

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – December 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 31.12.2017	As at 30.11.2017	Change**	As at 31.12.2017	As at 30.11.2017	Change**
Employers	280 200	279 300	+ 900	100%	100%	-
Employees	2 581 100	2 583 000	- 1 900	100%	100%	-
Self-Employed Persons (SEPs)	205 000	204 500	+ 500	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 December 2017, of the above estimated enrolment, 22 900 employers, 606 300 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 December 2017, 301 complaints were received by MPFA, of which 278 complaints were made against 177 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	278
<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>(118)</i>
<i>(Default contribution)</i>	<i>(259)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(11)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	23

[^] 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 December 2017, the LD received 8 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 153 MPF-related complaints received from 1 January 2017 to 31 December 2017:

- (a) 58 cases were resolved after conciliation or advice given;
- (b) 75 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 December 2017 are summarized below:

(a) Prosecution

Number of summonses applied	47
<i>(Non-enrolment of employees)</i>	<i>(2)</i>
<i>(Default contribution)</i>	<i>(37)</i>
<i>(False statement)</i>	<i>(5)</i>
<i>(Failure to comply with court order)</i>	<i>(3)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	22 000
-------------------------------------------	--------

(c) Submission to the Small Claims Tribunal

- Number of cases submitted	34
- Number of employees involved	233

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	60

(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	8
-----------------------------	---

(g) Proactive Inspections

- Number of employment establishments visited	259
-----------------------------------------------	-----

Education and Publicity

9. To publicize the Default Investment Strategy (DIS) as an additional MPF investment choice, a video series “DIS Kitchen” starring artiste Kitty Yuen (小儀) continued to be shown on popular video viewing websites and Facebook pages with large fan base. A print advertisement in high circulation newspapers and magazines also continued in the month to augment the publicity impact.

10. To step up education for scheme members on the importance of having an early start on retirement planning and to enrich their knowledge on retirement investment as well as MPF investment, a series of four infographic videos has been produced for launch on various online media platforms and mobile applications from December 2017 to January 2018. The new infographic videos, together with the three infographic videos which were launched in March 2017, present the key messages of our recent publication on retirement investment entitled “Five Keys to Retirement Investment”.

11. The MPFA also took part in “Police Magazine”, the TV programme produced jointly by Radio Television Hong Kong (RTHK) and the Hong Kong Police Force, to remind MPF scheme members that it is an offence to make a false or misleading statement to MPFA or trustees for early withdrawal of MPF benefits. The programme was broadcast on RTHK TV31 channel on 13 December.

12. Fifteen sessions of retirement planning workshop have been planned for 2017-18, three of which were conducted at the workplace of the participating companies in December.

13. In December, in collaboration with major construction and catering labour unions as well as the two Industry Schemes trustees, two large-scale talk-cum-dinners targeting hundreds of workers in the construction and catering industries were organized. The major theme of the events was to remind the workers concerned to open casual employee accounts in advance which would facilitate the making of contributions and management of accounts.

14. A series of three short videos was launched via “滾續達人” Facebook fan page to disseminate MPF messages to the young working adults. The videos aimed at introducing factors to consider when choosing MPF portfolio at different life stages in relation to risk tolerance level.

15. 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, a search engine marketing programme was rolled out in the month.

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. In the month, MPFA issued a press release to announce that, starting from 1 January 2018, all MPF intermediaries would be required to pay annual fees and application fees to MPFA, and various types of fees related to occupational retirement schemes would also be adjusted in 2018.

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

Mandatory Provident Fund Schemes Authority
January 2018