

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – December 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 31.12.2015	As at 30.11.2015	Change**	As at 31.12.2015	As at 30.11.2015	Change**
Employers	276 100	277 000	-800	100%	100%	-
Employees	2 548 800	2 552 100	-3 300	100%	100%	-
Self-Employed Persons (SEPs)	205 300	205 500	-200	68%	68%	-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 December 2015, 21 300 employers, 514 300 employees and 16 100 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In December 2015, 332 complaints were received by MPFA, of which 301 complaints were made against 233 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	301
<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>(113)</i>
<i>(Default contribution)</i>	<i>(265)</i>
<i>(Others (e.g. no pay records))</i>	<i>(58)</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 December 2015, the LD received 14 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 136 complaints received from 1 January 2015 to 31 December 2015:

- (a) 44 cases were resolved after conciliation or advice given;
- (b) 48 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) 41 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 December 2015 are summarized below:

(a) Prosecution

Number of summonses applied	47
<i>(Non-enrolment of employees)</i>	<i>(3)</i>
<i>(Default contribution)</i>	<i>(37)</i>
<i>(False statement)</i>	<i>(6)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	23 300
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	33
- Number of employees involved	245

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	85

(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	4
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(g) Proactive Inspections

- Number of employment establishments visited	201
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Education and Publicity

9. A publicity campaign was rolled out in December with a view to generating awareness of the new arrangement of withdrawing MPF benefits by instalments among target scheme members, i.e. retirees and near retirees, which will take effect on 1 February 2016. As one of the initiatives of the campaign, a new leaflet on how to manage MPF upon retirement was published. It was made available in MPFA offices and other channels such as Home Affairs Department's public enquiry service centres for public collection. Its e-version can also be viewed or downloaded from the MPFA website. A flyer highlighting the three ways to manage MPF upon retirement, including withdrawal of MPF benefits by instalments, withdrawal of all MPF benefits in a lump sum and retaining all the MPF benefits in the account for continuous investment, was distributed through trustees to more than 940 000 MPF account holders aged 59 or above.

10. The 2016 "MPF Contribution Days" calendar has been made available on the MPFA website as a handy tool to help employers and human resources practitioners make MPF contributions on time. The MPF contribution days of every month in 2016 are shown on the calendar. Responsible officers and employees who make contributions every month can check or print the calendar for their handy reference.

11. A new format of retirement planning workshops which are held at workplaces has been launched in 2015 to facilitate direct communication with "keen-to-know" scheme members to ascertain their information needs as well as to provide them with practical tips for retirement planning and MPF investment. A total of seven sessions, including two sessions held in December, have been conducted so far. In the workshops, a certified financial planner would explain to participants the factors to consider when making retirement planning, the useful tools available on the MPFA website and the newly launched retirement planning mobile application.

12. In December, 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 held. These sessions continued to educate the participants on the proper attitudes towards money management, financial planning for retirement and, more importantly, the concepts of MPF.

13. For tertiary students, a competition entitled “MPF 360 Marketing Challenge” was organized in this academic year to enhance their understanding of the MPF System, MPF investment and the importance of having an early start in retirement planning, as well as to promulgate MPF messages through their creativity via social media channels. Twenty teams of tertiary students participated in this competition. As part of the programme, a company visit was held on 14 December for participants to understand the real-world operation of the marketing and social media industry. Social media marketing experts were also invited to brief students on the latest trends of social media marketing.

14. A total of five 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 various districts.

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

Mandatory Provident Fund Schemes Authority
January 2016