

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – February 2016

#### 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 29.2.2016	As at 31.1.2016	Change**	As at 29.2.2016	As at 31.1.2016	Change**
<b>Employers</b>	276 000	276 200	-100	100%	100%	-
<b>Employees</b>	2 549 000	2 546 200	+2 800	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	204 900	205 200	-300	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 February 2016, 21 400 employers, 520 400 employees and 16 000 SEPs were registered under the Industry Schemes.

#### Complaint Handling

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

4. In February 2016, 289 complaints were received by MPFA, of which 270 complaints were made against 195 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	270
<i>Breakdown by complaint allegation<sup>^</sup></i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(1)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(95)</i>
<i>(Default contribution)</i>	<i>(238)</i>
<i>(Others (e.g. no pay records))</i>	<i>(49)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	19

<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 February 2016, the LD received 8 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 22 complaints received from 1 January 2016 to 29 February 2016:

- (a) 4 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (b) 18 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 February 2016 are summarized below:

(a) <u>Prosecution</u>	
Number of summonses applied	38
<i>(Non-enrolment of employees)</i>	(5)
<i>(Default contribution)</i>	(27)
<i>(False statement)</i>	(5)
<i>(Failure to comply with court order)</i>	(1)
(b) <u>Contribution Surcharge</u>	
- Number of employers with notices issued	22 200
(c) <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	27
- Number of employees involved	69
(d) <u>Submission to the District Court</u>	
- Number of cases submitted	5
- Number of employees involved	192
(e) <u>Submission to the High Court</u>	
- Number of cases submitted	0
- Number of employees involved	0
(f) <u>Submission to Liquidators / Receivers</u>	
- Number of cases submitted	0
(g) <u>Proactive Inspections</u>	
- Number of employment establishments visited	142

## **Education and Publicity**

9. Publicity in electronic and print media for the new arrangement of withdrawing MPF benefits by instalments continued this month. Online promotion has been stepped up since the implementation of the arrangement on 1 February 2016, with a video advertisement on YouTube.com.hk, a popular video website, and online banners on the Government portal.

10. A seminar on MPF investment was co-organized with a local university on 27 February to enhance participants' understanding of MPF investment and retirement planning. To promote the seminar, publicity in newspapers, a magazine, websites and a smartphone application was arranged. Members of the "Friends of MPF" were also invited to join this event.

11. In February, school-based programmes such as on-campus life-planning workshops for senior form secondary school students, drama-cum-workshops for junior form secondary school students, workshops for senior grade primary school students and seminars for their parents as well as a week-long money management programme for primary school students were held. These sessions continued to educate students and their parents on the proper attitudes towards money management, financial planning for retirement and, more importantly, the fundamental concepts of MPF. In addition, a MPF Youth Booklet entitled "My MPF Life Journey" was distributed to all secondary school graduates who may be entering the workforce soon.

12. For tertiary students, the competition entitled "MPF 360 Marketing Challenge" continued. It aims at enhancing students' understanding of the MPF System, MPF investment and the importance of having an early start in retirement planning, as well as promoting MPF messages via campus events and social media channels. During the month, campus activities, short videos and wallposts on online platforms were arranged by the participating teams to disseminate MPF messages to their peers and the public.

13. In the month, seven seminars on MPF were given to employers, employees, civil servants 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 members of the community in various districts.

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