

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – February 2018

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 28.2.2018	As at 31.1.2018	Change**	As at 28.2.2018	As at 31.1.2018	Change**
Employers	280 900	280 800	+ 100	100%	100%	-
Employees	2 581 300	2 578 300	+ 3 000	100%	100%	-
Self-Employed Persons (SEPs)	205 500	205 200	+ 300	70%	70%	-

* 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 2018, of the above estimated enrolment, 23 100 employers, 615 200 employees and 14 800 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 2018, 242 complaints were received by MPFA, of which 211 complaints were made against 157 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	211
<i>Breakdown by subject matter of complaint ^</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(1)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(91)</i>
<i>(Default contribution)</i>	<i>(199)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(4)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	31

[^] 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 February 2018, the LD received 9 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 30 complaints received from 1 January 2018 to 28 February 2018:

- (a) 6 cases were resolved after conciliation or advice given;
- (b) 7 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 17 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 February 2018 are summarized below:

(a) Prosecution

Number of summonses applied	28
<i>(Non-enrolment of employees)</i>	<i>(3)</i>
<i>(Default contribution)</i>	<i>(21)</i>
<i>(False statement)</i>	<i>(3)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	20 300
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	25
- Number of employees involved	81

(d) Submission to the District Court

- Number of cases submitted	8
- Number of employees involved	110

(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	14
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(g) Proactive Inspections

- Number of employment establishments visited	94
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Education and Publicity

9. In February, MPFA Chairman Dr David Wong together with senior management hosted a press conference on the MPF System's returns in 2017. They also introduced the newly launched Fund Performance Platform.

10. The Messenger Bot on Investment Education Facebook fan page “Workplace Incredibles” (全積特攻) was launched in February. Through chatting with the bot, the public can enhance their knowledge on the key concepts of managing MPF investment and retirement planning with just a few taps on the phone or the website. A burst of publicity has been arranged on online social media platform in February and March to encourage the public to use the bot.

11. A publicity campaign on MPF account management was launched in February, with the aims to remind scheme members to manage their MPF accounts proactively and encourage them to make use of the MPFA online tools, such as the e-Enquiry of Personal Account (ePA) and the newly launched Fund Performance Platform. The videos introducing the ePA were telecast on out-of-home platforms, while advertisements on online media and mobile platforms were rolled out to promote the Fund Performance Platform.

12. To sustain the publicity on the Default Investment Strategy (DIS), a series of four “MPFA TV” (積金台) videos on MPF investment and retirement investment has been arranged to telecast on out-of-home, online social media and mobile platforms in February and March.

13. A series of on-campus roving activities at local tertiary institutions was rolled out in the month. These activities, which include a trendy kinect game, aim to promote the benefits of having an early start on retirement planning and disseminate messages about the MPF System and MPF investment to tertiary students who will soon enter the workforce, or currently holding part-time jobs.

14. A new series of two short videos starring two popular young sport players Cheung Ka-long (張家朗), winner of the 2017 World Fencing Champion (Junior & Cadet), and Deer Chan (鹿兒), captain of “PandaCute”, Hong Kong’s first girls’ professional e-sports team, continued to be shown via “滾續達人” Facebook fan page, Youtube and various online platforms. The videos aim at raising scheme members’ awareness of the MPF rights of part-time employees and benefits of consolidating personal accounts for easier account management.

15. To further promote the mobile application “職場 MVP” which has features like practical experience and tips in filling out an MPF enrolment form as well as essential MPF messages to young working adults, a search engine marketing programme continued in the month.

16. A full array of educational activities and school-based programmes were also launched during the month to educate students at various levels 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.

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

Mandatory Provident Fund Schemes Authority
March 2018