

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – May 2021

#### 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 31.5.2021	As at 30.4.2021	Change**	As at 31.5.2021	As at 30.4.2021	Change**
<b>Employers</b>	309 800	308 600	+ 1 300	100%	100%	-
<b>Employees</b>	2 671 600	2 686 900	- 15 300	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	230 000	230 200	- 200	78%	78%	-

\* 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. After the phenomenal rise from May last year, the estimated enrolments stabilized from November. The estimated enrolment in respect of employees started to drop from January this year and registered a more significant drop of 15 300 in May.

4. As at end May 2021, of the above estimated enrolment, 25 800 employers, 723 100 employees and 12 900 SEPs were registered under the Industry Schemes.

#### Complaint Handling

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

5. In May 2021, 283 complaints were received by MPFA, of which 226 (80%) complaints were made against 180 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning employers	226 (80%)
<i>Breakdown by subject matter of complaint ^</i>	
• <i>Involuntary change from “employee” status to “SEP” status</i>	2
• <i>Non-enrolment in MPF Schemes</i>	85
• <i>Default contribution</i>	206
• <i>Others (e.g. no contribution records)</i>	17
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	57 (20%)

^ 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)

6. In May 2021, the LD received 19 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contribution.

7. Of the 108 complaints received from 1 January 2021 to 31 May 2021:

- (a) 19 cases (18%) were resolved after conciliation or advice given;
- (b) 35 cases (32%) were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 8 cases (7%) where the employer was insolvent were referred to the Legal Aid Department and/or the Protection of Wages on Insolvency Fund; and
- (d) 46 cases (43%) where the employees had lodged claims with the LD were awaiting conciliation result.

### **Enforcement**

8. 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.

9. Enforcement actions taken by MPFA in May 2021 are summarized below:

(a) Prosecution

Number of summonses applied*	20	
• <i>Non-enrolment of employees</i>	1	(5%)
• <i>Non-enrolment (Employee / SEP dispute)</i>	0	(-)
• <i>Default contribution</i>	3	(15%)
• <i>False statement</i>	16	(80%)
• <i>Failure to comply with court order</i>	0	(-)
• <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	25 400
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	80
- Number of employees involved	427

(d) Submission to the District Court

- Number of cases submitted	3
- Number of employees involved	153

(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	17
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(g) Proactive Inspections

- Number of employment establishments visited	97
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\* Percentages may not sum up to 100% due to rounding.

## **Education and Publicity**

10. In May 2021, MPFA Chairman spoke on a radio programme “Letter to Hong Kong”, sharing her vision of the MPF System. She also met with the media on 28 May 2021, expounding on her views on the MPF System, and introducing her work plans as Chairman of MPFA. She also published her first blog post as MPFA Chairman on 30 May 2021.

11. MPFA Chairman met with key members and frontline representatives of the Hong Kong Federation of Trade Unions and the Federation of Hong Kong and Kowloon Labour Unions in early May 2021 to exchange views on various issues of common concern under the MPF System and explore collaboration opportunities with a view to enhancing the understanding of the working population on the System.

12. MPFA Deputy Chairman and Managing Director delivered a keynote speech at a plenary session of a global financial forum quoting the eMPF Platform as a digital infrastructure case study. She was also a guest speaker at a financial regulatory conference sharing her view with university students on the opportunities for the future developments of financial services, fintech as well as environmental, social and governance in Hong Kong and Greater Bay Area.

13. MPFA launched a new Announcement in the Public Interest (API) on TV and radio in May 2021 to remind employers to make timely MPF contributions for their employees and to call for employers to use digital tools and services for more convenient, efficient and accurate MPF contributions. The API will be broadcast on all local TV and radio channels until May 2022.

14. To further enhance awareness and deepen the understanding of the default investment strategy (DIS) among MPF scheme members, a new wave of publicity was arranged, including a video introducing the various aspects of DIS on popular online platforms and search engine marketing programme, from April to June 2021.

15. MPFA continued to arrange in-company retirement planning workshops to engage with “keen-to-know” scheme members and share with participants practical tips for retirement planning and MPF investment. Twenty-five sessions of workshop (either in face-to-face or online format) have been planned for 2021-22. Three online workshops were conducted in May 2021.

16. In the month, a number of talks were arranged for the Hong Kong Institute of Human Resource Management, Hong Kong Institute of Construction and Hong Kong Cleaning Association to disseminate MPF messages to meet the needs of human resources practitioners and Labour Relations Officers as well as cleansing workers and representatives of their employers. Messages on various topics were delivered, including MPF administration, employers' responsibilities, MPF Industry Schemes and employees' rights.

17. A full array of educational activities and school-based programmes were launched during the month targeting students of secondary schools and tertiary institutions so as to enhance understanding of the MPF System and MPF investment as well as the concept of retirement investment, with a view to enhancing compliance with the legislative requirements. Meanwhile, financial planning cum MPF webinars were conducted by a certified financial planner for parents to provide them with practical tips of family budgeting, retirement planning and MPF investment.

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

Mandatory Provident Fund Schemes Authority  
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