

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – October 2015

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 31.10.2015	As at 30.9.2015	Change**	As at 31.10.2015	As at 30.9.2015	Change**
Employers	276 900	276 900	-	100%	100%	-
Employees	2 551 900	2 551 900	-	100%	100%	-
Self-Employed Persons (SEPs)	205 700	205 900	-200	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 October 2015, 21 100 employers, 508 700 employees and 16 200 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 2015, 340 complaints were received by MPFA, of which 302 complaints were made against 247 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	302
<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>(111)</i>
<i>(Default contribution)</i>	<i>(264)</i>
<i>(Others (e.g. no pay records))</i>	<i>(55)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	38

[^] 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 2015, the LD received 8 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 107 complaints received from 1 January 2015 to 31 October 2015:

- (a) 36 cases were resolved after conciliation or advice given;
- (b) 42 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication (including 1 case where employees had decided not to pursue the claim items involving MPF-related complaint at the Labour Tribunal);
- (c) 3 cases where the employer was insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- (d) 26 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 2015 are summarized below:

(a) Prosecution

Number of summonses applied	42
<i>(Non-enrolment of employees)</i>	<i>(8)</i>
<i>(Default contribution)</i>	<i>(25)</i>
<i>(False statement)</i>	<i>(9)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	23 100
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	39
- Number of employees involved	186

(d) Submission to the District Court

- Number of cases submitted	4
- Number of employees involved	167

(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	6
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(g) Proactive Inspections

- Number of employment establishments visited	158
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Education and Publicity

9. The MPFA gave out the first-ever Good MPF Employer Award to 654 employers, who were compliant with MPF legislation and provided additional retirement benefits to employees beyond the statutory requirements during 1 April 2014 to 31 March 2015. A presentation ceremony was held on 8 October 2015 to publicly recognize the awardees of this annual award programme. A media briefing was arranged on the date of the ceremony and a post-event supplement was published in a local newspaper in mid-October to augment the publicity impact.

10. As part of the ongoing efforts in promoting the key features of MPF investment, an online game featuring “MPFA TV” videos was launched on the Investment Education Facebook fanpage in late October. The objective was to further enhance scheme members' understanding of the fundamental MPF investment concepts and encourage them to take good care of their MPF investment in an interactive and entertaining manner. Publicity on TV, an out-of-home video platform, tabloids, websites and smartphone applications was arranged.

11. 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, a roving exhibition, being the third one in the 2015-16 series, was held at a shopping mall in Tsing Yi from 24 to 25 October. Publicity was arranged in various media, including advertisements in a tabloid and on the internet, posters at adjacent public housing estates, as well as direct mailers to residents in the vicinity to promote the event.

12. In the month, two school-based parenting workshops for kindergarten kids and their parents and two 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. In order to achieve wider penetration of money-management concepts in primary school students, the school-based money-management promotion week was rolled out in a new format, comprising an exhibition and game stalls on money management concepts and MPF messages, and a money-management talk.

13. For senior form secondary students, two on-campus life-planning workshops were held to educate them on the importance of financial planning and the basic concepts of MPF. Also, the online learning platform "Manage Your MPF, Master Your Wealth", which tied in with the Senior Secondary Curriculum, was launched for the third consecutive round in the 2015-16 school year. Students would go through one life stage in each week during the seven-week activity from 19 October to 6 December 2015, to complete a number of "tasks" in each stage.

14. 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 "MPF 360 Marketing Challenge" was launched in October. Four on-campus roving activities were held in various tertiary institutions to disseminate MPF messages and to encourage students to join the competition.

15. In addition, a total of five seminars on MPF were given to employers, employees, 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 different districts.

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

Mandatory Provident Fund Schemes Authority
November 2015