

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – July 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 31.7.2018	As at 30.6.2018	Change**	As at 31.7.2018	As at 30.6.2018	Change**
Employers	287 400	283 800	+ 3 500	100%	99%	+ 1%
Employees	2 613 900	2 596 900	+ 17 000	100%	99%	+ 1%
Self-Employed Persons (SEPs)	207 100	205 700	+ 1 400	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 July 2018, of the above estimated enrolment, 23 400 employers, 631 300 employees and 14 600 SEPs were registered under the Industry Schemes.

Complaint Handling

Complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) on System Operation

4. In July 2018, 310 complaints were received by MPFA, of which 271 complaints were made against 203 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning employers	271
<i>Breakdown by subject matter of complaint ^</i>	
<i>(Non-enrolment in MPF Schemes)</i>	<i>(130)</i>
<i>(Default contribution)</i>	<i>(256)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(8)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	39

[^] 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 July 2018, the LD received 18 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contribution.

6. Of the 93 complaints received from 1 January 2018 to 31 July 2018:

- (a) 31 cases were resolved after conciliation or advice given;
- (b) 37 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 25 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 (MPFSO) 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 July 2018 are summarized below:

(a) Prosecution

Number of summonses applied	71
<i>(Non-enrolment of employees)</i>	<i>(3)</i>
<i>(Default contribution)</i>	<i>(65)</i>
<i>(False statement)</i>	<i>(3)</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	52
- Number of employees involved	107

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	48

(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	159
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Education and Publicity

9. With a view to keeping sustainable efforts to disseminate messages on MPF investment and retirement investment, a series of three short videos starring Hanjin Tan (陳煥仁) was produced in July 2018. The series, presented through a secret agent story, aims to unfold the truth behind the myths about retirement investment and encourage MPF scheme members to take good care of their MPF investment for better retirement protection. Publicity of the videos has been arranged on various online platforms from late July to mid-August 2018. A quiz game was launched on MPFA Facebook Messenger bot in end of July 2018 to augment the publicity impact of the videos and to further promote usage of the bot.

10. Publicity programmes to deepen the awareness of the Default Investment Strategy (DIS) as a new MPF investment choice continued in July 2018. The video series “DIS Kitchen” starring artiste Kitty Yuen (小儀) was re-run in various online media and on mobile platforms to reinforce the messages.

11. In the month, seminars were arranged for LD and the cleaning service industry to disseminate to their new recruits/trainees MPF messages which are of particular relevance to their job. Meanwhile, other talks were held for employers to remind them of their responsibilities under the MPFSO. In collaboration with the Civil Service Bureau, MPFA delivered talks for civil servants spreading generic MPF messages and account management tips.

12. 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. Six workshops for 2018-19 had been held so far including three conducted in July 2018.

13. 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.

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