

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – November 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 30.11.2014	As at 31.10.2014	Change**	As at 30.11.2014	As at 31.10.2014	Change**
Employers	270 800	270 000	+800	99%	99%	-
Employees	2 500 800	2 500 700	-	100%	100%	-
Self-Employed Persons (SEPs)	208 100	208 400	-300	63%	63%	-

* 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 November 2014, 20 500 employers, 482 400 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 November 2014, 279 complaints were received by MPFA, of which 247 complaints were made against 197 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	247
<i>Breakdown by complaint allegation[^]</i>	
<i>(Non-enrolment in MPF Schemes)</i>	<i>(109)</i>
<i>(Default contribution)</i>	<i>(214)</i>
<i>(Others (e.g. no pay records))</i>	<i>(38)</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 November 2014, the LD received 15 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 155 complaints received from 1 January 2014 to 30 November 2014:

- (a) 69 cases were resolved after conciliation or advice given;
- (b) 59 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) 21 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 November 2014 are summarized below:

(a) Prosecution

Number of summonses applied	62
(Non-enrolment of employees)	(6)
(Default contribution)	(49)
(False statement)	(7)

(b) Contribution Surcharge

- Number of employers with notices issued	24 700
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	24
- Number of employees involved	113

(d) Submission to the District Court

- Number of cases submitted	6
- Number of employees involved	128

(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	1
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(g) Proactive Inspections

- Number of employment establishments visited	191
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Education and Publicity

9. 31 October 2014 marks the end of a two-year transition period for MPF intermediaries. The MPFA issued a press release on 3 November to report on the transition of the intermediaries from the old regime and the smooth implementation of the statutory regulatory regime for them.

10. To further educate scheme members on how to make informed decisions for their lifelong MPF investment and to encourage them to consolidate their MPF personal accounts (PAs), a roving exhibition, being the second one in 2014/15, was held at a shopping mall in Ma On Shan from 1 to 2 November. The exhibition comprised exhibits, quiz game and an enquiry counter. Scheme members could also make use of the MPF consultation services where Certified Financial Planners provided professional analysis on MPF investment and retirement planning free of charge. To facilitate scheme members' consolidation of their PAs, an on-site checking service was provided for members to check the number and whereabouts of their PAs. To promote the event, we had arranged publicity in various media, including advertisements in a tabloid and on the Internet, posters at public housing estates and direct mailers to housing estates in the vicinity.

11. During the month, school-based parenting workshops for kindergarten children 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.

12. New school-based money management drama-cum-workshops were launched to educate junior form secondary school students on the proper attitudes towards money management, the benefits of making early financial plans as well as the basic concepts of MPF. For senior form secondary students, on-campus life-planning workshops were arranged to educate them 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 organized. 14 on-campus roving activities were held in various local tertiary institutions during October to November to disseminate MPF messages and to encourage students to join the competition, reaching over 16 000 tertiary students.

14. A total of 10 seminars on MPF were given to employers, employees, tertiary students 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 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.