

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – April 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 30.4.2016	As at 31.3.2016	Change**	As at 30.4.2016	As at 31.3.2016	Change**
Employers	276 400	276 400	-	100%	100%	-
Employees	2 552 500	2 551 700	+800	99%	99%	-
Self-Employed Persons (SEPs)	204 300	204 600	-300	68%	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 April 2016, 21 500 employers, 525 000 employees and 15 900 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In April 2016, 326 complaints were received by MPFA, of which 296 complaints were made against 221 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	296
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(1)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(116)</i>
<i>(Default contribution)</i>	<i>(258)</i>
<i>(Others (e.g. no pay records))</i>	<i>(47)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	30

[^] 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 April 2016, the LD received 16 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 53 complaints received from 1 January 2016 to 30 April 2016:

- (a) 8 cases were resolved after conciliation or advice given;
- (b) 11 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 34 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 April 2016 are summarized below:

(a) Prosecution

Number of summonses applied	47
<i>(Non-enrolment of employees)</i>	<i>(4)</i>
<i>(Default contribution)</i>	<i>(34)</i>
<i>(False statement)</i>	<i>(8)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	22 200
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	33
- Number of employees involved	115

(d) Submission to the District Court

- Number of cases submitted	4
- Number of employees involved	96

(e) Submission to the High Court

- Number of cases submitted	1
- Number of employees involved	445

(f) Submission to Liquidators / Receivers

- Number of cases submitted	10
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(g) Proactive Inspections

- Number of employment establishments visited	196
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Education and Publicity

9. Invitation for applications and nominations of the 2015-16 Good MPF Employer Award commenced in April. It is an annual award to recognize employers who are compliant with MPF legislation and exemplary in enhancing the retirement benefits of their employees. To publicize the Award and call for applications and nominations, a press release was issued and advertisements were placed in local newspapers as well as publications of employers' associations and labour unions.

10. A retirement planning workshop, being the first one in the 2016-17 series, was conducted on 6 April at the workplace of a company. It enabled direct communication with "keen-to-know" scheme members and provided them with practical tips for retirement planning and MPF investment. It also helped to ascertain their information needs on MPF investment. In the workshop, a certified financial planner explained to participants the factors to consider when doing retirement planning, introduced the retirement planning mobile application "樂享退休 GPS" as well as some useful tools available on the MPFA website.

11. In April, school-based programmes such as on-campus life-planning workshops for senior 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. Meanwhile, e-copy of youth booklet carrying information on the MPF System and MPF investment was disseminated to around 43 000 graduates of tertiary institutions through electronic platforms.

12. The "MPF 360 Marketing Challenge" was organized with a view to enhancing tertiary 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. In order to disseminate MPF messages to their peers and members of the public, the participating teams organized a total of 26 campus activities and uploaded wallposts to their Facebook fanpage from January to March, which acquired over 8 200 fans and reached out to over 56 000 people. The programme concluded with a prize presentation ceremony on 28 April.

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 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.

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

Mandatory Provident Fund Schemes Authority
May 2016