

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – February 2017

#### 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 28.2.2017	As at 31.1.2017	Change**	As at 28.2.2017	As at 31.1.2017	Change**
<b>Employers</b>	277 000	277 100	-100	100%	100%	-
<b>Employees</b>	2 583 600	2 579 800	+3 900	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	202 100	202 100	-	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 February 2017, 22 200 employers, 562 900 employees and 15 500 SEPs were registered under the Industry Schemes.

#### Complaint Handling

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

4. In February 2017, 319 complaints were received by MPFA, of which 279 complaints were made against 231 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	279
<i>Breakdown by complaint allegation<sup>^</sup></i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(2)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(133)</i>
<i>(Default contribution)</i>	<i>(257)</i>
<i>(Others (e.g. no pay records))</i>	<i>(21)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	40

<sup>^</sup> 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 February 2017, the LD received 14 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 26 complaints received from 1 January 2017 to 28 February 2017:

- (a) 1 case was resolved after conciliation or advice given;
- (b) 5 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 20 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 (MPFSO) 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 February 2017 are summarized below:

(a) Prosecution

Number of summonses applied	26
<i>(Non-enrolment of employees)</i>	<i>(3)</i>
<i>(Default contribution)</i>	<i>(17)</i>
<i>(False statement)</i>	<i>(5)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	24 800
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	55
- Number of employees involved	167

(d) Submission to the District Court

- Number of cases submitted	2
- Number of employees involved	101

(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	15
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(g) Proactive Inspections

- Number of employment establishments visited	128
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## **Education and Publicity**

9. Publicity for the Default Investment Strategy (DIS) continued this month. Apart from print advertisements in selected high-circulation newspapers and video advertisements on popular online portal, a thematic website and two leaflets for average scheme members and employers respectively were launched in late February to provide detailed information on the policy intention, legislative changes and product design of the DIS.

10. A total of 32 briefings and meetings were held in the month for District Council Members, labour unions, employees and employers of private companies and employees of the construction industry to update them on the latest developments of the MPF System. The DIS was the major topic covered in the briefings and meetings.

11. To tie in with the communication, publicity and education activities for DIS, a new series of two “MPFA TV” (積金台) videos and print advertisements on early planning for retirement and diversification have been produced. To disseminate our messages in the community, the videos were telecast on a TV station, various out-of-home media, popular websites and mobile apps while print advertisements were arranged on various free newspapers from February to March.

12. Retirement planning workshops for companies continued so as to have direct engagement with “keen-to-know” scheme members, providing them with practical tips for retirement planning and MPF investment as well as ascertaining their information needs for MPF information.

13. To promote the benefits of having an early start on retirement planning to tertiary students and equipping them with knowledge on the MPF System and MPF investment with an objective to ensure prospective scheme members' compliance with the MPFSO in the long run, a series of on-campus promotional activities at various tertiary institutions were arranged.

14. A full array of educational activities and school-based programmes were also organized to educate various levels of students and the parents of younger students so as to enhance these prospective scheme members' understanding of the MPF System and MPF investment as well as the concept of retirement investment, with a view to enhancing their compliance with the MPFSO in the long run.

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