

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – March 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 31.3.2016	As at 29.2.2016	Change**	As at 31.3.2016	As at 29.2.2016	Change**
Employers	276 400	276 000	+300	100%	100%	-
Employees	2 551 700	2 549 000	+2 700	99%	100%	-1%
Self-Employed Persons (SEPs)	204 600	204 900	-300	68%	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 March 2016, 21 400 employers, 522 000 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 March 2016, 407 complaints were received by MPFA, of which 376 complaints were made against 231 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	376
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(3)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(125)</i>
<i>(Default contribution)</i>	<i>(338)</i>
<i>(Others (e.g. no pay records))</i>	<i>(62)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	31

[^] 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 March 2016, the LD received 15 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 37 complaints received from 1 January 2016 to 31 March 2016:

- (a) 3 cases were resolved after conciliation or advice given;
- (b) 6 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 28 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 March 2016 are summarized below:

(a) <u>Prosecution</u>	
Number of summonses applied	52
<i>(Non-enrolment of employees)</i>	<i>(4)</i>
<i>(Default contribution)</i>	<i>(41)</i>
<i>(False statement)</i>	<i>(6)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>
(b) <u>Contribution Surcharge</u>	
- Number of employers with notices issued	28 800
(c) <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	50
- Number of employees involved	125
(d) <u>Submission to the District Court</u>	
- Number of cases submitted	6
- Number of employees involved	172
(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	18
(g) <u>Proactive Inspections</u>	
- Number of employment establishments visited	151

Education and Publicity

9. A new burst of publicity on MPF account management was launched this month, with a view to discouraging proliferation of personal accounts during the peak season of job-changing (i.e. after Chinese New Year). Online banner advertisements were placed on the MPFA website, a high-traffic portal and some popular recruitment websites to direct scheme members to view a short video on how to handle their MPF accounts when changing jobs. The video was telecast on TV panels inside MTR trains to reach out to the working population of different profile and background.

10. To further enhance scheme members' understanding of key fundamental MPF investment concepts and the concept of retirement investment, and to encourage them to take good care of their MPF investment, a series of eight videos of "MPFA TV" was arranged for telecast on TV, out-of-home platforms, websites and smartphone applications from February to March. Print advertisement was placed on two magazines to achieve a wide audience reach.

11. A roving exhibition, being the last one in the 2015-16 series, was held at a shopping mall in Kornhill from 5 to 6 March with the aim of further educating scheme members on how to make informed decisions for their lifelong MPF investment and to encourage them to consolidate their MPF personal accounts. Delivery of direct mailers to residents in the vicinity of the exhibition venue and poster display in the housing estates nearby were arranged to publicize the event.

12. In order to further promote the retirement planning mobile application "樂享退休 GPS" and the messages on retirement investment, publicity on various online platforms and an advertorial in five newspapers and magazines was arranged to encourage the public to plan ahead and save for retirement.

13. In March, a wide range of programmes were organized 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. These activities included 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.

14. The “MPF 360 Marketing Challenge” for tertiary students continued with a view to 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, the participating teams launched campus activities, produced short videos and uploaded wallposts on online platforms to disseminate MPF messages to their peers and members of the public.

15. In the month, 14 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 and a job fair to disseminate MPF messages and provide on-site personal account checking service to job-seekers and members of the community in a number of districts.

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

Mandatory Provident Fund Schemes Authority
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