

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – February 2015

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 28.2.2015	As at 31.1.2015	Change**	As at 28.2.2015	As at 31.1.2015	Change**
Employers	272 800	272 100	+700	100%	100%	-
Employees	2 507 100	2 502 400	+4 700	99%	99%	-
Self-Employed Persons (SEPs)	207 300	207 700	-400	66%	66%	-

* 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 end February 2015, 20 600 employers, 491 800 employees and 16 600 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In February 2015, 271 complaints were received by MPFA, of which 247 complaints were made against 185 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	247
<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>(89)</i>
<i>(Default contribution)</i>	<i>(228)</i>
<i>(Others (e.g. no pay records))</i>	<i>(42)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	24

[^] 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 February 2015, the LD received 12 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 26 complaints received from 1 January 2015 to 28 February 2015:

- (a) 3 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (b) 23 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 February 2015 are summarized below:

(a) <u>Prosecution</u>	
Number of summonses applied	34
<i>(Non-enrolment of employees)</i>	(4)
<i>(Default contribution)</i>	(23)
<i>(False statement)</i>	(4)
<i>(Failure to comply with court order)</i>	(3)
(b) <u>Contribution Surcharge</u>	
- Number of employers with notices issued	23 600
(c) <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	26
- Number of employees involved	90
(d) <u>Submission to the District Court</u>	
- Number of cases submitted	1
- Number of employees involved	21
(e) <u>Submission to the High Court</u>	
- Number of cases submitted	0
- Number of employees involved	0
(f) <u>Submission to Liquidators / Receivers</u>	
- Number of cases submitted	13
(g) <u>Proactive Inspections</u>	
- Number of employment establishments visited	162

Education and Publicity

9. During the month, meetings and briefings with business, professional as well as labour unions were arranged to explain the proposal on Introducing an Automatic Mechanism for Adjustment of Minimum and Maximum Levels of

Relevant Income for MPF Contributions. A press release was issued inviting members of the public to share their views on the proposal before the public consultation ended on 5 March.

10. The MPFA also issued a press release reminding members of Occupational Retirement Schemes (ORSO schemes) that it is an offence to make a false statement when applying for early withdrawal of minimum MPF benefits on the ground of permanent departure from Hong Kong.

11. “MPFA TV” (積金台), which was launched in January 2014 to publicize MPF messages through a series of videos and print advertisements, has reached some 47 million audience via a variety of different media platforms so far. To further disseminate our messages in the community, the 30-second videos were re-run on out-of-home media and popular websites from February to March. Print advertisements on magazines were also arranged to augment the publicity impact.

12. In February, school-based parenting workshops for kindergarten kids and their parents, workshops for senior grade primary school students and seminars for their parents, as well as school-based money management drama-cum-workshops for junior form secondary school students were held. These sessions continued to educate students and their parents on the proper attitudes towards money management and the basic concepts of MPF.

13. For tertiary students, a competition entitled “Social Media Marketing Challenge” was organized to enhance their understanding of the MPF System, MPF investment and the importance of early planning for retirement, as well as to promulgate MPF messages through their creativity. In the month, various campus activities were organized in different tertiary institutions by the participating teams to disseminate MPF messages to their fellow students and the staff.

14. In addition, five seminars on MPF were also given to employers, employees, tertiary students, civil servants and members of the public to educate them on the features of the MPF System and MPF investment. MPFA also participated in outreach activities to disseminate MPF messages and provide on-site personal account checking service to members of the community in different districts.

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