

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – January 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 31.1.2017	As at 31.12.2016	Change**	As at 31.1.2017	As at 31.12.2016	Change**
Employers	277 100	277 200	-100	100%	100%	-
Employees	2 579 800	2 583 800	-4 000	100%	100%	-
Self-Employed Persons (SEPs)	202 100	202 200	-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 January 2017, 22 200 employers, 559 500 employees and 15 500 SEPs were registered under the Industry Schemes (IS).

Complaint Handling

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

4. In January 2017, 238 complaints were received by MPFA, of which 218 complaints were made against 182 employers. A breakdown of these complaints by allegation is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	218
<i>Breakdown by complaint allegation[^]</i>	
<i>(Non-enrolment in MPF Schemes)</i>	<i>(94)</i>
<i>(Default contribution)</i>	<i>(200)</i>
<i>(Others (e.g. no pay records))</i>	<i>(19)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	20

[^] 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 January 2017, the LD received 12 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 12 complaints received in January 2017:

- (a) 2 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (b) 10 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 January 2017 are summarized below:

(a) Prosecution

Number of summonses applied	55
<i>(Non-enrolment of employees)</i>	<i>(7)</i>
<i>(Default contribution)</i>	<i>(42)</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	22 300
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	37
- Number of employees involved	173

(d) Submission to the District Court

- Number of cases submitted	4
- Number of employees involved	61

(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	5
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(g) Proactive Inspections

- Number of employment establishments visited	210
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Education and Publicity

9. Publicity for the Default Investment Strategy (DIS) continued with print advertisements placed in selected high-circulation newspapers and video advertisements on one of the most popular online portals in Hong Kong since late January.

10. With a view to generating awareness and encouraging usage of the e-Enquiry of Personal Account (ePA), a new electronic platform for MPF scheme members to check their MPF personal account, a search engine marketing programme continued in January and a new flyer was launched to provide information on the service.

11. A media luncheon was held by the MPFA on 23 January to introduce the latest development of the DIS and the ePA.

12. A press release was issued by the MPFA on 18 January to welcome the Government's proposal on the MPF offsetting arrangement. Another press release was also issued on 17 January to remind members of MPF Schemes and Occupational Retirement Schemes (ORSO schemes) not to make false claims for early withdrawal of MPF benefits. It highlighted that an ORSO member was sentenced to immediate imprisonment of three weeks in November 2016 after being convicted under the Crimes Ordinance for making a false statement in a document given to his ORSO trustee to apply for early withdrawal of his MPF benefits.

13. A series of briefings and meetings were held in the month for Legislative Council Members, District Council Members, labour unions, and employees of private companies to update them on the latest developments of the MPF System. The DIS was one of the major topics covered in the briefings and meetings.

14. Two talks aimed at encouraging trainees of the Construction Industry Council (CIC) to open IS accounts in advance, and updating participants who were taking the Labour Relations Officer Course at CIC on MPF requirements respectively were conducted. The DIS was among the topics of the talks.

15. In the month, a total of 18 talks and briefings were conducted for various stakeholders on the MPF System and MPF investment, as well as the DIS. To educate scheme members on the importance of early planning for retirement and that retirement investment should de-risk with age, a series of four advertorials in the form of case study analysis was arranged for publication on various print and online media platforms from January to February. 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.

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

Mandatory Provident Fund Schemes Authority
February 2017