

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – September 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 30.9.2018	As at 31.8.2018	Change**	As at 30.9.2018	As at 31.8.2018	Change**
Employers	288 800	287 500	+ 1 300	99%	100%	-
Employees	2 624 200	2 613 600	+ 10 600	100%	100%	-
Self-Employed Persons (SEPs)	207 500	207 300	+ 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 September 2018, of the above estimated enrolment, 23 600 employers, 644 100 employees and 14 500 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 September 2018, 399 complaints were received by MPFA, of which 371 complaints were made against 190 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning employers	371
<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>(140)</i>
<i>(Default contribution)</i>	<i>(360)</i>
<i>(Others (e.g. no contribution records))</i>	<i>(9)</i>
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	28

[^] 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 2018, the LD received 21 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contribution.

6. Of the 150 complaints received from 1 January 2018 to 30 September 2018:

- (a) 45 cases were resolved after conciliation or advice given;
- (b) 52 cases were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication; and
- (c) 53 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 2018 are summarized below:

(a) Prosecution

Number of summonses applied	58
<i>(Non-enrolment of employees)</i>	<i>(3)</i>
<i>(Non-enrolment (Employee / SEP dispute))</i>	<i>(0)</i>
<i>(Default contribution)</i>	<i>(43)</i>
<i>(False statement)</i>	<i>(2)</i>
<i>(Failure to comply with court order)</i>	<i>(10)</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	19 500
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	65
- Number of employees involved	257

(d) Submission to the District Court

- Number of cases submitted	4
- Number of employees involved	373

(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	9
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(g) Proactive Inspections

- Number of employment establishments visited	131
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Education and Publicity

9. In September 2018, MPFA held a media briefing on the latest report of *Statistical Analysis of Accrued Benefits Held by Scheme Members of Mandatory Provident Fund Schemes* to highlight that benefits in scheme members' accounts have been increasing steadily. The MPFA also took the opportunity to encourage scheme members to consider making voluntary contributions to increase their retirement savings and to remind them to pay attention to investment risk.

10. In collaboration with the Civil Service Bureau, seminars were organized for civil servants on general MPF messages and account management tips. Meanwhile, talks were arranged for the Chinese Manufacturers' Association of Hong Kong, the Hong Kong Cleaning Association and construction workers to disseminate MPF and IS messages respectively. A talk was also organized for employers, particularly the new ones, to brief them on MPF administration and relevant matters, including employers' responsibilities in enrolling new employees in MPF schemes, calculating and making monthly contributions, and notifying trustees of employees' departure.

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. Thirteen workshops for 2018-19 had been held so far including two conducted in September 2018.

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

Mandatory Provident Fund Schemes Authority
October 2018