

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – August 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 31.8.2015	As at 31.7.2015	Change**	As at 31.8.2015	As at 31.7.2015	Change**
Employers	276 900	276 800	+100	100%	100%	-
Employees	2 561 500	2 561 400	+100	100%	100%	-
Self-Employed Persons (SEPs)	206 200	206 500	-300	67%	67%	-

* 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 August 2015, 21 000 employers, 504 600 employees and 16 300 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In August 2015, 330 complaints were received by MPFA, of which 292 complaints were made against 217 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	292
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(7)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(105)</i>
<i>(Default contribution)</i>	<i>(258)</i>
<i>(Others (e.g. no pay records))</i>	<i>(72)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	38

[^] 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 August 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 90 complaints received from 1 January 2015 to 31 August 2015:

- (a) 31 cases were resolved after conciliation or advice given;
- (b) 36 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication (including 1 case where employees had decided not to pursue the claim items involving MPF-related complaint at the Labour Tribunal);
- (c) 3 cases where the employer was insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- (d) 20 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 August 2015 are summarized below:

(a) Prosecution

Number of summonses applied	68
<i>(Non-enrolment of employees)</i>	<i>(12)</i>
<i>(Default contribution)</i>	<i>(53)</i>
<i>(False statement)</i>	<i>(3)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	26 600
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	72
- Number of employees involved	243

(d) Submission to the District Court

- Number of cases submitted	4
- Number of employees involved	119

(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	181
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Education and Publicity

9. The MPFA held a press briefing urging members of the public to beware of suspicious calls from people claiming to be staff members or representatives of MPFA, or someone commissioned by MPFA, seeking for face-to-face meetings to discuss their MPF investment or provide them with information about MPF. The public was reminded that MPFA never contacts members of the public to set up meetings or to ask for information about their MPF accounts to sell them MPF products, nor does MPFA ever commission anyone to do so.

10. To encourage proactive management of MPF accounts, MPFA launched a new video series entitled “MPF Heroes” in August. It provides scheme members with tips on how to manage their MPF accounts and suggests that each member hold just one personal account. It also explains the factors to consider when selecting trustees and schemes as well as the possible risks of making an MPF transfer. This video series is telecast on the TV panels on buses during August to September, as well as made available on the MPFA website and the MPFA YouTube Channel for public viewing. To maximize the publicity impact, a print advertisement featuring the MPF Heroes is also placed in free tabloids while an online game is run on MPFA’s Facebook fan page “Rolling My Money” during the same period.

11. In view of the rising popularity of online social media, not only among the younger generation but also the adults, a new Facebook fan page “Workplace Incredibles” (全積特攻) was launched in August to disseminate messages on MPF investment to working adults who were keen to use online social media. Apart from MPF messages, tips on achieving work-life balance and healthy lifestyle would be offered on this fan page.

12. To further promote the MPF investment education (IE) messages in the community, the IE comic strips with the popular character “Maggiology” is published on panels of MTR trains, jackets on coffee cups of a coffee shop group and magazines in August and September.

13. During this period, a total of 14 seminars on MPF were given to employers, employees and members of the public to educate them on the MPF System and MPF investment. MPFA also participated in outreach activities to disseminate MPF messages and provide on-site personal accounts checking service to members of the community in different districts.

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