

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – October 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 ¹			Enrolment Rate		
	As at 31.10.2021	As at 30.9.2021	Change ²	As at 31.10.2021	As at 30.9.2021	Change ²
Employers	318 100	315 300	+ 2 900	100%	100%	-
Employees³	2 683 000	2 685 900	- 2 900	100%	100%	-
Self-Employed Persons (SEPs)	230 800	230 400	+ 400	80%	80%	-

3. The enrolment rates of employers, employees and SEPs remained stable. As at end October 2021, 26 100 employers, 516 900 employees³ and 12 500 SEPs were registered under the Industry Schemes.

Complaint Handling

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

4. In October 2021, 261 complaints were received by MPFA, of which 220 (84%) complaints were made against 165 employers. A breakdown of these complaints by subject matter is as follows:

¹ Rounded to the nearest 100.

² 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 Around 217 900 and 218 700 employees under the Industry Schemes were holders of inactive accounts (i.e. accounts which have not received contributions in the past year) in September 2021 and October 2021 respectively. They were not included in the estimated number of employees.

	<u>Number of complaints</u>
(a) Complaints against employers	220 (84%)
<i>Breakdown by subject matter of complaint⁴</i>	
• <i>Involuntary change from “employee” status to “SEP” status</i>	<i>1</i>
• <i>Non-enrolment in MPF Schemes</i>	<i>94</i>
• <i>Default contribution</i>	<i>198</i>
• <i>Others (e.g. no contribution records)</i>	<i>11</i>
(b) Complaints against trustees / intermediaries, or concerning occupational retirement schemes, etc	41 (16%)

Complaints received by the Labour Department (LD)

5. In October 2021, the LD received 17 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contributions.

6. Of the 266 complaints received from 1 January 2021 to 31 October 2021:

- (a) 68 cases (26%) were resolved after conciliation or advice given;
- (b) 138 cases (52%) were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 25 cases (9%) where the employer was insolvent were referred to the Legal Aid Department and/or the Protection of Wages on Insolvency Fund; and
- (d) 35 cases (13%) where the employees had lodged claims with the LD were awaiting conciliation result.

Enforcement

7. 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.

⁴ Since a complaint may cover more than one subject matter, the number of the subject matters of complaints may exceed that of complaints.

8. Enforcement actions taken by MPFA in October 2021 are summarized below:

(a) Prosecution

Number of summonses applied ⁵	58	
• <i>Non-enrolment of employees</i>	4	(7%)
• <i>Non-enrolment (Employee / SEP dispute)</i>	0	(-)
• <i>Default contribution</i>	39	(67%)
• <i>False statement</i>	14	(24%)
• <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	26 200
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	47
- Number of employees involved	143

(d) Submission to the District Court

- Number of cases submitted	2
- Number of employees involved	45

(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	8
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(g) Proactive Inspections

- Number of employment establishments visited	82
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⁵ Percentages may not sum up to 100% due to rounding.

Education and Publicity

9. The MPFA Chairman published her latest blog post on 24 October 2021 highlighting that the passage of the Mandatory Provident Fund Schemes (Amendment) Bill 2021 (the Bill) marked the major milestone to facilitate further development and implementation of the eMPF Platform project by providing the legal basis for the designation of the eMPF Platform as the common gateway for scheme administration processes in the MPF System. She stressed the importance of stipulating the “straight pass-on” requirement in respect of cost savings to benefit MPF scheme members directly. She was also interviewed by the media on the significance of the passage of the Bill to the development of the eMPF Platform and the benefits of the Platform to scheme members, employers and other stakeholders in the MPF System. The eMPF Platform is expected to be built by end 2022 at the earliest. Subject to orderly transition to the Platform afterwards, the Platform would come into full operation in early 2025 at the earliest.

10. The Good MPF Employer Award 2020-21 was concluded with a record high of 1 740 employers receiving the Award. The presentation ceremony was held on 5 October 2021 in the Hong Kong Convention and Exhibition Centre with live webcast. In conjunction with the ceremony, a business intelligence sharing session was held in which guest speakers were invited to share insights on the market outlook and business opportunities in the post-pandemic era.

11. As one of the commemorative activities to mark the 20th anniversary of the MPF System, a thematic event on MPF management and retirement planning, “Chill 級積金攻略匯” was organized on 29 and 30 October 2021 to enhance MPF scheme members’ awareness of the importance of long-term financial planning to achieve their lifetime goals, and to motivate MPF scheme members to manage their MPF and plan for their long-term savings for retirement as early as possible. With more than 10 concurrent sharing sessions and workshops hosted by renowned financial experts, popular slashers and YouTubers, specialists in home decluttering and organizing as well as Chinese medicine, the event aimed to equip scheme members with knowledge on financial planning (including retirement planning), retirement products, MPF investment and account management, financial and retirement planning for SEPs, family budgeting, etc. It attracted over 4 000 participants enrolled for the onsite and online sessions.

12. To encourage scheme members to better utilize the digital tools provided by MPFA and MPF trustees, MPFA produced a video to promote the functions of different digital tools and services and how they could help scheme members manage MPF in a more efficient, convenient and effortless manner. The video was launched on the MPFA corporate Facebook, LinkedIn

and YouTube channel on 6 October 2021, followed by a series of social media posts highlighting the key functions of each digital tool.

13. In October 2021, several meetings were arranged for the MPFA Chairman and senior executives to exchange views with different stakeholder groups on the MPF System. To sustain the momentum of the Young Engagement Ambassadors (YEA) programme, a series of outreach activities were launched in collaboration with various stakeholder groups, including an outreach activity at a handicraft market organized by a labour union and an MPF enquiry counter at a large-scale job fair arranged by the Labour Department. These outreach events aimed to disseminate MPF messages and provide tailor-made services to target cohorts as well as training opportunities for YEA for planning and launching outreach events. In addition, two virtual MPF talks with illustrative demonstration on the usage of MPF electronic tools were arranged for grassroots women with a view to educating them about the key features of the MPF System.

14. Various talks were arranged in the month for young job seekers, employers, foremen in the cleaning service industry, and trainees of the Hong Kong Institute of Construction. The talks for each group invariably covered MPF messages including employers' obligations, employees' rights and the development of the eMPF Platform.

15. MPFA continued to organize in-company retirement planning workshops aiming to provide practical tips on retirement planning and MPF investment to scheme members. Twenty-five sessions of the workshop, in either physical or online format, have been planned for 2021-22. A total of 18 workshops have been conducted so far, including one face-to-face workshop and two online workshops in October 2021.

16. A full array of educational activities and school-based programmes were organized during the month targeting students of secondary schools and tertiary institutions so as to enhance understanding of the MPF System, MPF investment and the concept of retirement investment, with a view to enhancing compliance with the legislative requirements. Workshops for parents were also organized to provide them with practical tips on family budgeting, retirement planning and MPF investment.

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