

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress report as at the end of January 2006

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 January 2006 is as follows:

	Number of Participants*			Enrolment Rate		
	As at 31.01.2006	As at 31.12.2005	Change	As at 31.01.2006	As at 31.12.2005	Change
Employers	226 800	226 500	+300	98.3%	98.2%	+ 0.1%
Employees	1 976 900	1 974 400	+ 2500	97.5%	97.4%	+ 0.1%
Self-employed persons (SEPs)	288 000	288 000	-	77.6%	77.6%	-

* to the nearest 100

3. Both the enrolment rates of employers and employees increased slightly by 0.1%. The enrolment rate of SEPs remained stable. As at the end of January 2006, 14 900 employers, 266 500 employees and 21 900 SEPs were registered under the Industry Schemes¹.

Complaint Handling

Complaints received by the MPFA

4. Of the total 741 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in January 2006, 98% concerned scheme members and 458 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 January 2006</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	26
➤ Default contribution	90
➤ Others (e.g. dismissal; no pay records)	7
(B) Complaints concerning trustees, intermediaries, Occupational Retirement Schemes Ordinance (ORSO) etc	3

* *Multiple selection allowed.*

Complaints received by the Labour Department (“LD”)

5. In January 2006, the LD received 41 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of the 41 complaints received in January 2006:

- 5 cases were resolved after conciliation or advice given;
- 3 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- 32 cases where the employees had lodged claims with the LD were awaiting conciliation result; and
- 1 case was awaiting the employee’s decision on whether to lodge claim 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 January 2006 are summarized below:

Enforcement action in January 2006	Number of Cases
A. <u>Prosecution</u> Number of summonses applied during the month - <i>Non-enrolment of employees</i> - <i>Non-enrolment (Employee / SEP dispute)</i> - <i>Default contribution</i> - <i>False statement</i>	19 0 0 19 0
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) Number of Notices issued to employers	30 100
C. <u>Submission to the Small Claims Tribunal</u> - Number of <i>cases submitted</i> - Number of <i>employees involved</i>	61 117
D. <u>Submission to the District Court</u> - Number of <i>cases submitted</i> - Number of <i>employees involved</i>	4 118
E. <u>Submission to the High Court</u> - Number of <i>cases submitted</i> - Number of <i>employees involved</i>	0 0
F. <u>Submission to liquidators / receivers</u> - Number of <i>cases submitted</i>	21
G. <u>Proactive Inspections</u> - Number of <i>employment establishments visited</i>	66

Education and Publicity

9. As a major initiative of the MPF Investment Education Campaign, a 30-second TV API with the theme "Look After Your MPF Investment - Add Value to Your Future" (多一分關心 多一分保障 強積金) was launched in early January 2006 on 17 TV channels including free and paid TV.

10. In addition, the last three parts of the 10-episode MPF radio series (積金投資面面觀) were broadcast during the month under review. As an extension, a new radio series (面對面 講積金) was rolled out in late January 2006 to provide practical tips on MPF investment. To start off the programme, an outreach event was organized for MPF Ambassador, Mr Chan Wing-luk, to meet face-to-face with the general public in a high traffic shopping mall in early January 2006.

11. For self-employed persons (SEPs), an outreach programme was conducted in partnership with associations of minibus drivers to publicize the rights and responsibilities of SEPs under the MPF System. A train-the-trainers workshop had also been co-organised with labour unions for their executives.

12. On the media front, more than 40 articles and press releases had been published in newspapers and magazines in January, focusing on MPF investment and member protection.

13. Community outreach activities continued, with two talks organized for a professional group and a labour union. Four partnership programmes with political parties and the Home Affairs Department were held in January to promote MPF investment knowledge through district carnivals.

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

Mandatory Provident Fund Schemes Authority
6 February 2006