

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – August 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 31.8.2014	As at 31.7.2014	Change**	As at 31.8.2014	As at 31.7.2014	Change**
Employers	271 100	270 300	+900	100%	99%	-
Employees	2 493 200	2 493 200	-100	100%	100%	-
Self-Employed Persons (SEPs)	210 000	210 400	-500	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. As at the end of August 2014, 20 300 employers, 478 400 employees and 16 800 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In August 2014, 331 complaints were received by MPFA, of which 285 complaints were made against 224 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	285
<i>Breakdown by complaint allegation[^]</i>	
<i>(- Involuntary change from “employee” status to “SEP” status)</i>	<i>(1)</i>
<i>(- Non-enrolment in MPF Schemes)</i>	<i>(125)</i>
<i>(- Default contribution)</i>	<i>(241)</i>
<i>(- Others (e.g. no pay records))</i>	<i>(75)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	46

[^] 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 August 2014, the LD received 15 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 128 complaints received from 1 January 2014 to 31 August 2014:

- (a) 41 cases were resolved after conciliation or advice given;
- (b) 48 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 6 cases where the employers were insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- (d) 33 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 August 2014 are summarized below:

(a) Prosecution

Number of summonses applied	76
(- <i>Non-enrolment of employees</i>)	(8)
(- <i>Default contribution</i>)	(53)
(- <i>False statement</i>)	(12)
(- <i>Failure to comply with court order</i>)	(3)

(b) Contribution Surcharge

- Number of employers with notices issued	24 900
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	47
- Number of employees involved	189

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	35

(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	5
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(g) Proactive Inspections

- Number of employment establishments visited	134
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Education and Publicity

9. To generate greater awareness of the public consultation on the MPF “core fund”, the MPFA continued to conduct briefings for various stakeholders to introduce key features of the proposal. Furthermore, a series of media interviews was arranged in the month for MPFA’s senior executives to explain the proposal and how it will seek to provide a better investment solution for scheme members. A print advertisement was placed in all five free tabloids from 27 to 29 August 2014 and publicity leaflets were also widely distributed to members of the public through stakeholders and at MPFA's outreach activities.

10. Advertisements continued to be placed in free tabloids, as well as an online portal and a smartphone application in August, to generate greater public awareness of the simplified transfer election form for the Employee Choice Arrangement.

11. To publicize MPF messages to the public, the comic booklets with the popular comic character “Maggiology” (「馬仔」), covering various topics on MPF investment, were distributed to the visitors at a carnival organized by an external party featuring Maggiology and other cartoon characters.

12. In addition, a total of five seminars on MPF were given to employers, employees and members of the public to educate them on the MPF System and MPF investment. MPFA also participated in four 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.

Mandatory Provident Fund Schemes Authority
12 September 2014