

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – September 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 30.9.2017	As at 31.8.2017	Change**	As at 30.9.2017	As at 31.8.2017	Change**
Employers	279 400	279 500	- 100	100%	100%	-
Employees	2 583 200	2 579 800	+ 3 400	100%	100%	-
Self-Employed Persons (SEPs)	203 600	202 500	+ 1 100	69%	68%	+ 1%

* 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 September 2017, of the above estimated enrolment, 22 700 employers, 595 800 employees and 15 100 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In September 2017, 372 complaints were received by MPFA, of which 339 complaints were made against 209 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	339
<i>Breakdown by subject matter of complaint ^</i>	
<i>(Involuntary change from “employee” status to “SEP” status)</i>	<i>(2)</i>
<i>(Non-enrolment in MPF Schemes)</i>	<i>(135)</i>
<i>(Default contribution)</i>	<i>(319)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(6)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	33

[^] 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 September 2017, the LD received 16 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 119 complaints received from 1 January 2017 to 30 September 2017:

- (a) 46 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) 27 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 September 2017 are summarized below:

(a) Prosecution

Number of summonses applied	39
<i>(Non-enrolment of employees)</i>	<i>(1)</i>
<i>(Default contribution)</i>	<i>(9)</i>
<i>(False statement)</i>	<i>(24)</i>
<i>(Failure to comply with court order)</i>	<i>(5)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	22 100
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	49
- Number of employees involved	138

(d) Submission to the District Court

- Number of cases submitted	1
- Number of employees involved	24

(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	7
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(g) Proactive Inspections

- Number of employment establishments visited	140
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Education and Publicity

9. In September, print and out-of-home advertisements were placed in local newspapers and MTR stations respectively with a view to enhancing the awareness of the Default Investment Strategy (DIS) as a new MPF investment choice. Advertisements in other mass media channels including TV, radio and online social media continued in the month to draw public attention to the launch of the DIS.

10. The Good MPF Employer Award (GMEA) 2016-17 (the Award) was completed in September with a total of 877 companies/organizations receiving the Award. An award presentation ceremony was held on 26 September to publicly recognize these employers who were compliant with the MPF legislation and provided additional retirement benefits to their employees beyond the statutory requirements during 1 April 2016 to 31 March 2017. This year, two new awards, namely the e-Contribution Award and the Support for MPF Management Award, were added to commend respectively GMEA awardees who had adopted electronic means for handling MPF administration and those who had strived to encourage employees to actively manage their MPF. Among all awardees, close to 90% were given one or both of the new awards. A media briefing was held on the day of the award presentation ceremony for two organizations to share their views of being good MPF employers, so as to enhance the awareness of the Award.

11. To educate the public on the concepts about retirement investment and MPF investment in an interesting manner, a series of twelve comics, presented in the form of buzzword card with designs by a local popular illustrator “Hello Wong”, was developed and arranged for launch on the Investment Education Facebook Fanpage (全積特攻) progressively from September to December.

12. To tie in with the communication, publicity and education activities for the DIS, a series of five “MPFA TV” (積金台) videos on MPF investment and retirement investment was arranged for telecast on TV and mobile platforms from September to October.

13. 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 roving exhibition, being the second one in the 2017-18 series, was held at a high patronage shopping mall in Sham Shui Po from 2 to 3 September.

14. In view of the recent concern over potential market fluctuations, a series of five articles on risk management developed earlier was arranged for publication in a free newspaper from late August to early September to reiterate the major types of risk in MPF investment and remind scheme members how to better manage the risks they may encounter.

15. In order to generate awareness and encourage usage of the e-Enquiry of Personal Account service, a search engine marketing programme continued in the month.

16. 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, advertisements were launched on various recruitment-related Facebook fanpages.

17. Fifteen sessions of retirement planning workshop have been planned for 2017-18, six of which were held so far including one co-organized with the Hong Kong Teachers’ Centre of the Education Bureau on 23 September.

18. In September, the MPFA conducted a total of 15 talks and briefings for various stakeholders, including delegates from the Mainland, representatives of employers and employees, civil servants, construction workers on a range of various topics.

19. In the month, the MPFA published the *Statistical Analysis of Accrued Benefits Held by Scheme Members of Mandatory Provident Fund Schemes (as at December 2016)* to enhance transparency and public understanding of the MPF System and MPFA Chairman briefed the media on the key findings of the report on 27 September.

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