

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – March 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 31.3.2015	As at 28.2.2015	Change**	As at 31.3.2015	As at 28.2.2015	Change**
Employers	273 500	272 800	+700	100%	100%	-
Employees	2 563 900	2 507 100	+56 800	100%	99%	+1%
Self-Employed Persons (SEPs)	207 400	207 300	+100	68%	66%	+2%

* 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 March 2015, 20 600 employers, 493 600 employees and 16 500 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In March 2015, 450 complaints were received by MPFA, of which 428 complaints were made against 276 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	450
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(3)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(151)</i>
<i>(Default contribution)</i>	<i>(389)</i>
<i>(Others (e.g. no pay records))</i>	<i>(67)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	22

[^] 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 March 2015, the LD received 13 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 39 complaints received from 1 January 2015 to 31 March 2015:

- (a) 8 cases were resolved after conciliation or advice given;
- (b) 8 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 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 March 2015 are summarized below:

(a) <u>Prosecution</u>	
Number of summonses applied	68
<i>(Non-enrolment of employees)</i>	(7)
<i>(Default contribution)</i>	(38)
<i>(False statement)</i>	(22)
<i>(Failure to comply with court order)</i>	(1)
(b) <u>Contribution Surcharge</u>	
- Number of employers with notices issued	26 100
(c) <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	23
- Number of employees involved	53
(d) <u>Submission to the District Court</u>	
- Number of cases submitted	5
- Number of employees involved	109
(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	18
(g) <u>Proactive Inspections</u>	
- Number of employment establishments visited	203

Education and Publicity

9. On 12 March 2015, the MPFA released the consultation conclusions on the “core fund” proposal and announced taking the proposal forward to mandate a standardized default investment strategy (DIS) across all MPF schemes. A media workshop was held and a press release was issued on the same day. The consultation conclusions were posted on the Government and the MPFA websites for public access.

10. A “Retirement Planning DIY” Workshop was organized by the MPFA on 7 March for members of the “Friends of MPF” programme. The Workshop aimed at helping participants better understand the major principles of retirement planning, as well as how to estimate their retirement needs and the amount of their retirement savings. Participants were also given an opportunity to try the MPFA’s various online tools with the computers provided on-site.

11. The MPFA co-organized a seminar on MPF investment with a local university on 14 March 2015 to enhance participants’ understanding of MPF investment and retirement planning. To promote the seminar, publicity in newspapers, magazine and websites was arranged.

12. A new one-stop MPF investment education website, which put together two existing websites that were themed on the Six Major Decision Points for MPF Investment and the JJ Five Band respectively, was launched in late March 2015 to provide comprehensive information on MPF investment under one roof. A press release was issued to publicize the new website.

13. In March, various educational activities were organized to educate students and their parents on the proper attitudes towards money management and the basic concepts of MPF. These include a school-based parenting workshop for kindergarten kids and their parents, workshops for senior grade primary school students and a seminar for their parents, a school-based money management drama-cum-workshop for junior form secondary school students, as well as on-campus life-planning workshops for senior form secondary school students.

14. The “Social Media Marketing Challenge” for tertiary students continued with a view to educating them the importance of early planning for retirement, enhancing their knowledge on the MPF System and MPF investment, as well as promoting MPF messages through their creativity. In the month, promotion via online platforms was arranged by the participating teams to disseminate MPF messages to their peers and the public.

15. A brand-new thematic game (積金翻翻翻) was launched on Facebook fanpage to motivate young people to learn more about the MPF System and MPF investment in an interesting way.

16. In addition, 18 seminars on MPF were 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 a job fair and various outreach activities to disseminate MPF messages and provide on-site personal account checking service to job seekers and members of the community in different districts.

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

Mandatory Provident Fund Schemes Authority
April 2015