

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – November 2017

#### 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 30.11.2017	As at 31.10.2017	Change**	As at 30.11.2017	As at 31.10.2017	Change**
<b>Employers</b>	279 300	279 600	- 300	100%	100%	-
<b>Employees</b>	2 583 000	2 583 200	- 200	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	204 500	204 200	+ 300	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 November 2017, of the above estimated enrolment, 22 900 employers, 602 100 employees and 15 000 SEPs were registered under the Industry Schemes.

#### Complaint Handling

Complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) on system operation

4. In November 2017, 328 complaints were received by MPFA, of which 294 complaints were made against 197 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	294
<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>(134)</i>
<i>(Default contribution)</i>	<i>(275)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(8)</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 November 2017, the LD received 13 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 145 complaints received from 1 January 2017 to 30 November 2017:

- (a) 56 cases were resolved after conciliation or advice given;
- (b) 68 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 21 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 November 2017 are summarized below:

(a) Prosecution

Number of summonses applied	88
<i>(Non-enrolment of employees)</i>	<i>(9)</i>
<i>(Default contribution)</i>	<i>(49)</i>
<i>(False statement)</i>	<i>(29)</i>
<i>(Failure to comply with court order)</i>	<i>(1)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	25 300
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	48
- Number of employees involved	195

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	27

(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	21
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(g) Proactive Inspections

- Number of employment establishments visited	158
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## **Education and Publicity**

9. To publicize the Default Investment Strategy (DIS) as an additional MPF investment choice, a brand new video series “DIS Kitchen” starring artiste Kitty Yuen (小儀) was launched in November. In the video, Kitty Yuen introduced the three key features of the DIS with three new dishes she made. The video series was shown on popular video viewing websites and Facebook pages with large fan base. A print advertisement was also published in high circulation newspapers and magazines to augment the publicity impact.

10. To educate scheme members on the importance of reviewing their MPF accounts regularly as well as the concepts of retirement planning and MPF investment, a series of four advertorials presented in the form of case study analysis by a Certified Financial Planner was produced earlier and arranged for publication on online platforms from November to December.

11. With a view to further educating scheme members on the fundamentals of the MPF System and MPF investment as well as encouraging them to consolidate their MPF personal accounts, a series of four roving exhibitions have been planned for 2017-18, of which the last one was held at a high patronage shopping mall in Fanling from 25 to 26 November.

12. In November, 15 talks and briefings were held for different stakeholder groups, including employers and employees, civil servants, construction workers and a non-governmental organization serving people with hearing problems. MPFA also received four delegations from the Indonesia Army and Police Superannuation Company and different government officials from the Mainland and introduced to them the features of the MPF System.

13. With a view to generating awareness and promoting usage of the e-Enquiry of Personal Account service, a search engine marketing programme continued in the month.

14. To further promote the mobile application “職場 MVP” with features like practical experience and tips in filling out an MPF enrolment form as well as essential MPF messages to young working adults, publicity via a popular mobile application was rolled out in the month.

15. 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.

16. In this month, MPFA issued a press release to welcome another round of management fees reduction by a MPF service provider, which would benefit millions of MPF account holders.

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

Mandatory Provident Fund Schemes Authority  
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