

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – January 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 31.1.2014	As at 31.12.2013	Change**	As at 31.1.2014	As at 31.12.2013	Change**
Employers	265 000	264 400	+600	99%	99%	-
Employees	2 484 800	2 485 300	-500	100%	100%	-
Self-Employed Persons (SEPs)	212 300	212 400	-200	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. The enrolment rates of employers, employees and SEPs remained stable. As at the end of January 2014, 19 900 employers, 456 500 employees and 17 100 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In January 2014, 351 complaints were received by MPFA, of which 319 complaints were made against 249 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	3
➤ Non-enrolment in MPF Schemes	138
➤ Default contribution	292
➤ Others (e.g. no pay records)	66
(B) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	32

[^] *Include multiple selections*

Complaints received by the Labour Department (LD)

5. In January 2014, the LD received 14 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 14 complaints received in January 2014:

- 2 cases were resolved after conciliation or advice given;
- 1 case was referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 1 case where the employer was insolvent was referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- 10 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 January 2014 are summarized below:

A. Prosecution

Number of summonses applied	75
(- <i>Non-enrolment of employees</i>)	(3)
(- <i>Non-enrolment (Employee / SEP dispute)</i>)	(3)
(- <i>Default contribution</i>)	(50)
(- <i>False statement</i>)	(16)
(- <i>Failure to comply with court order</i>)	(3)

B. Contribution Surcharge

(5% of the contributions in arrears)

- Number of employers with notices issued	25 900
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C. Submission to the Small Claims Tribunal

- Number of cases submitted	37
- Number of employees involved	151

D. Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	68

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	21
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G. Proactive Inspections

- Number of employment establishments visited	142
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Education and Publicity

9. The MPF Investment Education Programmes continued in January. A Thematic Campaign on Fundamentals of MPF Investment was launched to educate scheme members on some fundamental MPF investment concepts and to encourage them to take good care of their MPF investment. The Campaign was presented as the launch of an “MPFA TV” channel (積金台). The major deliverable was a series of six videos, which was produced in the form of various popular TV programmes, like finance programme, cooking show, game show, beauty contest, etc., hosted by two well-known expatriate artistes in order to disseminate the messages in a light-hearted and interesting manner.

10. The Campaign had been launched in two stages: a 30-second trailer on out-of-home and online media, an online game and an outreach event were rolled out on 8 January as teaser to arouse interest and build up the publicity impact, while the “MPFA TV” channel was officially launched on 20 January, with the videos telecast on various popular websites and out-of-home media. Meanwhile, radio clips and print advertisements on a tabloid newspaper were also produced to augment the publicity impact. Reporters were invited to cover the outreach event on 8 January to promote the “MPFA TV” channel and the videos. A press release was also issued on the same day.

11. During the month, three parenting workshops for kindergarten kids and their parents on money management were conducted.

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

13. 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. Two on-campus life-planning workshops were also organized to equip senior form secondary school students with knowledge of financial planning and MPF investment. Around 60,000 copies of MPF Youth Booklet entitled "My MPF Blog" were sent to all secondary school graduates who may enter the workforce soon.

14. For tertiary students, a kick-off day camp and two training workshops of the 3D animation training programme were held to equip participating students with knowledge on the MPF System and MPF investment, as well as practical skills of animation production.

15. In the month, a total of nine talks on MPF were given to employers, employees, civil servants and members of the public to educate them on the MPF System and MPF investment.

16. Separately, in view of the Chinese New Year holiday, a press release was issued at the end of the month to remind employers to allow sufficient time to make MPF contributions for their employees.

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

Mandatory Provident Fund Schemes Authority
11 February 2014