

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress report as at the end of April 2005

Purpose

This paper updates Members on the latest progress of implementing the Mandatory Provident Fund (MPF) System.

Enrolment

2. The enrolment position as at the end of April 2005 is as follows:

	Number of Participants*			Enrolment Rate		
	As at 30.4.2005	As at 31.3.2005	Change	As at 30.4.2005	As at 31.3.2005	Change
Employers	223 600	223 600	-	97.9%	97.9%	-
Employees	1 888 100	1 888 600	- 500	96.7%	96.7%	-
Self-employed persons (SEPs)	290 400	292 000	- 1 600	80.4%	80.8%	- 0.4%

* to the nearest 100

3. The enrolment rates of employers and relevant employees remained stable. The enrolment rate of SEP decreased by 0.4%, probably caused by more SEPs re-joining the workforce as employees. As at the end of April 2005, 14 100 employers, 248 600 employees and 22 100 SEPs were registered under the Industry Schemes¹.

Complaint Handling

Complaints received by the MPFA

4. Of the total 898 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in April 2005, 98% concerned scheme members and 608 employers were involved. The breakdown is as follows:

¹ Double registration with the two Industry Schemes trustees has been eliminated.

<u>Nature of complaints received in April 2005</u>	<u>% *</u>
(A) Complaints concerning scheme members:	
➤ Wrongful reduction of wages / benefits	4
➤ Involuntary change from employee to SEP	0
➤ Non-enrolment in MPF Schemes	28
➤ Default contribution	87
➤ Others (e.g. dismissal; no pay records)	7
(B) Complaints against trustees, intermediaries, ORSO etc	3
* <i>Multiple selection allowed.</i>	

Complaints received by the Labour Department (LD)

5. In April 2005, the LD received 13 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of a total of 66 complaints received from 1 January 2005 to the end of April 2005:

- 19 cases were resolved after conciliation or advice given;
- 24 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 5 cases where the employers were insolvent were referred to the Legal Aid Department, the Official Receiver's Office and the Protection of Wages on Insolvency Fund;
- 15 cases where the employees had lodged claims with the LD were awaiting conciliation result; and
- 3 cases were awaiting the employees' decision on whether to lodge claims with the LD for conciliation.

Enforcement

7. The MPFA continued to enforce the MPF Schemes Ordinance by proactive inspections of employment premises, investigation of complaints, making claims at law courts on behalf of employees to recover the outstanding default contributions, and prosecuting offending employers.

8. The enforcement actions taken by the MPFA in April 2005 are summarized below:

Enforcement action in April 2005	Number of Cases
A. <u>Prosecution</u> Number of summonses applied during the month	92
- <i>Non-enrolment of employees</i>	1
- <i>Non-enrolment (Employee / SEP dispute)</i>	0
- <i>Default contribution</i>	91
- <i>False statement</i>	0
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) Number of Notices issued to employers	25 500
C. <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	109
- Number of employees involved	208
D. <u>Submission to the District Court</u>	
- Number of cases submitted	3
- Number of employees involved	15
E. <u>Submission to the High Court</u>	
- Number of cases submitted	1
- Number of employees involved	60
F. <u>Submission to liquidators / receivers</u>	
- Number of cases submitted	61
G. <u>Proactive Inspections</u>	
- Number of employment establishments visited	274

Education and Publicity

9. A newly designed leaflet on “What employees should know about MPF” was published and distributed during the month under review. The leaflet enables MPF scheme members to better understand their rights and responsibilities under the MPF System.

10. A poster reminding Government outsourced contractors and their employees of their respective responsibilities and rights under the MPF System was also produced. These posters were distributed to the outsourced contractors through the Housing Department, Food and Environmental Hygiene Department, Leisure and Cultural Services Department, and Government Property Agency for display at the contractors’ work sites.

11. On MPF investment education, four episodes of the 10-part TV series "MPF for the Future" (積金創未來) were broadcast during the month. The TV series was produced in partnership with RTHK, which aimed to enhance public understanding of the MPF System and MPF investment.

12. Youth talks and community outreach activities continued. A total of five talks were organized for secondary schools, youth organizations and professional groups during the month. Eight partnership programmes with political parties were held to disseminate MPF messages at community level through district carnivals.

13. A total of 25 articles were contributed and published in newspapers and magazines in April. The articles covered a variety of topics related to the MPF System ranging from MPF preserved account, MPF investment, scheme member protection, to enforcement. A meet-the-media session on enforcement was held during the month. The session attracted good media coverage of the MPFA’s enforcement efforts and results.

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