

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – August 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 31.8.2017	As at 31.7.2017	Change**	As at 31.8.2017	As at 31.7.2017	Change**
Employers	279 500	279 500	-	100%	100%	-
Employees	2 579 800	2 579 600	+ 200	100%	100%	-
Self-Employed Persons (SEPs)	202 500	201 700	+ 900	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 August 2017, of the above estimated enrolment, 22 600 employers, 590 900 employees and 15 200 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In August 2017, 353 complaints were received by MPFA, of which 325 complaints were made against 220 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	325
<i>Breakdown by subject matter of complaint ^</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(4)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(129)</i>
<i>(Default contribution)</i>	<i>(305)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(10)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	28

[^] Since a complaint may cover more than one subject matter, the total number of the subject matters of complaints may exceed the number of complaints.

Complaints received by the Labour Department (LD)

5. In August 2017, the LD received 11 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 103 complaints received from 1 January 2017 to 31 August 2017:

- (a) 36 cases were resolved after conciliation or advice given;
- (b) 36 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 31 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 August 2017 are summarized below:

(a) Prosecution

Number of summonses applied	46
<i>(Non-enrolment of employees)</i>	<i>(7)</i>
<i>(Default contribution)</i>	<i>(29)</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	24 800
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	49
- Number of employees involved	159

(d) Submission to the District Court

- Number of cases submitted	4
- Number of employees involved	81

(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	157
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Education and Publicity

9. In the month, the MPFA hosted a media briefing on the implementation of the Default Investment Strategy (DIS). The MPFA also took the opportunity to call on scheme members to provide their trustees with their latest addresses, adding that some 300 000 MPF accounts which did not have an investment mandate had no valid addresses. The trustees would re-invest the benefits in these accounts according to the DIS unless the account holders instruct otherwise. Advertisements on the DIS continued in August in various mass media channels including TV, radio and online social media to draw public attention to the new product and the legislative change.

10. The MPFA received a high-level delegation led by the President of the Social Security Fund of Macao Special Administrative Region in August, sharing experience and latest developments of the MPF System with the delegates.

11. To educate scheme members on the importance of reviewing their MPF accounts regularly as well as the concepts of retirement planning and MPF investment, a series of four advertorials presented in the form of case study analysis by a Certified Financial Planner was produced. The advertorials have been arranged for publication on print and online platforms from August to September.

12. With a view to generating awareness and encouraging usage of the e-Enquiry of Personal Account service, a search engine marketing programme continued this month.

13. To further promote the mobile application “職場 MVP” with features like practical experience and tips in filling out an MPF enrolment form as well as essential MPF messages to young working adults, a burst of publicity including a search engine marketing programme has been rolled out on various online platforms.

14. Fifteen sessions of retirement planning workshop have been planned for 2017-18, one of which was conducted at the workplace of a participating company in August. The workshop enables direct engagement with “keen-to-know” scheme members, providing them with practical tips for retirement planning and MPF investment.

15. In August, the MPFA conducted a total of 30 talks and briefings for various stakeholders, including representatives of employers and employees, civil servants, trainees of the Construction Industry Council (CIC) and participants of the Labour Relations Officer Course organized by the CIC, on the topics of MPF requirements, employers' responsibilities under the MPFSO, the DIS, management of accounts and features of the Industry Schemes, etc.

16. The MPFA issued a press release in August to highlight the enforcement actions against employers who defaulted on MPF contributions, adding that the MPFA had conducted a round of inspections of retail outlets in different shopping malls.

17. Members are invited to note the content of this paper.

Mandatory Provident Fund Schemes Authority
September 2017