

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – September 2014

#### 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 30.9.2014	As at 31.8.2014	Change**	As at 30.9.2014	As at 31.8.2014	Change**
<b>Employers</b>	272 300	271 100	+1 200	100%	100%	-
<b>Employees</b>	2 500 900	2 493 200	+7 700	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	209 700	210 000	-300	64%	62%	+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 the end of September 2014, 20 400 employers, 480 900 employees and 16 800 SEPs were registered under the Industry Schemes.

#### Complaint Handling

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

4. In September 2014, 357 complaints were received by MPFA, of which 327 complaints were made against 253 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	327
<i>Breakdown by complaint allegation<sup>^</sup></i>	
<i>(- Involuntary change from “employee” status to “SEP” status)</i>	<i>(3)</i>
<i>(- Non-enrolment in MPF Schemes)</i>	<i>(135)</i>
<i>(- Default contribution)</i>	<i>(290)</i>
<i>(- Others (e.g. no pay records))</i>	<i>(60)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	30

<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 September 2014, the LD received 9 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 137 complaints received from 1 January 2014 to 30 September 2014:

- (a) 53 cases were resolved after conciliation or advice given;
- (b) 55 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 6 cases where the employers were insolvent were 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 September 2014 are summarized below:

(a) Prosecution

Number of summonses applied	29
(- <i>Non-enrolment of employees</i> )	(4)
(- <i>Default contribution</i> )	(21)
(- <i>False statement</i> )	(4)

(b) Contribution Surcharge

- Number of employers with notices issued	24 200
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	17
- Number of employees involved	78

(d) Submission to the District Court

- Number of cases submitted	5
- Number of employees involved	165

(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	6
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(g) Proactive Inspections

- Number of employment establishments visited	142
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## **Education and Publicity**

9. To remind scheme members to manage their MPF investment proactively in a lighthearted manner, the MPFA has invited a local cartoonist “Maggiology” (「馬仔」) to develop another new series of MPF investment education comic strips. The new comic series was published in magazines and a free tabloid, and put up on bus shelters in September 2014.

10. The MPFA’s senior executives continued to introduce the MPF “core fund” proposal in media interviews. As at the end of September, the MPFA had organized or attended over 80 meetings, briefings and seminars, explaining the proposal to legislators; employers’ associations; business, professional and social service groups; labour unions; the MPF industry; District Councils; think tanks; commentators and many others. The MPFA also ran an advertisement on the “core fund” consultation again on 17 and 18 September in 13 paid newspapers and five free tabloids in two batches. It also issued a press release on 25 September to remind members of the public to share their views on the “core fund” before the public consultation ended on 30 September.

11. With a view to reminding employers of making MPF contributions on time and the legal impact of defaulting on contributions, an advertisement was placed in five free tabloids on 15 and 16 September. Employers were also advised to contact their trustee about the arrangements for making contributions on time to avoid breaking the law.

12. For youth education, over 64 000 copies of task books and 1 300 copies of teaching manuals were sent to 167 primary schools to encourage primary school students to form the good habits of saving, proper allocation of money, and helping people in need. MPF messages were carried in the task books for students to share with their parents. A set of six money management display posters were also sent to all local primary schools and secondary schools for wider dissemination of proper money management concepts.

13. The online learning platform “Manage Your MPF, Master Your Wealth”, which ties in with the Senior Secondary Curriculum has been launched for the second time in the 2014/15 school year. A briefing session was held to introduce the financial planning concepts and mechanism of this life planning platform to the secondary school teachers.

14. A monthly game on Facebook fan page was continued as an on-going effort to promulgate MPF messages to the young people in a lively manner.

15. In addition, a total of 16 seminars on MPF were given to employers, employees, civil servants, job-seekers, tertiary students and members of the public to educate them on the MPF System and MPF investment. MPFA also participated in a job fair and three 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.

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

Mandatory Provident Fund Schemes Authority  
8 October 2014