

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – May 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 31.5.2015	As at 30.4.2015	Change**	As at 31.5.2015	As at 30.4.2015	Change**
Employers	274 000	273 900	+100	100%	100%	-
Employees	2 564 000	2 563 700	+300	100%	100%	-
Self-Employed Persons (SEPs)	207 000	207 400	-400	67%	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 May 2015, 20 800 employers, 498 500 employees and 16 400 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In May 2015, 392 complaints were received by MPFA, of which 360 complaints were made against 255 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	360
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(4)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(130)</i>
<i>(Default contribution)</i>	<i>(311)</i>
<i>(Others (e.g. no pay records))</i>	<i>(103)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	32

[^] 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 May 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 62 complaints received from 1 January 2015 to 31 May 2015:

- (a) 16 cases were resolved after conciliation or advice given;
- (b) 16 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 3 cases where the employers were insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- (d) 27 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 May 2015 are summarized below:

(a) Prosecution

Number of summonses applied	38
<i>(Non-enrolment of employees)</i>	<i>(4)</i>
<i>(Default contribution)</i>	<i>(21)</i>
<i>(False statement)</i>	<i>(12)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	27 500
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	24
- Number of employees involved	104

(d) Submission to the District Court

- Number of cases submitted	1
- Number of employees involved	121

(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	16
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(g) Proactive Inspections

- Number of employment establishments visited	199
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Education and Publicity

9. Terminal illness will be a ground for the early withdrawal of MPF benefits starting from 1 August 2015, under the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (Commencement) Notice 2015 ("Commencement Notice") gazetted on 15 May. The Commencement Notice was tabled in the Legislative Council for negative vetting on 20 May 2015. The MPFA will announce implementation details of the new arrangements upon the passage of the Commencement Notice.

10. To further enhance scheme members' understanding of key fundamental MPF investment concepts and encourage them to take good care of their MPF investment, a series of eight videos of "MPFA TV" (積金台) were arranged to telecast on out-of-home and online media from May to June. Print advertisements on two magazines were also arranged to reach a wide audience.

11. In May, a school-based parenting workshop for kindergarten kids and their parents, a seminar for parents of primary school students, 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. Meanwhile, information on the MPF System and MPF investment was distributed to some 43 000 graduates of tertiary institutions.

12. During the month, 12 seminars on MPF were given to employers, employees and civil servants to educate them on the features of the MPF System and MPF investment. MPFA also participated in a career fair to disseminate MPF messages and provide on-site personal account checking service to job seekers and members of the public.

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