

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – May 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 31.5.2018	As at 30.4.2018	Change**	As at 31.5.2018	As at 30.4.2018	Change**
Employers	282 700	281 900	+ 800	100%	100%	-
Employees	2 587 600	2 584 300	+ 3 400	100%	100%	-
Self-Employed Persons (SEPs)	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 May 2018, of the above estimated enrolment, 23 300 employers, 623 100 employees and 14 700 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 May 2018, 357 complaints were received by MPFA, of which 329 complaints were made against 238 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	329
<i>Breakdown by subject matter of complaint ^</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(3)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(146)</i>
<i>(Default contribution)</i>	<i>(295)</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 May 2018, the LD received 14 complaints which involved MPF, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 63 complaints received from 1 January 2018 to 31 May 2018:

- (a) 21 cases were resolved after conciliation or advice given;
- (b) 22 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 20 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 May 2018 are summarized below:

(a) Prosecution

Number of summonses applied	36
<i>(Non-enrolment of employees)</i>	<i>(3)</i>
<i>(Default contribution)</i>	<i>(30)</i>
<i>(False statement)</i>	<i>(2)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	21 700
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	51
- Number of employees involved	230

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	108

(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	185
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Education and Publicity

9. In May 2018, the media was briefed on the number of MPF accounts which had adopted the Default Investment Strategy (DIS) as well as the performance of the DIS funds after they had been launched for one year since April 2017.

10. As part of MPFA's ongoing efforts to promote a strong governance culture among MPF trustees, MPFA held a Governance Charter Pledging Ceremony on 24 May 2018 at which all 14 trustees pledged to uphold and abide by the core values advocated in the Charter including putting scheme members' interests first. A media briefing was held before the ceremony to highlight the objective and contents of the Charter.

11. Efforts continued to be made to publicize the Good MPF Employer Award 2017-18. It is an annual programme to recognize employers who are compliant with the MPF legislation and provide their employees with extra retirement benefits.

12. In the month, a talk each was arranged for the Hong Kong Institute of Human Resource Management and the Construction Industry Council to disseminate MPF messages to human resources practitioners and Labour Relations Officers respectively which are of particular relevance to their job. In addition, a lunch talk was held for workers in a construction site with an aim to explain the benefits of opening casual employee accounts under the IS and workers' rights.

13. Online publicity has been arranged to promote e-Enquiry of Personal Account from late May to July 2018. This is part of a publicity campaign on MPF account management which 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's online tools.

14. To encourage active use of the retirement planning mobile application “樂享退休 GPS” (the App) by current users and to attract new users, the fourth phase of an 11-month loyalty programme was launched in May 2018. The App helps MPF scheme members better manage their MPF and other investments. It also encourages them to make use of the MPFA's online tools to make plans for their retirement. Online publicity has been arranged to promote the App and the messages on retirement investment from late May to July 2018.

15. The MPFA continues to arrange retirement planning workshop at the workplace of companies which enables direct engagement with “keen-to-know” scheme members and provides them with practical tips for retirement planning and MPF investment. The second workshop for 2018-19 was conducted in May 2018.

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
June 2018