

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – May 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 31.5.2014	As at 30.4.2014	Change**	As at 31.5.2014	As at 30.4.2014	Change**
Employers	268 000	266 900	+1 100	99%	99%	-
Employees	2 494 100	2 494 100	-	100%	100%	-
Self-Employed Persons (SEPs)	211 000	211 400	-400	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 May 2014, 20 100 employers, 468 500 employees and 16 900 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In May 2014, 417 complaints were received by MPFA, of which 387 complaints were made against 274 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	387
<i>Breakdown by complaint allegation[^]</i>	
<i>(- Involuntary change from “employee” status to “SEP” status)</i>	<i>(2)</i>
<i>(- Non-enrolment in MPF Schemes)</i>	<i>(146)</i>
<i>(- Default contribution)</i>	<i>(352)</i>
<i>(- Others (e.g. no pay records))</i>	<i>(100)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	30

[^] Since a complaint may cover more than one allegation, the total number of allegations may exceed the number of complaints.

Complaints received by the Labour Department (LD)

5. In May 2014, LD received 15 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.
6. Of the 79 complaints received from 1 January 2014 to 31 May 2014:
 - 23 cases were resolved after conciliation or advice given;
 - 20 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
 - 4 cases where the employers were insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
 - 32 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 May 2014 are summarized below:

(a) Prosecution

Number of summonses applied	119
(- <i>Non-enrolment of employees</i>)	(13)
(- <i>Default contribution</i>)	(88)
(- <i>False statement</i>)	(13)
(- <i>Failure to comply with court order</i>)	(5)

(b) Contribution Surcharge

- Number of employers with notices issued	23 100
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	42
- Number of employees involved	130

(d) Submission to the District Court

- Number of cases submitted	4
- Number of employees involved	100

(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	9
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(g) Proactive Inspections

- Number of employment establishments visited	163
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Education and Publicity

9. With a view to enhancing scheme members' understanding of key fundamental MPF investment concepts, a series of videos was launched on a new YouTube channel "MPFA TV" earlier this year. To further promote the messages in the community and to encourage scheme members to take good care of their MPF investment, those videos were re-run on a TV station from May to June. A series of advertisements has also been arranged on some magazines to augment the publicity impact.

10. A training workshop co-organized with the Hong Kong Teachers' Centre of the Education Bureau was conducted on 17 May to facilitate the inclusion of topics on financial planning and MPF knowledge in the curriculum of secondary schools.

11. 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" and on-campus life-planning workshop went on as part of the secondary school programme to educate junior and senior form secondary students on the proper attitude towards money management and the basic concepts of MPF.

12. In the month, a total of 16 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. The MPFA also participated in outreach activities to disseminate MPF messages and provide on-site personal accounts checking service to members of the community in different districts.

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