

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – May 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 31.5.2017	As at 30.4.2017	Change**	As at 31.5.2017	As at 30.4.2017	Change**
Employers	277 500	277 700	-200	100%	100%	-
Employees	2 572 200	2 572 200	-	100%	100%	-
Self-Employed Persons (SEPs)	201 700	201 700	-	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 May 2017, 22 400 employers, 573 800 employees and 15 300 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In May 2017, 438 complaints were received by MPFA, of which 405 complaints were made against 271 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	405
<i>Breakdown by complaint allegation[^]</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(3)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(158)</i>
<i>(Default contribution)</i>	<i>(385)</i>
<i>(Others (e.g. no pay records))</i>	<i>(12)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	33

[^] 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 May 2017, the LD received 20 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 61 complaints received from 1 January 2017 to 31 May 2017:

- (a) 18 cases were resolved after conciliation or advice given;
- (b) 16 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 27 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 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 May 2017 are summarized below:

(a) Prosecution

Number of summonses applied	36
<i>(Non-enrolment of employees)</i>	<i>(1)</i>
<i>(Default contribution)</i>	<i>(26)</i>
<i>(False statement)</i>	<i>(7)</i>
<i>(Failure to comply with court order)</i>	<i>(2)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	26 100
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	29
- Number of employees involved	77

(d) Submission to the District Court

- Number of cases submitted	5
- Number of employees involved	62

(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	12
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(g) Proactive Inspections

- Number of employment establishments visited	151
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Education and Publicity

9. Advertisements on the Default Investment Strategy (DIS) continued in May in various mass media channels including TV, radio, print and online social media. This month, advertisements were launched inside the concourse and along the escalator in high traffic MTR stations to augment the publicity impact.

10. Online publicity had been stepped up to generate awareness and encourage usage of the e-Enquiry of Personal Accounts. In addition to the search engine marketing programme, advertisements were launched on popular mobile applications and recruitment-related Facebook fanpages to reach out to the key target audiences. An illustration featuring a popular comic character was also launched on the MPFA Facebook fanpage.

11. Applications and nominations of the Good MPF Employer Award 2016-17 (the Award) commenced in May. It is an annual award to recognize employers who are compliant with the MPF legislation and exemplary in enhancing the retirement benefits of employees. Two new awards, namely the e-Contribution Award and the Support for MPF Management Award, have been added to the 2016-17 programme to commend respectively awardees who have adopted electronic means for handling MPF administration and who have striven to encourage employees to actively manage their MPF. To publicize the Award, a press release was issued and invitation emails were sent to past awardees and employers who may be interested in the Award.

12. A number of talks were organized in the month in cooperation with two Legislative Council Members, a business association and a job fair organizer, to brief participants on the features of the DIS and other MPF-related topics.

13. The MPFA continued its collaboration with the offices of District Council Members for conducting DIS talks at the district level. More talks have been arranged to be held in the following months.

14. All in all, more than 180 talks and briefings on the DIS have been conducted since June 2016.

15. To tie in with the communication, publicity and education activities on DIS, a series of four “MPFA TV” (積金台) videos on MPF investment and retirement investment have been arranged for telecast on out-of-home and online platforms from May to June.

16. A short video starring two online video bloggers Miss Hunny and Szeto Si Fu (司徒夾帶), and the winner of the Ladies World Snooker Championship in 2015 and 2017, Miss Ng On Yee, has been produced and promoted via Facebook fanpage and Youtube to disseminate MPF messages to the young people. The video explains the concept of the compounding effect of MPF investment and the need for having an early start in retirement planning. A press release was issued to publicize the video this month.

17. Separately, a talk targeting newly established small- and medium-sized enterprises was organized, featuring employers' responsibilities under the MPF legislation. The MPFA also participated in a job fair to disseminate MPF messages to job seekers, young working adults and students who will enter the workforce. In addition, e-copy of youth booklet entitled "My MPF Life Journey" was distributed to secondary school graduates who may be entering the workforce soon.

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 legislative requirements in the long run.

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