

LegCo Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress report as at the end of February 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 February 2006 is as follows:

	Number of Participants*			Enrolment Rate		
	As at 28.02.2006	As at 31.01.2006	Change	As at 28.02.2006	As at 31.01.2006	Change
Employers	227 100	226 800	+300	98.5%	98.3%	+ 0.2%
Employees	1 983 200	1 976 900	+ 6 300	97.8%	97.5%	+ 0.3%
Self-employed persons (SEPs)	287 600	288 000	- 400	77.5%	77.6%	- 0.1%

* to the nearest 100

3. The enrolment rates of employers and employees increased slightly by 0.2% and 0.3% respectively. The enrolment rate of SEPs dropped slightly by 0.1%. As at the end of February 2006, 14 900 employers, 268 400 employees and 21 900 SEPs were registered under the Industry Schemes¹.

Complaint Handling

Complaints received by the MPFA

4. Of the total 751 complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) in February 2006, 98% concerned scheme

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

members and 432 employers were involved. The breakdown is as follows:

<u>Nature of complaints received in February 2006</u>	<u>% *</u>
(A) Complaints concerning scheme members:	
➤ Wrongful reduction of wages / benefits	3
➤ Involuntary change from employee to SEP	0
➤ Non-enrolment in MPF Schemes	25
➤ Default contribution	93
➤ Others (e.g. dismissal; no pay records)	9
(B) Complaints concerning trustees, intermediaries, Occupational Retirement Schemes Ordinance (ORSO) etc	3

* *Multiple selection allowed.*

Complaints received by the Labour Department (“LD”)

5. In February 2006, the LD received 18 MPF-related complaints, all of which were related to alleged wrongful deduction of wages.

6. Of the total 59 complaints received from 1 January 2006 to the end of February 2006:

- 14 cases were resolved after conciliation or advice given;
- 19 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- 26 cases where the employees had lodged claims with the LD were awaiting conciliation result.

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 February 2006 are summarized below:

Enforcement action in February 2006	Number of Cases
A. <u>Prosecution</u> Number of summonses applied during the month	49
- <i>Non-enrolment of employees</i>	2
- <i>Non-enrolment (Employee / SEP dispute)</i>	0
- <i>Default contribution</i>	47
- <i>False statement</i>	0
B. <u>Contribution Surcharge</u> (@5% of the contributions in arrears) Number of notices issued to employers	32 500
C. <u>Submission to the Small Claims Tribunal</u>	
- Number of cases submitted	76
- Number of employees involved	111
D. <u>Submission to the District Court</u>	
- Number of cases submitted	9
- Number of employees involved	45
E. <u>Submission to the High Court</u>	
- Number of cases submitted	1
- Number of employees involved	22
F. <u>Submission to liquidators / receivers</u>	
- Number of cases submitted	20
G. <u>Proactive Inspections</u>	
- Number of employment establishments visited	306

Education and Publicity

9. A new 6-episode MPF TV mini-series (多關心 多積金) was rolled out on TVB-Jade in late February 2006 to highlight major issues-of-concern in MPF investment. In addition, more exposure of the 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) had been secured through broadcasting on MTR trackside plasma TVs, Roadshow on buses, and outdoor video walls at major locations from mid-February 2006.

10. Four more episodes of the 10-part radio series (面對面 講積金) on Commercial Radio were broadcast during the month under review to provide practical tips on MPF investment to the public.

11. For youth education, a financial planning competition organized in partnership with the Institute of Financial Planners of Hong Kong was launched in mid-February 2006. The competition aimed at enhancing knowledge about financial and retirement planning among secondary and university students. In addition, a train-the-trainers workshop was conducted in early February 2006 for tutors of various youth organizations to enable them to cascade MPF messages to youngsters.

12. On the media front, 37 articles and press releases had been published in newspapers and magazines in February 2006, focusing on MPF investment and member protection.

13. As for community outreach activities, three talks had been organized for professional groups and labour unions. Five partnership programmes with political parties, labour unions and Home Affairs Department were held in February 2006 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 March 2006