

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – February 2014

#### 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 28.2.2014	As at 31.1.2014	Change**	As at 28.2.2014	As at 31.1.2014	Change**
<b>Employers</b>	265 700	265 000	+800	99%	99%	-
<b>Employees</b>	2 484 400	2 484 800	-400	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	212 000	212 300	-200	62%	62%	-

\* 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 February 2014, 19 900 employers, 459 400 employees and 17 000 SEPs were registered under the Industry Schemes.

#### Complaint Handling

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

4. In February 2014, 279 complaints were received by MPFA, of which 256 complaints were made against 193 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	94
➤ Default contribution	215
➤ Others (e.g. no pay records)	75
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	23

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

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

5. In February 2014, the LD received 19 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 33 complaints received from 1 January 2014 to 28 February 2014:

- 5 cases were resolved after conciliation or advice given;
- 1 case was referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 1 case where the employer was insolvent was referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- 26 cases where the employees had lodged claims with the LD were awaiting conciliation result.

#### **Enforcement**

7. The MPFA continued to enforce the Mandatory Provident Fund Schemes Ordinance 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. Enforcement actions taken by MPFA in February 2014 are summarized below:

A. Prosecution

Number of summonses applied	51
(- <i>Non-enrolment of employees</i> )	(10)
(- <i>Default contribution</i> )	(27)
(- <i>False statement</i> )	(14)

B. Contribution Surcharge

(5% of the contributions in arrears)

- Number of employers with notices issued	26 800
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C. Submission to the Small Claims Tribunal

- Number of cases submitted	28
- Number of employees involved	78

D. Submission to the District Court

- Number of cases submitted	1
- Number of employees involved	94

E. Submission to the High Court

- Number of cases submitted	0
- Number of employees involved	0

F. Submission to liquidators / receivers

- Number of cases submitted	19
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G. Proactive Inspections

- Number of employment establishments visited	128
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## **Education and Publicity**

9. An enhanced version of the Low Fee Fund List was launched on the MPFA website in the month, providing more fund information including current management fees and annualized rates of return. The List is also equipped with a new interactive function for sorting and filtering search results. A press release was issued to publicize the launch of the enhanced List.

10. The MPF Investment Education Programmes continued in February. To encourage scheme members to review their MPF accounts and investment regularly, a Thematic Campaign on MPF Account Review was launched (the Campaign). A TV programme series, in the form of five 2-minute light-hearted dramas, was telecast on TVB-Jade and HD Jade from 24 to 28 February. A press release was issued to publicize the TV series. An advertorial was also published in TVB Weekly.

11. To tie in with the Campaign, the comic strips with popular comic character “Maggiology” (「馬仔」), covering topics on fund selection, scheme selection, transaction of MPF funds and review of MPF portfolio, were placed on digital posters of selected MTR stations; while the animated versions comic strips were launched on smartphone applications of a local paid newspaper and a radio station.

12. Youth programmes for various levels of students proceeded in full steam. A seminar for parents of kindergarten kids, with a concurrent session of money management workshop for kids, was held on 16 February. Two school-based parenting workshops for kindergarten kids and their parents, and a workshop for senior grade primary school students were organized.

13. Performances of the interactive drama “Fortune Cookies” and on-campus life-planning workshops went on as part of the Secondary School Programme to educate junior and senior form secondary school students on the proper attitude towards money management and the basic concepts of MPF respectively.

14. For tertiary students, three training workshops of the 3D animation training programme were held to equip participating students with knowledge on the MPF System and MPF investment, as well as practical skills of animation production.

15. In addition, the MPFA participated in a job fair organized by a recruitment magazine on 26 and 27 February. A seminar on how to handle MPF accrued benefits when changing jobs and how to consolidate MPF personal accounts was also conducted during the job fair.

16. In the month, a total of 9 talks on MPF were given to employers, employees, civil servants, tertiary students and members of the public to educate them on the MPF System and MPF investment. An outreach activity and a carnival were organized to reach out to employees and members of the community.

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

Mandatory Provident Fund Schemes Authority  
11 March 2014