

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – September 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 30.9.2015	As at 31.8.2015	Change**	As at 30.9.2015	As at 31.8.2015	Change**
Employers	276 900	276 900	+100	100%	100%	-
Employees	2 551 900	2 561 500	-9 500	100%	100%	-
Self-Employed Persons (SEPs)	205 900	206 200	-300	68%	67%	+1%

* 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 September 2015, 21 100 employers, 506 500 employees and 16 300 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In September 2015, 303 complaints were received by MPFA, of which 264 complaints were made against 206 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	264
<i>Breakdown by complaint allegation[^]</i>	
<i>(Non-enrolment in MPF Schemes)</i>	<i>(106)</i>
<i>(Default contribution)</i>	<i>(241)</i>
<i>(Others (e.g. no pay records))</i>	<i>(50)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	39

[^] 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 September 2015, the LD received 9 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 99 complaints received from 1 January 2015 to 30 September 2015:

- (a) 34 cases were resolved after conciliation or advice given;
- (b) 39 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) 23 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 September 2015 are summarized below:

(a) Prosecution

Number of summonses applied	54
<i>(Non-enrolment of employees)</i>	<i>(9)</i>
<i>(Default contribution)</i>	<i>(37)</i>
<i>(False statement)</i>	<i>(4)</i>
<i>(Failure to comply with court order)</i>	<i>(4)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	27 800
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	38
- Number of employees involved	191

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	24

(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	14
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(g) Proactive Inspections

- Number of employment establishments visited	143
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Education and Publicity

9. During the month, the publicity campaign to encourage proactive management of MPF accounts continued. The video series entitled “MPF Heroes” was telecast on TV panels on buses, as well as made available on the MPFA website and the MPFA YouTube Channel for public viewing. The online game continued to run on MPFA’s Facebook fan page “Rolling My Money” and the print advertisement featuring the MPF Heroes was also placed in free tabloids to maximize the publicity impact.

10. To encourage kindergarten children to form a good habit of saving and develop proper attitudes towards money management, MPFA developed and distributed 120 000 storybooks to over 600 kindergartens, reaching around two-thirds of kindergarten children and their parents and teachers. MPF messages for parents and teachers were featured in the storybook. A teaching kit was also provided to each kindergarten to facilitate classroom teaching.

11. For primary school programme, 75 000 copies of task books and 2 000 copies of teaching manuals were sent to 170 primary schools to encourage primary school students to form good habits of saving, proper allocation of money and helping people in need. MPF messages were carried in the parents’ section of the task books for sharing with the parents. A set of six money management display posters was also sent to all local primary schools for wider dissemination of proper money management concepts.

12. A training workshop co-organized with the Hong Kong Teachers’ Centre of the Education Bureau was conducted on 19 September to facilitate the inclusion of topics on money management and MPF knowledge in the curriculum of secondary schools, as well as to disseminate messages on personal financial planning to the teachers. Another training workshop was organized on 26 September to introduce to teachers the online learning platform on wealth and MPF management for senior secondary students.

13. To encourage scheme members to review their MPF investment regularly and manage their MPF accounts proactively, a series of six advertorials was arranged in two magazines and on various online platforms from September to December. As people like reading real-life stories, the advertorials were presented in form of case studies, with analyses by a Certified Financial Planner, on a number of scenarios encountered by scheme members in different age brackets and at different life stages.

14. In addition, a total of nine seminars on MPF were given to employers, employees, civil servants, job-seekers, tertiary students and members of the public to educate them on the MPF System and MPF investment. MPFA also participated in two job fairs and 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.

Mandatory Provident Fund Schemes Authority
October 2015