

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – October 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 31.10.2014	As at 30.9.2014	Change**	As at 31.10.2014	As at 30.9.2014	Change**
Employers	270 000	272 300	-2 300	99%	100%	-1%
Employees	2 500 700	2 500 900	-100	100%	100%	-
Self-Employed Persons (SEPs)	208 400	209 700	-1 200	63%	64%	-

* 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 October 2014, 20 400 employers, 479 800 employees and 16 700 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In October 2014, 335 complaints were received by MPFA, of which 307 complaints were made against 249 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	307
<i>Breakdown by complaint allegation[^]</i>	
<i>(- Involuntary change from “employee” status to “SEP” status)</i>	<i>(6)</i>
<i>(- Non-enrolment in MPF Schemes)</i>	<i>(135)</i>
<i>(- Default contribution)</i>	<i>(265)</i>
<i>(- Others (e.g. no pay records))</i>	<i>(58)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	28

[^] 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 October 2014, the LD received 3 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 140 complaints received from 1 January 2014 to 31 October 2014:

- (a) 61 cases were resolved after conciliation or advice given;
- (b) 56 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) 17 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 October 2014 are summarized below:

(a) Prosecution

Number of summonses applied	41
(- <i>Non-enrolment of employees</i>)	(4)
(- <i>Non-enrolment (Employee / SEP dispute)</i>)	(2)
(- <i>Default contribution</i>)	(25)
(- <i>False statement</i>)	(6)
(- <i>Failure to comply with court order</i>)	(4)

(b) Contribution Surcharge

- Number of employers with notices issued	26 400
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	30
- Number of employees involved	142

(d) Submission to the District Court

- Number of cases submitted	5
- Number of employees involved	48

(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	20
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(g) Proactive Inspections

- Number of employment establishments visited	154
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Education and Publicity

9. To tie in with the launch of a new series of MPF investment education comic strips featuring Maggiology last month, a Facebook game has been rolled out since late October. Through showing of the animated version of the comic strips and a simple quiz, scheme members were reminded to manage their MPF investment proactively. Publicity on popular websites and smartphone applications was arranged. A press release was also issued to publicize the online game.

10. With a view to generating more public awareness of the simplified transfer election form for Employee Choice Arrangement, advertisements were placed in free tabloids in October.

11. To encourage kindergarten children to form a good habit of saving and develop proper attitudes towards money management, the MPFA developed and distributed 120 000 storybooks and money management reward booklets to over 580 kindergartens, reaching over two-thirds of kindergarten children and their parents and teachers in Hong Kong. MPF messages for parents and teachers were also featured in the storybook. A teaching kit was provided to each kindergarten to facilitate classroom teaching.

12. In the month, a school-based parenting workshop for kindergarten kids and their parents, workshops for senior grade primary school students and seminars for their parents were organized to educate them on the proper attitudes towards money management and the basic concepts of MPF. Three on-campus life-planning workshops were held to educate senior form secondary school students on the importance of financial planning and the basic concepts of MPF.

13. To enhance tertiary students' understanding of the MPF System and MPF investment, as well as to promote the benefits of making an early start on retirement planning, a competition entitled "Social Media Marketing Challenge" was launched in October. Six on-campus roving activities were held in various local tertiary institutions to disseminate MPF messages and to encourage students to join the competition.

14. A total of 15 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 to disseminate MPF messages and provide on-site personal account checking service to job-seekers and members of the community in different districts.

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

Mandatory Provident Fund Schemes Authority
11 November 2014