

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – April 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 30.4.2015	As at 31.3.2015	Change**	As at 30.4.2015	As at 31.3.2015	Change**
<b>Employers</b>	273 900	273 500	+500	100%	100%	-
<b>Employees</b>	2 563 700	2 563 900	-200	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	207 400	207 400	-100	68%	68%	-

\* 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 April 2015, 20 700 employers, 495 900 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 April 2015, 391 complaints were received by MPFA, of which 373 complaints were made against 245 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	373
<i>Breakdown by complaint allegation<sup>^</sup></i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(2)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(124)</i>
<i>(Default contribution)</i>	<i>(340)</i>
<i>(Others (e.g. no pay records))</i>	<i>(99)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	18

<sup>^</sup> 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 April 2015, the LD received 10 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 49 complaints received from 1 January 2015 to 30 April 2015:

- (a) 14 cases were resolved after conciliation or advice given;
- (b) 11 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 1 case where the employer was insolvent was referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- (d) 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 April 2015 are summarized below:

(a) Prosecution

Number of summonses applied	79
<i>(Non-enrolment of employees)</i>	<i>(5)</i>
<i>(Default contribution)</i>	<i>(60)</i>
<i>(False statement)</i>	<i>(12)</i>
<i>(Failure to comply with court order)</i>	<i>(2)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	24 800
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	41
- Number of employees involved	170

(d) Submission to the District Court

- Number of cases submitted	2
- Number of employees involved	18

(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	15
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(g) Proactive Inspections

- Number of employment establishments visited	160
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## **Education and Publicity**

9. On 29 April 2015, the MPFA organized a media event in which MPFA Chairman Dr David Wong talked about two major MPF initiatives, namely the introduction of the Default Investment Strategy (“Core Fund”) and the study of standardizing, streamlining and automating MPF scheme administration.

10. In the month, the MPFA Newsletter featuring the MPF Schemes (Amendment) Ordinance 2015, the “Core Fund” consultation conclusion and the departure of former Chairman Anna Wu was published. The Newsletter was uploaded onto the MPFA website and sent to more than 35 000 recipients, and available for public collection in all MPFA offices.

11. To further promote MPF investment education (IE) messages in the community, the animated version of IE comic strips with the popular character “Maggiology” was arranged for telecast on out-of-home and smartphone applications from April to May 2015.

12. In April, a school-based parenting workshop for kindergarten kids and their parents, workshops for senior grade primary school students and a seminar for their parents, as well as on-campus life-planning workshops for senior form secondary school students were organized to educate students and their parents on the proper attitudes towards money management and the basic concepts of MPF.

13. 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, videos produced by the participating teams to disseminate MPF messages to their peers and the public were put to public voting while promotion via online platforms was arranged. The programme concluded with a prize presentation ceremony on 28 April.

14. In addition, five seminars on MPF were given to employers, employees and tertiary students to educate them on the features of the MPF System and MPF investment. MPFA also participated in a career fair and an outreach activity to disseminate MPF messages and provide on-site personal account checking service to job seekers and members of the public.

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