

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – January 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 31.1.2016	As at 31.12.2015	Change**	As at 31.1.2016	As at 31.12.2015	Change**
Employers	276 200	276 100	-	100%	100%	-
Employees	2 546 200	2 548 800	-2 600	100%	100%	-
Self-Employed Persons (SEPs)	205 200	205 300	-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 January 2016, 21 300 employers, 518 000 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 January 2016, 296 complaints were received by MPFA, of which 267 complaints were made against 189 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	267
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(4)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(100)</i>
<i>(Default contribution)</i>	<i>(242)</i>
<i>(Others (e.g. no pay records))</i>	<i>(52)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	29

[^] 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 January 2016, the LD received 14 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 14 complaints received in January 2016:

- (a) 2 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (b) 12 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 January 2016 are summarized below:

(a) <u>Prosecution</u>	
Number of summonses applied	36
<i>(Non-enrolment of employees)</i>	(2)
<i>(Default contribution)</i>	(30)
<i>(False statement)</i>	(3)
<i>(Failure to comply with court order)</i>	(1)
(b) <u>Contribution Surcharge</u>	
- Number of employers with notices issued	22 100
(c) <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	37
- Number of employees involved	96
(d) <u>Submission to the District Court</u>	
- Number of cases submitted	3
- Number of employees involved	452
(e) <u>Submission to the High Court</u>	
- Number of cases submitted	0
- Number of employees involved	0
(f) <u>Submission to Liquidators / Receivers</u>	
- Number of cases submitted	26
(g) <u>Proactive Inspections</u>	
- Number of employment establishments visited	157

Education and Publicity

9. A press conference was held on 26 January to unveil a report on the 15-year Investment Performance Review of the MPF System. MPFA Chairman Dr David Wong and Non-executive Director Mr Philip Tsai briefed the media on the key statistics, and on how to interpret performance data and manage MPF investments.

10. To generate public awareness of the new arrangement of withdrawing MPF benefits by instalments, which came into effect on 1 February 2016, TV and radio Announcements in the Public Interests (APIs) featuring a popular comic character “Old Master Q” (老夫子) were launched in late January. Print advertisement had been placed in selected high-circulation newspapers since early January.

11. As part of the ongoing efforts in promoting MPF investment education (IE), an online game featuring the IE comic strips with the popular comic character “Maggiology” was launched on IE Facebook fan page in mid-January to disseminate messages on how to manage MPF investment proactively in an interactive and entertaining manner. Publicity on popular websites and smartphone applications was arranged.

12. In January, various activities were organized to educate students and their parents on the proper attitudes towards money management, financial planning for retirement and, more importantly, the concepts of MPF. These activities included 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.

13. The “MPF 360 Marketing Challenge” for tertiary students continued with a view to enhancing their understanding of the MPF System, MPF investment and the importance of having an early start in retirement planning, as well as promoting MPF messages through their creativity via social media channels. In the month, 16 participating teams launched their Facebook fan pages to disseminate MPF messages to their peers and the public. In addition, the teams were actively preparing their upcoming campus promotional activities and videos.

14. In the month, 14 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.