

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – March 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 31.3.2017	As at 28.2.2017	Change**	As at 31.3.2017	As at 28.2.2017	Change**
Employers	277 500	277 000	+500	100%	100%	-
Employees	2 572 400	2 583 600	-11 200	100%	100%	-
Self-Employed Persons (SEPs)	201 900	202 100	-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 March 2017, 22 300 employers, 565 200 employees and 15 400 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In March 2017, 402 complaints were received by MPFA, of which 364 complaints were made against 266 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	364
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(1)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(133)</i>
<i>(Default contribution)</i>	<i>(335)</i>
<i>(Others (e.g. no pay records))</i>	<i>(39)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	38

[^] 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 March 2017, the LD received 7 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 33 complaints received from 1 January 2017 to 31 March 2017:

- (a) 4 cases were resolved after conciliation or advice given;
- (b) 9 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 March 2017 are summarized below:

(a) Prosecution

Number of summonses applied	50
<i>(Non-enrolment of employees)</i>	<i>(3)</i>
<i>(Default contribution)</i>	<i>(37)</i>
<i>(False statement)</i>	<i>(9)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	25 200
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	60
- Number of employees involved	185

(d) Submission to the District Court

- Number of cases submitted	7
- Number of employees involved	74

(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	20
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(g) Proactive Inspections

- Number of employment establishments visited	172
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Education and Publicity

9. Publicity on the Default Investment Strategy (DIS) continued in the month. Apart from the TV and radio announcements in the public interest (APIs) on local TV and radio channels as well as print advertisements in newspapers, a 4-sheet panel advertisement was launched in MTR stations in March to remind scheme members about the launch of the DIS on 1 April and its impact on them.

10. A press conference was held on 21 March to remind scheme members about the coming launch of the DIS and the opt-out arrangement for scheme members who would be affected.

11. A briefing was held on 16 March for District Council members and their assistants, as well as representatives of labour unions, employer associations, think tanks and assistants of Legislative Council Members so that participants could help disseminate DIS messages at the district level and across their networks. Roving briefings for all the 18 District Councils, which started in October 2016, were completed in March.

12. To tie in with the communication, publicity and education activities on the DIS, an exhibition with display panels on the messages of the DIS and MPF investment was held at the Central Government Offices in March.

13. Over 30 talks were conducted in this month for the staff of companies and organizations, the majority of which were awardees of the Good MPF Employer Award 2015-16, on the operational details of the DIS and its impacts on scheme members.

14. A public seminar on MPF investment and retirement investment, including the introduction of the DIS, was co-organized with a local university with participation from members of the public, members of the “Friends of MPF” and employees of the Good MPF Employer awardees on 12 March. Some members of the “Friends of MPF” also joined a one-on-one MPF consultation service jointly organized with Chartered Financial Analysts (CFA) of The Hong Kong Society of Financial Analysts.

15. In 2016-17, 15 sessions of retirement planning workshop were conducted at workplace to enable direct engagement with “keen-to-know” scheme members, providing them with practical tips for retirement planning and MPF investment. The last session of the workshop for the year was held on 15 March.

16. A series of three infographic videos has been produced to educate scheme members on the benefits of early planning for retirement and the concepts of MPF investment. The videos were telecast on various online media platforms from March to April.

17. The latest issue of the MPFA Newsletter, with the implementation of the DIS and its impact on MPF scheme members as the cover story, has been released.

18. A full array of educational activities and school-based programmes were also organized during the month to educate various levels of students and the parents of younger students so as to enhance their 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.

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

Mandatory Provident Fund Schemes Authority
April 2017