

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – November 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 30.11.2015	As at 31.10.2015	Change**	As at 30.11.2015	As at 31.10.2015	Change**
Employers	277 000	276 900	+100	100%	100%	-
Employees	2 552 100	2 551 900	+200	100%	100%	-
Self-Employed Persons (SEPs)	205 500	205 700	-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 November 2015, 21 200 employers, 512 100 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 November 2015, 352 complaints were received by MPFA, of which 312 complaints were made against 236 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	312
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(6)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(117)</i>
<i>(Default contribution)</i>	<i>(287)</i>
<i>(Others (e.g. no pay records))</i>	<i>(62)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	40

[^] 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 November 2015, the LD received 15 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 122 complaints received from 1 January 2015 to 30 November 2015:

- (a) 40 cases were resolved after conciliation or advice given;
- (b) 46 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) 33 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 November 2015 are summarized below:

(a) Prosecution

Number of summonses applied	19
<i>(Non-enrolment of employees)</i>	<i>(4)</i>
<i>(Default contribution)</i>	<i>(9)</i>
<i>(False statement)</i>	<i>(4)</i>
<i>(Failure to comply with court order)</i>	<i>(2)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	22 000
---	--------

(c) Submission to the Small Claims Tribunal

- Number of cases submitted	26
- Number of employees involved	95

(d) Submission to the District Court

- Number of cases submitted	5
- Number of employees involved	35

(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	18
-----------------------------	----

(g) Proactive Inspections

- Number of employment establishments visited	173
---	-----

Education and Publicity

9. In November, the Financial Services and the Treasury Bureau and MPFA held a joint press conference on the gazettal of the Mandatory Provident Fund Schemes (Amendment) Bill 2015, which seeks to regulate and improve the MPF's default investment arrangements. The Bill proposes to mandate each MPF trustee to provide a highly standardized and fee-controlled Default Investment Strategy (DIS) in each MPF scheme.

10. To encourage the public to plan ahead and save for retirement, a mobile application "樂享退休 GPS" was launched in November. The mobile application, which consists of several money management tools including a retirement planning calculator, a spending tracker and a shopping list for price comparison, helps users set up a personal saving plan according to their retirement needs and facilitates their close monitoring of the progress. Advertisements on various magazines and websites were arranged, and a press release was issued to publicize the new app.

11. Youth programmes for various levels of students proceeded in full steam. 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, promotion week for primary school students, as well as parenting workshops for kindergarten children and their parents were organized to educate the participants on the proper attitudes towards money management, financial planning for retirement and the concepts of MPF.

12. For tertiary students, a competition entitled "MPF 360 Marketing Challenge" was organized to enhance their understanding of the MPF System, MPF investment and the importance of early planning for retirement. 15 on-campus roving activities were held in various tertiary institutions from October to November to disseminate MPF messages and to encourage students to join the competition. The activities had successfully reached out to about 14 000 tertiary students. During the briefing session organized for potential participants on 28 November 2015, social media marketing experts, movie producer and MPFA representatives were invited to provide details of the competition, as well as to equip the students with tactics of social media marketing, video production and, most importantly, knowledge on the MPF System and MPF investment.

13. A total of 11 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 different districts.

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

Mandatory Provident Fund Schemes Authority
December 2015