

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – November 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 30.11.2013	As at 31.10.2013	Change**	As at 30.11.2013	As at 31.10.2013	Change**
<b>Employers</b>	264 600	263 500	+1 100	100%	99%	-
<b>Employees</b>	2 442 200	2 441 700	+500	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	216 200	216 300	-100	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 November 2013, 19 800 employers, 459 600 employees and 17 200 SEPs were registered under the Industry Schemes.

#### Complaint Handling

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

4. In November 2013, 403 complaints were received by MPFA, of which 355 complaints were made against 269 employers. The nature of the complaints received is set out below:

	<u>Number of complaints<sup>^</sup></u>
(A) Complaints concerning scheme members:	
➤ Involuntary change from “employee” status to “SEP” status	5
➤ Non-enrolment in MPF Schemes	122
➤ Default contribution	321
➤ Others (e.g. no pay records)	68
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	48

<sup>^</sup> Include multiple selections

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

5. In November 2013, the LD received 9 MPF-related complaints. They all involved alleged wrongful deduction of wages and default contribution.

6. Of the 120 complaints received from 1 January 2013 to 30 November 2013:

- 49 cases were resolved after conciliation or advice given;
- 49 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- 22 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 November 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>65</p> <p>(2)</p> <p>(57)</p> <p>(6)</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>24 600</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>15</p> <p>66</p>
<p>D. <u>Submission to the District Court</u></p> <p>- Number of cases submitted</p> <p>- Number of employees involved</p>	<p>7</p> <p>169</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>13</p>
<p>G. <u>Proactive Inspections</u></p> <p>- Number of employment establishments visited</p>	<p>156</p>

## **Education and Publicity**

9. Publicity effort to enhance the awareness and deepen the understanding on the amendment of the minimum level of relevant income for MPF contributions among the general public continued in November. An advertisement was placed in all local dailies and free tabloids on 1 November to remind scheme members of the commencement of the new minimum relevant income level. A commencement version of TV and radio Announcement of Public Interest (API) were launched on the same day. Online advertisement was also available on a recruitment website. In addition, MPFA has produced a new bilingual leaflet on details of the amendments as well as the simplified contribution calculation method and unified contribution scale for the Industry Schemes for public collection at all MPFA offices, service centres of Home Affairs Department, Labour Department, Consumer Council and non-government organizations serving ethnic minority groups.

10. During the month, various publicity initiatives continued in order to generate awareness and call for scheme members' action to consolidate their multiple personal accounts for easy management. They included API on TV channels, radio stations as well as TV panels on RoadShow buses, online advertisements on a popular portal and smartphone applications, and newspaper advertisements. In addition, media interviews were arranged to further promote consolidation of personal accounts.

11. To promote the messages on the MPF investment decision-making process, the video series "Making Informed Decisions for Your MPF Life" (「積金人生 決策審慎」) was re-run on TV panels on MTR trains and buses from November to December.

12. Meanwhile, the November issue of the MPFA Newsletter with a theme on the latest development of MPF Reforms was uploaded onto the MPFA website. The Newsletter also explained the simplified contribution calculation method and unified contribution scale for the Industry Schemes. The Newsletter was sent to about 38 000 subscribers by mail and email, and available for public collection in all MPFA offices.

13. In November, 13 school-based money management workshops for kindergarten kids and two parenting workshops on money management were conducted.

14. To educate primary school students and their parents on money management as well as MPF investment, three school-based money management workshops for senior grade primary students and two seminars for their parents were organized.

15. 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. The new online learning platform “Manage Your MPF, Master Your Wealth” continued as another educational effort to teach senior form secondary school students the essence of financial planning and benefits of having an early start on retirement planning. Three on-campus life-planning workshops were also organized to equip senior form secondary school students with knowledge of financial planning and MPF investment.

16. For tertiary students, a 3D animation training programme was launched to promote messages on the MPF System and MPF investment, and the importance of financial planning, as well as to equip them with skills of animation production to help disseminate MPF messages to fellow students and members of the public. On-campus promotion activities were held at various tertiary institutions. A press release was issued to publicize the programme and call for enrolment.

17. During the month, a total of 18 talks on MPF were given to employees, civil servants, tertiary students, parents and members of the public to educate them on the MPF System and MPF investment. 16 outreach activities and one tea gathering were organized to reach out to employees, SEPs and other members of the community. A press release was issued on MPFA’s outreach events for both employees and employers of the construction and catering industries.

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

Mandatory Provident Fund Schemes Authority  
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