

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – June 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 30.6.2018	As at 31.5.2018	Change**	As at 30.6.2018	As at 31.5.2018	Change**
Employers	283 800	282 700	+ 1 100	99%	100%	-1%
Employees	2 596 900	2 587 600	+ 9 300	99%	100%	-
Self-Employed Persons (SEPs)	205 700	205 700	-	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 June 2018, of the above estimated enrolment, 23 300 employers, 626 600 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 June 2018, 311 complaints were received by MPFA, of which 280 complaints were made against 210 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning employers	280
<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>(131)</i>
<i>(Default contribution)</i>	<i>(265)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(12)</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 June 2018, the LD received 12 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contribution.

6. Of the 75 complaints received from 1 January 2018 to 30 June 2018:

- (a) 26 cases were resolved after conciliation or advice given;
- (b) 29 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 June 2018 are summarized below:

(a)	<u>Prosecution</u>	
	Number of summonses applied	32
	(Non-enrolment of employees)	(4)
	(Default contribution)	(28)
(b)	<u>Contribution Surcharge</u>	
-	Number of employers with notices issued	20 200
(c)	<u>Submission to the Small Claims Tribunal</u>	
-	Number of cases submitted	37
-	Number of employees involved	223
(d)	<u>Submission to the District Court</u>	
-	Number of cases submitted	11
-	Number of employees involved	90
(e)	<u>Submission to the High Court</u>	
-	Number of cases submitted	0
-	Number of employees involved	0
(f)	<u>Submission to Liquidators / Receivers</u>	
-	Number of cases submitted	7
(g)	<u>Proactive Inspections</u>	
-	Number of employment establishments visited	158

Education and Publicity

9. To deepen the awareness of the Default Investment Strategy (DIS) as a new MPF investment choice, the video series “DIS Kitchen” starring artiste Kitty Yuen (小儀) has been re-run since late June 2018 in various online media and on mobile platforms to reinforce the messages.

10. Efforts continued to be made to publicize the Good MPF Employer Award 2017-18 with a view to encouraging applications and nominations before the deadline on 30 June 2018. The annual programme aims at recognizing employers who are compliant with MPF legislation and exemplary in enhancing the retirement benefits of their employees.

11. In the month, in collaboration with non-government organizations, Youth Employment Start and Aberdeen Kai Fong Association, MPFA delivered the talks for disseminating tailor-made MPF messages to young scheme members and middle-aged job seekers. Meanwhile, talks were arranged for the Construction Industry Council targeting its trainees and the Labour Relations Officers with MPF messages which are of particular relevance to the construction industry and their job respectively. 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 under the MPF System.

12. Publicity on coffee cup jackets of a coffee shop group was launched in June 2018 to promote e-Enquiry of Personal Account. 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 online tools.

13. The MPFA continues to arrange a series of retirement planning workshops at the workplaces of companies which enable direct engagement with “keen-to-know” scheme members and provide them with practical tips for retirement planning and MPF investment. The third workshop for 2018-19 was conducted on 19 June 2018.

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.