

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – October 2013

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 31.10.2013	As at 30.09.2013	Change**	As at 31.10.2013	As at 30.09.2013	Change**
Employers	263 500	262 700	+800	99%	99%	-
Employees	2 441 700	2 440 200	+1 500	100%	100%	-
Self-Employed Persons (SEPs)	216 300	216 500	-200	64%	64%	-

* 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 October 2013, 19 800 employers, 456 700 employees and 17 300 SEPs were registered under the Industry Schemes (IS).

Complaint Handling

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

4. In October 2013, 321 complaints were received by MPFA, of which 281 complaints were made against 212 employers. The nature of the complaints received is set out below:

	<u>Number of complaints[^]</u>
(A) Complaints concerning scheme members:	
➤ Involuntary change from “employee” status to “SEP” status	5
➤ Non-enrolment in MPF Schemes	112
➤ Default contribution	251
➤ Others (e.g. no pay records)	53
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	40

[^] Include multiple selections

Complaints received by the Labour Department (LD)

5. In October 2013, the LD received 10 MPF-related complaints. They all involved alleged wrongful deduction of wages and default contribution.

6. Of the 111 complaints received from 1 January 2013 to 31 October 2013:

- 46 cases were resolved after conciliation or advice given;
- 44 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- 21 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 (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 MPFA are summarized below:

Enforcement Action in October 2013	Number of Cases
<p>A. <u>Prosecution</u></p> <p>Number of summonses applied during the month</p> <p>(- <i>Non-enrolment of employees</i>)</p> <p>(- <i>Default contribution</i>)</p> <p>(- <i>False statement</i>)</p>	<p>62</p> <p>(3)</p> <p>(50)</p> <p>(9)</p>
<p>B. <u>Contribution Surcharge</u></p> <p>(5% of the contributions in arrears)</p> <p>- Number of employers with notices issued</p>	<p>24 400</p>
<p>C. <u>Submission to the Small Claims Tribunal</u></p> <p>- Number of cases submitted</p> <p>- Number of employees involved</p>	<p>33</p> <p>97</p>
<p>D. <u>Submission to the District Court</u></p> <p>- Number of cases submitted</p> <p>- Number of employees involved</p>	<p>4</p> <p>81</p>
<p>E. <u>Submission to the High Court</u></p> <p>- Number of cases submitted</p> <p>- Number of employees involved</p>	<p>0</p> <p>0</p>
<p>F. <u>Submission to liquidators / receivers</u></p> <p>- Number of cases submitted</p>	<p>7</p>
<p>G. <u>Proactive Inspections</u></p> <p>- Number of employment establishments visited</p>	<p>149</p>

Education and Publicity

9. Various publicity initiatives continued to be rolled out in the month to further generate awareness and to call for scheme members' action to consolidate their multiple personal accounts (PAs) for easy management. An Announcement of Public Interest highlighting the benefits of account consolidation and the relevant procedures was launched in the month and is being broadcast on TV channels, radio stations as well as TV panels on RoadShow buses and MTR trains. In addition, print advertisements continued to be placed in newspapers, and online advertisements were placed on a popular portal and smartphone applications to direct viewers to the MPFA website for more information.

10. To encourage scheme members to consolidate their PAs and further educate them on how to make informed decisions for their lifelong MPF investment, a roving exhibition, being the second one in the 2013/14 series, was held at a shopping mall in Tuen Mun on 19 - 20 October. The exhibition comprised exhibits, game booth and enquiry counter. To assist scheme members in consolidating their PAs, on-site checking service was provided at the exhibition for checking the number and whereabouts of their PAs. Scheme members could also make use of the MPF consultation services where Certified Financial Planners provided independent, free and professional analysis on MPF investment and retirement planning.

11. A photo hunt online game featuring the investment education comic strips with the popular comic character Maggiology was launched on the MPFA's Facebook fanpage in October to disseminate messages on how to manage the MPF investment in an interactive and entertaining manner. To promote the game and direct Internet users to the game webpage, online banners were launched on popular websites from October to November. In addition, a print advertisement to promote the game and the insertion of a booklet comprising the investment education comic strips produced earlier were arranged at a weekly lifestyle magazine in October.

12. In order to generate awareness of the simplified and unified contribution scale for MPF IS among casual employees and their employers participating in IS, an advertisement was placed in all free tabloids in the month. The MPFA also produced a new leaflet which was mailed to all IS employers for their attention. Briefings and seminars were also held to deepen the understanding of IS employees and employers of the amendment.

13. To enhance the awareness of employers and human resources personnel on the amendment of the minimum level of relevant income for MPF contributions, print advertisements were placed in the October issue of publications of major employers associations and a human resources institute. A press release was also issued to remind members of the public of the amendment.

14. For youth education, the MPFA developed and distributed a storybook to over 550 kindergartens for more than 110,000 kindergarten kids to encourage them to form a good habit of saving and develop proper attitudes towards money management. A teaching kit was also provided to each kindergarten. Meanwhile, MPF messages for parents and teachers were also incorporated in the storybook. In addition, a school-based money management activity and a parenting workshop on money management for kindergarten kids were held.

15. To educate primary school students and their parents on money management as well as MPF investment, a school-based money management workshop for senior form primary students and a seminar for the parents were organized.

16. Performances of the interactive drama “Fortune Cookies” were staged as part of the Secondary School Programme to educate junior form secondary students on the proper attitude towards money management and basic concepts of MPF. A new online learning platform “Manage Your MPF, Master Your Wealth”, which ties in with the Senior Secondary Curriculum had been launched. Besides, an on-campus life-planning workshop was also organized to equip senior form secondary school students with knowledge of financial planning and MPF investment.

17. During the month, a total of 26 talks on MPF were given to employers, employees, civil servants, tertiary students, parents and the community to educate them on the MPF System and MPF investment. Two IS roadshows and one tea gathering were organized to reach out to the IS construction representatives and members of the public.

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