

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – August 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 31.8.2018	As at 31.7.2018	Change**	As at 31.8.2018	As at 31.7.2018	Change**
Employers	287 500	287 400	+ 200	100%	100%	-
Employees	2 613 600	2 613 900	- 300	100%	100%	-
Self-Employed Persons (SEPs)	207 300	207 100	+ 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 August 2018, of the above estimated enrolment, 23 500 employers, 636 100 employees and 14 600 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 August 2018, 349 complaints were received by MPFA, of which 325 complaints were made against 224 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning employers	325
<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>(153)</i>
<i>(Default contribution)</i>	<i>(312)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(11)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	24

[^] 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 August 2018, the LD received 36 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contribution.

6. Of the 129 complaints received from 1 January 2018 to 31 August 2018:

- (a) 38 cases were resolved after conciliation or advice given;
- (b) 46 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 45 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 August 2018 are summarized below:

(a) Prosecution

Number of summonses applied	38
<i>(Non-enrolment of employees)</i>	<i>(4)</i>
<i>(Non-enrolment (Employee / SEP dispute))</i>	<i>(0)</i>
<i>(Default contribution)</i>	<i>(29)</i>
<i>(False statement)</i>	<i>(1)</i>
<i>(Failure to comply with court order)</i>	<i>(4)</i>
<i>(Failure to comply with a lawful requirement made by MPFA in the course of exercising or performing its functions)</i>	<i>(0)</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	66
- Number of employees involved	289

(d) Submission to the District Court

- Number of cases submitted	9
- Number of employees involved	193

(e) Submission to the High Court

- Number of cases submitted	1
- Number of employees involved	900

(f) Submission to Liquidators / Receivers

- Number of cases submitted	9
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(g) Proactive Inspections

- Number of employment establishments visited	150
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Education and Publicity

9. The MPFA spares no effort in reaching out to different sectors in the community with a view to promoting the MPF System to the wider public. In August 2018, MPFA recorded a special promotional video related to retirement planning using sign language. The video, which was produced by the Hong Kong Society for the Deaf in support of the Hong Kong Sign Language Day, was available for viewing in various social media platforms starting from August 2018. Separately, talks were arranged in the month for trainees of the Construction Industry Council and the Hong Kong Cleaning Association as well as for construction workers, with general MPF and IS messages respectively.

10. To better communicate with young working adults and prospective scheme members about to join the workforce, MPFA recently launched a new Instagram (IG) page “職 場 meme”. Apart from promoting MPF-related messages, the IG page offers tips on how to maintain work-life balance and lead a healthy lifestyle, and shares interesting experiences about the workplace.

11. The MPFA continues to arrange a series of in-company retirement planning workshops which enable direct engagement with “keen-to-know” scheme members and provide them with practical tips for retirement planning and MPF investment. Eleven workshops for 2018-19 had been held so far including five conducted in August 2018.

12. 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.

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