

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – April 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 30.4.2018	As at 31.3.2018	Change**	As at 30.4.2018	As at 31.3.2018	Change**
<b>Employers</b>	281 900	281 500	+ 400	100%	99%	-
<b>Employees</b>	2 584 300	2 586 300	- 2 000	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	205 700	205 700	- 100	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 April 2018, of the above estimated enrolment, 23 200 employers, 621 100 employees and 14 800 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 April 2018, 313 complaints were received by MPFA, of which 279 complaints were made against 212 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	279
<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>(144)</i>
<i>(Default contribution)</i>	<i>(269)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(10)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	34

<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 April 2018, the LD received 13 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 49 complaints received from 1 January 2018 to 30 April 2018:

- (a) 16 cases were resolved after conciliation or advice given;
- (b) 11 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 22 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 April 2018 are summarized below:

(a) Prosecution

Number of summonses applied	13
<i>(Non-enrolment of employees)</i>	<i>(2)</i>
<i>(Default contribution)</i>	<i>(10)</i>
<i>(False statement)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	19 100
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	38
- Number of employees involved	109

(d) Submission to the District Court

- Number of cases submitted	2
- Number of employees involved	6

(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	129
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## **Education and Publicity**

9. In April 2018, applications and nominations for the Good MPF Employer Award 2017-18 (the Award) commenced. It is an annual award to recognize employers who are compliant with the MPF legislation and exemplary in enhancing the retirement benefits of employees. To publicize the Award, a press release was issued on 3 April 2018 and print advertisements were placed in several local newspapers.

10. As part of MPFA's outreach programme, talks were provided for trainees of the Construction Industry Council, explaining the benefits of opening casual employee accounts in the IS and workers' rights under the MPF System. Talks of similar nature were held for workers in construction sites.

11. An online quiz game was launched on “全職特攻” Facebook fan page in mid-April 2018 to promote the usage of the MPFA Messenger bot.

12. A publicity campaign on MPF account management was rolled out in February 2018, with the aims to remind scheme members to manage their MPF accounts proactively and encourage them to make use of the MPFA online tools. A series of articles was published and promoted on online media and mobile platforms in March and April 2018.

13. The MPFA continues to arrange retirement planning workshop at the workplace of companies in 2018-19 with the first one conducted in April 2018. The workshop enables direct engagement with “keen-to-know” scheme members, providing them with practical tips for retirement planning and MPF investment.

14. 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.

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