment education roving exhibition, being the second one in the series of three for this financial year, was held at a shopping mall in Sham Shui Po from 19 to 20 January to educate scheme members on MPF investment. Publicity in various media, including a free newspaper, posters at public housing estates and direct mailers to target participants, was arranged.

21. To further publicize the messages on the MPF investment decision-making process, the video series “Making Informed Decisions for Your MPF Life” (「積金人生 決策審慎」) was telecast on two channels of a local TV station from mid January to early February.

22. For youth education, the MPFA launched a series of parenting workshops on money management for kindergarten kids and their parents. Its aims are to encourage small children to form a good habit of saving and equip their parents with knowledge of family budgeting and retirement planning, as well as knowledge of the MPF System and MPF investment. Four such workshops were held in January.

23. For the Primary School Programme, six school-based workshops for students on money management were organised while two seminars for parents were organised to share parenting tips on money management.

24. For the Secondary School Programme, 11 performances of the interactive drama “Fortune Cookies” were conducted. Moreover, three 2.5-hour life-planning workshops were organised at different schools.

25. For the Multimedia Competition on MPF for Tertiary Students, a series of workshops was organised to equip participants with knowledge on financial planning, MPF investment and skills in multimedia production. Moreover, an online treasure hunt game on MPF was launched to encourage young people to learn more about MPF through an interesting approach. The MPFA also participated in a youth career fair.

26. To educate members of the public on MPF, three district carnivals, three outreaching activities and a talk were organised.

27. In January, 11 press releases were issued. One publicised the ECA Fun Days to be held in the coming months, whereas the others were on the Authority’s enforcement actions. In addition, the MPFA contributed 19 articles to different publications on various aspects of the MPF System and MPF investment.

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

Mandatory Provident Fund Schemes Authority
8 February 2013