

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – January 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 31.1.2018	As at 31.12.2017	Change**	As at 31.1.2018	As at 31.12.2017	Change**
<b>Employers</b>	280 800	280 200	+ 600	100%	100%	-
<b>Employees</b>	2 578 300	2 581 100	- 2 800	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	205 200	205 000	+ 200	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 January 2018, of the above estimated enrolment, 23 000 employers, 611 300 employees and 14 900 SEPs were registered under the Industry Schemes.

#### Complaint Handling

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

4. In January 2018, 336 complaints were received by MPFA, of which 300 complaints were made against 202 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning scheme members	300
<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>(125)</i>
<i>(Default contribution)</i>	<i>(291)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(8)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	36

<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 January 2018, the LD received 21 MPF-related complaints, all of which were related to alleged wrongful deduction of wages and default contribution.

6. Of the 21 complaints received in January 2018:

- (a) 4 cases were resolved after conciliation or advice given;
- (b) 2 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 15 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 January 2018 are summarized below:

(a) Prosecution

Number of summonses applied	120
<i>(Non-enrolment of employees)</i>	<i>(7)</i>
<i>(Default contribution)</i>	<i>(93)</i>
<i>(False statement)</i>	<i>(10)</i>
<i>(Failure to comply with court order)</i>	<i>(10)</i>

(b) Contribution Surcharge

- Number of employers with notices issued	21 300
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	41
- Number of employees involved	222

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	47

(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	15
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(g) Proactive Inspections

- Number of employment establishments visited	121
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## **Education and Publicity**

9. In January, the MPFA Chairman Dr David Wong and Managing Director Mrs Diana Chan briefed reporters on the return of the MPF System and the major work of MPFA in 2017.

10. To publicize the Default Investment Strategy (DIS) as an additional MPF investment choice, a video series “DIS Kitchen” starring artiste Kitty Yuen (小儀) was telecast in out-of-home TV panels inside MTR trains and lift lobbies of office buildings with a view to reaching out to working population from all walks of life.

11. To educate the public on the concepts about retirement investment and MPF investment in an interesting manner, a series of 12 comics, presented in the form of buzzword card with a local popular illustrator “Hello Wong”, was developed. A burst of publicity has been arranged to roll out on out-of-home, online, mobile and printed media platforms from January to February.

12. As part of the MPFA’s outreach programme, MPFA joined hands with a major construction labour union and two Industry Schemes trustees to visit a construction site where there were hundreds of on-site workers in January. During the visit, the benefits of opening casual employee accounts were explained. The workers were also reminded to open accounts if they had not done so.

13. 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 January.

14. A new series of two short videos starring two popular young sports players Cheung Ka-long (張家朗), winner of the 2017 World Fencing Champion (Junior & Cadet), and Deer Chan (鹿兒), captain of “PandaCute”, Hong Kong’s first girls’ professional e-sports team, was launched via “滾續達人” Facebook fan page, Youtube and various online platforms. The videos aim at raising scheme members’ awareness of the MPF rights of part-time employees and consolidating personal accounts for easier account management.

15. To further promote the mobile application “職場 MVP” which has 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. Members are invited to note the content of this paper.

Mandatory Provident Fund Schemes Authority  
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