

## LegCo Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – February 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 28.02.2013	As at 31.01.2013	Change**	As at 28.02.2013	As at 31.01.2013	Change**
<b>Employers</b>	260 500	260 600	-100	100%	100%	-
<b>Employees</b>	2 384 000	2 375 100	+8 900	100%	99%	-
<b>Self-employed persons (SEPs)</b>	219 500	220 000	-600	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 February 2013, 19 300 employers, 434 800 employees and 17 700 SEPs were registered under the Industry Schemes<sup>1</sup>.

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<sup>1</sup> 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 February 2013, 281 complaints were received by the MPFA, of which 243 complaints were made against 191 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	5
➤ Non-enrolment in MPF Schemes	115
➤ Default contribution	219
➤ Others (e.g. no pay records)	45
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	38

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

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

5. In February 2013, the LD received 10 MPF-related complaint cases. They were all related to alleged wrongful deduction of wages and default contribution.

6. Of the 21 complaint cases received from 1 January 2013 to 28 February 2013:

- 3 cases were resolved after conciliation or advice given;
- 3 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 15 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:

<b>Enforcement action in February 2013</b>	<b>Number of Cases</b>
<b>A. <u>Prosecution</u></b> Number of summonses applied during the month - <i>Non-enrolment of employees</i> - <i>Non-enrolment (Employee / SEP dispute)</i> - <i>Default contribution</i> - <i>False statement</i>	125 4 2 118 1
<b>B. <u>Contribution Surcharge</u></b> (5% of the contributions in arrears) - Number of employers with notices issued	22 800
<b>C. <u>Submission to the Small Claims Tribunal</u></b> - Number of cases submitted - Number of employees involved	28 263
<b>D. <u>Submission to the District Court</u></b> - Number of cases submitted - Number of employees involved	3 42
<b>E. <u>Submission to the High Court</u></b> - Number of cases submitted - Number of employees involved	0 0
<b>F. <u>Submission to liquidators / receivers</u></b> - Number of cases submitted	10
<b>G. <u>Proactive Inspections</u></b> - Number of employment establishments visited	154

## **Education and Publicity**

9. The MPFA carried out various publicity programmes to enhance public understanding of the Employee Choice Arrangement (ECA).

10. A comic strip series continued to be rolled out on various media to convey ECA information and related key points. In addition to placement of a series of advertisements in selected high-circulation dailies and free tabloids, the advertisements were also printed on paper place mats used by inexpensive local cafes to reach schemes members from different sectors of the community. Besides, posters featuring one of the episodes of the comic strip series were arranged for posting at public housing estates, offices of labour unions and District Council members. Moreover, a plastic place mat was produced and distributed at publicity events. A new leaflet on the comic strips was also published and distributed via different channels such as MPFA offices, District Offices, offices of Labour Department and District Council members as well as public housing estates. Advertisements on two local news mobile applications continued to direct traffic to the comic strips on the ECA thematic website.

11. A series of radio segments continued to provide tips to scheme members on how to exercise the new right under the ECA cautiously as well as to promote the second ECA Fun Day, which was held at Oi Tung Shopping Centre in Shau Kei Wan on 23 and 24 February. Direct mailers with the event details and messages on ECA were sent to some 100,000 households in Eastern District to draw traffic from the residential areas in close proximity to the event venue.

12. 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. The educational video on ECA continued to be broadcast on TV panels in Mongkok Post Office.

13. 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.

14. Three talks on ECA and the regime for regulation of MPF intermediaries were organised at various employers' premises while a seminar on ECA was co-organised with a non-governmental organization for members of the public.

15. For MPF investment education, a five-episode two-minute drama segment was launched on a radio station to promote the proper attitude towards managing MPF investment.

16. The video series "Making Informed Decisions for Your MPF Life" (「積金人生 決策審慎」) was telecast on the TV panels at MTR platforms and concourses and the outdoor video wall at a shopping mall in Tsim Sha Tsui from February to March.

17. To publicize the two comic strips with the popular character “Maggiology” (「馬仔」) focusing on review of MPF portfolio and Annual Benefit Statement, digital posters were placed on selected MTR stations for two weeks.

18. To show festive goodwill in the Chinese New Year (CNY) and further publicize MPF investment education messages, a double-sided CNY painting with visuals of JJ Five band, the cartoon characters that represent the five major types of MPF funds, and the slogans of the major decision points of a scheme member’s MPF investment journey was produced. It was distributed to various stakeholders and the general public via a popular newspaper.

19. For youth education, to wrap up the Kindergarten Programme, a finale of Acting Competition cum Prize Presentation Ceremony was held on 2 February. At the event, MPF messages were disseminated to parents and teachers on site via panel display. Two parenting workshops on money management were conducted to encourage kindergarten students to form a good habit of saving and equip their parents with some practical skills of coaching their children on money management and MPF knowledge. For the Primary School Programme, a school-based workshop on money management for students was organized. As part of the Secondary School Programme, nine performances of the interactive drama “Fortune Cookies” were staged while a 2.5-hour life-planning workshop was organized to equip junior and senior form secondary school students respectively with knowledge on financial planning and MPF investment. For the Multimedia Competition on MPF for Tertiary Students, a workshop was organised to enhance students with MPF knowledge and skills in multimedia production. In addition, four talks on MPF were given to tertiary students.

20. The MPFA participated in the “Education and Careers Expo 2013” organised by the Hong Kong Trade Development Council from 31 January to 3 February. An exhibition booth was staged to enhance the understanding of the workforce and students on the MPF System and MPF investment. Around 5,000 members of the public visited the booth. A seminar on “Smart tips on MPF management under Employee Choice Arrangement” was also conducted during the Expo.

21. A training workshop co-organized with the Hong Kong Teachers’ Centre of the Education Bureau was conducted on 23 February to help participating teachers to apply topics of financial planning and MPF knowledge to the curriculum of secondary schools. Furthermore, a district carnival and a talk were organised to educate the community on MPF.

22. On the media front, 10 press releases were issued. One publicised an MPFA’s education programme for kindergarten students, whereas others were on MPFA’s enforcement actions. In addition, the MPFA contributed 14 articles to different publications on various aspects of the MPF System and MPF investment.

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

Mandatory Provident Fund Schemes Authority  
12 March 2013