

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – February 2019

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 28.2.2019	As at 31.1.2019	Change**	As at 28.2.2019	As at 31.1.2019	Change**
Employers	290 800	290 800	-	100%	100%	-
Employees	2 632 600	2 628 300	+ 4 300	100%	100%	-
Self-Employed Persons (SEPs)	208 700	208 300	+ 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 February 2019, of the above estimated enrolment, 23 900 employers, 672 200 employees and 14 200 SEPs were registered under the Industry Schemes.

Complaint Handling

Complaints received by the Mandatory Provident Fund Schemes Authority (MPFA) on System Operation

4. In February 2019, 324 complaints were received by MPFA, of which 303 (94%) complaints were made against 183 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning employers	303 (94%)
<i>Breakdown by subject matter of complaint ^</i>	
• <i>Involuntary change from “employee” status to “SEP” status</i>	3
• <i>Non-enrolment in MPF Schemes</i>	97
• <i>Default contribution</i>	300
• <i>Others (e.g. no contribution records)</i>	3
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	21 (6%)

[^] 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 February 2019, the LD received 63 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contribution.

6. Of the 175 complaints received from 1 January 2019 to 28 February 2019:

- (a) 3 cases (2%) were resolved after conciliation or advice given;
- (b) 126 cases (72%) were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 6 cases (3%) where the employer was insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- (d) 40 cases (23%) 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 February 2019 are summarized below:

(a) Prosecution

Number of summonses applied*	65	
• <i>Non-enrolment of employees</i>	3	(5%)
• <i>Non-enrolment (Employee / SEP dispute)</i>	0	(-)
• <i>Default contribution</i>	54	(83%)
• <i>False statement</i>	7	(11%)
• <i>Failure to comply with court order</i>	1	(2%)
• <i>Failure to comply with a lawful requirement made by MPFA in the course of exercising or performing its functions</i>	0	(-)

(b) Contribution Surcharge

- Number of employers with notices issued	20 300
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	57
- Number of employees involved	393

(d) Submission to the District Court

- Number of cases submitted	5
- Number of employees involved	36

(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	6
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(g) Proactive Inspections

- Number of employment establishments visited	103
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* Percentages may not sum up to 100% due to rounding.

Education and Publicity

9. The MPFA hosted a spring reception for the media on 20 February 2019 to introduce its three major work goals in 2019, namely, further driving fee reduction through enhancing the transparency of fund information; creating values for MPF scheme members through assisting them in making good use of the tax deductible voluntary contributions to enhance retirement protection; and sparing no efforts in the establishment of the centralized platform to ensure this platform is introduced in accordance with the committed timeline.

10. The MPFA Chairman published a monthly blog on 10 February 2019, highlighting the comprehensive coverage of the MPF System that includes both regular and casual employees. The article also explained the core objective of the Industry Schemes (IS) which are specially designed for casual employees in the construction and catering industries.

11. As part of the Self-employed Person (SEP) Thematic Awareness Campaign, a newly designed flyer targeting SEPs has been distributed to co-working spaces and shared offices, which are the common working places of “Slashie”, with an aim to encourage them to open SEP MPF accounts and make contributions for their retirement. In addition to the new flyer, a new series of two short videos featuring renowned actor Mr Law Lok-lam (羅樂林) and key opinion leader Ms Sandy To (杜穎珊) has been launched to educate the public that SEPs including “Slashie” should participate in the MPF System as a means to invest for their retirement. The short videos have been scheduled for telecast on various online social media platforms progressively from February to March 2019.

12. To sustain the momentum of the IS Thematic Campaign, three talks were organized for construction workers and trainees of the Construction Industry Council to disseminate MPF and IS messages.

13. The MPFA continues to arrange a series of in-company retirement planning workshops targeting “keen-to-know” scheme members to provide them with practical tips on retirement planning and MPF investment. A total of 24 workshops have been conducted so far in 2018-19 including one in February 2019.

14. An online publicity campaign was rolled out in February 2019 with a view to reminding scheme members to handle their MPF in the high season of changing jobs (i.e. after Chinese New Year), and generating wider awareness and encouraging usage of the e-Enquiry of Personal Account. The campaign included a search engine marketing programme, placement of advertisements on popular websites and mobile applications as well as recruitment and workplace related Facebook fan pages.

15. A full array of educational activities and school-based programmes were also launched during the month targeting students of secondary schools and tertiary institutions 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. Members are invited to note the content of this paper.

Mandatory Provident Fund Schemes Authority
March 2019