

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – March 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 31.3.2018	As at 28.2.2018	Change**	As at 31.3.2018	As at 28.2.2018	Change**
<b>Employers</b>	281 500	280 900	+ 600	99%	100%	- 1%
<b>Employees</b>	2 586 300	2 581 300	+ 5 000	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	205 700	205 500	+ 200	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 March 2018, of the above estimated enrolment, 23 100 employers, 617 500 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 March 2018, 342 complaints were received by MPFA, of which 297 complaints were made against 209 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	297
<i>Breakdown by subject matter of complaint ^</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(2)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(110)</i>
<i>(Default contribution)</i>	<i>(274)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(17)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	45

<sup>^</sup> 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 March 2018, the LD received 6 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 36 complaints received from 1 January 2018 to 31 March 2018:

- (a) 11 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) 16 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 March 2018 are summarized below:

(a) Prosecution

Number of summonses applied	13
<i>(Non-enrolment of employees)</i>	<i>(1)</i>
<i>(Default contribution)</i>	<i>(8)</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	20 600
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	44
- Number of employees involved	245

(d) Submission to the District Court

- Number of cases submitted	2
- Number of employees involved	38

(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	18
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(g) Proactive Inspections

- Number of employment establishments visited	178
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## **Education and Publicity**

9. In March 2018, MPFA Chairman Dr David Wong launched a blog on the MPFA website to share the latest developments of the MPF System and the work of MPFA. In the first article, Dr Wong welcomed the Government's proposal of providing tax concessions for MPF voluntary contributions and urged scheme members to make additional contributions to boost their retirement savings.

10. Under the publicity campaign on MPF account management, a series of “MPF Personal Account Checking Counter” in office buildings and MTR stations in commercial or industrial areas was arranged in March 2018, with the aims to help scheme members check the information of their personal accounts and to promote the registration of the e-Enquiry of Personal Account.

11. As part of MPFA's outreach programme, eight sessions of talks were provided in two days for trainees of the Construction Industry Council in the construction industry. During the talks, the benefits of opening casual employee accounts in the Industry Schemes and their rights under the MPF System were explained. Separately, a briefing session was organized for researchers and assistants of Legislative Council Members to introduce the features of the newly launched MPF Fund Performance Platform. The briefing session was also attended by media reporters who were interested in this topic.

12. A seminar on MPF investment was co-organized with a local university on 18 March 2018 to enhance participants' understanding of MPF investment and retirement planning. To promote the seminar, publicity in newspapers, magazine, websites and smartphone application was arranged.

13. 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.

14. In the month, e-copy of youth booklet carrying information on the MPF System and MPF investment was issued to around 42 000 graduates of tertiary institutions.

15. 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.

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

Mandatory Provident Fund Schemes Authority  
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