

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – April 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 30.4.2014	As at 31.3.2014	Change**	As at 30.4.2014	As at 31.3.2014	Change**
Employers	266 900	266 300	+600	99%	99%	-
Employees	2 494 100	2 493 900	+200	100%	100%	-
Self-Employed Persons (SEPs)	211 400	211 700	-300	61%	61%	-

* 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 April 2014, 20 000 employers, 465 700 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 April 2014, 356 complaints were received by MPFA, of which 304 complaints were made against 240 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	4
- Non-enrolment in MPF Schemes	109
- Default contribution	272
- Others (e.g. no pay records)	58
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	52

[^] Include multiple selections

Complaints received by the Labour Department (LD)

5. In April 2014, the LD received 16 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 64 complaints received from 1 January 2014 to 30 April 2014:

- 18 cases were resolved after conciliation or advice given;
- 14 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 2 cases where the employers were insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- 30 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 April 2014 are summarized below:

(a) Prosecution

Number of summonses applied	64
(- <i>Non-enrolment of employees</i>)	(5)
(- <i>Default contribution</i>)	(46)
(- <i>False statement</i>)	(13)

(b) Contribution Surcharge

(5% of the contributions in arrears)

- Number of employers with notices issued	26 900
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	27
- Number of employees involved	156

(d) Submission to the District Court

- Number of cases submitted	2
- Number of employees involved	28

(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	8
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(g) Proactive Inspections

- Number of employment establishments visited	127
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Education and Publicity

9. A media briefing was held on 25 April to update reporters on the key proposals of the Mandatory Provident Fund Schemes (Amendment) Bill 2014, which include, among others, allowing phased-withdrawal of MPF benefits upon retirement and early retirement of scheme members, and adding terminal illness as a new ground for early withdrawal of MPF benefits.

10. Youth programme for students proceeded in full steam. During the month, school-based parenting workshops for kindergarten kids and their parents, as well as a workshop for senior grade primary school students, were organized to educate them on the proper attitude towards money management and the basic concepts of MPF. Performances of the interactive drama “Fortune Cookies” went on as part of the Secondary School Programme to educate junior form secondary students on the proper attitude towards money management and the basic concepts of MPF.

11. For tertiary students, a prize presentation ceremony was organized to conclude the 3D animation training programme which equipped participating students with knowledge on the MPF System and MPF investment, as well as practical skills of animation production. To utilize the mobile platform that youngsters commonly use to disseminate MPF messages, a new version of “MVP@Workplace” mobile app was launched. More practical information for youngsters, including tips for job interview, DISC (Dominance, Influence, Steadiness, Compliance) personality test and points to note for MPF management, was added in this version.

12. In the month, a total of nine talks on MPF were given to employees, civil servants, tertiary students and members of the public to educate them on the MPF System and MPF investment. The MPFA also participated in a job fair and a carnival to disseminate MPF messages and provide on-site personal accounts checking service to job seekers and members of the community in different districts.

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