

## Legislative Council Panel on Manpower

### Implementation of the Mandatory Provident Fund System Progress Report – December 2020

#### 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 31.12.2020	As at 30.11.2020	Change**	As at 31.12.2020	As at 30.11.2020	Change**
<b>Employers</b>	306 400	306 300	+ 100	100%	100%	-
<b>Employees</b>	2 705 100	2 700 800	+ 4 300	100%	100%	-
<b>Self-Employed Persons (SEPs)</b>	229 900	229 600	+ 300	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. The estimated enrolments in December 2020 appear to have stabilised after a continuous phenomenal rise in May - October 2020 likely to have been triggered by the Government’s earlier launch of the Employment Support Scheme which made MPF enrolment a pre-requisite for getting subsidies under the Scheme.

4. As at end December 2020, of the above estimated enrolment, 25 500 employers, 717 400 employees and 13 200 SEPs were registered under the Industry Schemes.

## Complaint Handling

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

5. In December 2020, 213 complaints were received by the MPFA, of which 155 (73%) complaints were made against 120 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints concerning employers	155 (73%)
<i>Breakdown by subject matter of complaint ^</i>	
• <i>Involuntary change from “employee” status to “SEP” status</i>	0
• <i>Non-enrolment in MPF Schemes</i>	63
• <i>Default contribution</i>	134
• <i>Others (e.g. no contribution records)</i>	13
(b) Complaints concerning trustees, intermediaries, occupational retirement schemes, etc	58 (27%)

^ 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 December 2020, the LD received 16 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contribution.

7. Of the 351 complaints received from 1 January 2020 to 31 December 2020:

- (a) 101 cases (29%) were resolved after conciliation or advice given;
- (b) 169 cases (48%) were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;
- (c) 16 cases (5%) where the employer was insolvent were referred to the Legal Aid Department and the Protection of Wages on Insolvency Fund; and
- (d) 65 cases (18%) where the employees had lodged claims with the LD were awaiting conciliation result.

## Enforcement

8. 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.

9. Enforcement actions taken by the MPFA in December 2020 are summarized below:

### (a) Prosecution

Number of summonses applied*	129	
• <i>Non-enrolment of employees</i>	6	(5%)
• <i>Non-enrolment (Employee / SEP dispute)</i>	0	(-)
• <i>Default contribution</i>	103	(80%)
• <i>False statement</i>	18	(14%)
• <i>Failure to comply with court order</i>	2	(2%)
• <i>Failure to comply with a lawful requirement made by the MPFA in the course of exercising or performing its functions</i>	0	(-)

### (b) Contribution Surcharge

- Number of employers with notices issued	23 700
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### (c) Submission to the Small Claims Tribunal

- Number of cases submitted	52
- Number of employees involved	298

### (d) Submission to the District Court

- Number of cases submitted	7
- Number of employees involved	140

### (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	11
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### (g) Proactive Inspections

- Number of employment establishments visited	11
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\* Percentages may not sum up to 100% due to rounding.

## **Education and Publicity**

10. To mark the 20th anniversary of the MPF System, the MPFA held a webinar on 1 December 2020 to review the major reforms of the MPF System in the past two decades and explore the way forward of this important pillar of the retirement protection system in Hong Kong. The online event included video congratulatory messages from the Chief Executive and Principal Officials of the Hong Kong Special Administrative Region, re-affirming the objective and contributions of the MPF System. The webinar was joined by over 700 participants, including MPF trustees and sponsors, professional organizations, labour unions and business chambers.

11. In addition to the webinar, the MPFA senior management attended a series of interviews with local print and electronic media to review the development of the MPF System over the past 20 years and shared the upcoming development roadmap of the MPF System.

12. To further enhance public understanding of the MPF System and its core values, the MPFA also rolled out different publicity initiatives, including a video featuring interviews with former and incumbent Chairmen and Managing Directors of the MPFA to look back at the major developments of the MPF System over the past 20 years, as well as a promotional video with real-life cases to illustrate how the MPF provides basic retirement protection for the working population of Hong Kong. These videos were shown on the MPFA YouTube Channel and various multi-media platforms. A designated website was also launched to offer information and updates on the anniversary activities.

13. In December 2020, the MPFA continued to arrange a series of in-company retirement planning workshops which enabled direct engagement with “keen to-know” scheme members and provided them with practical tips for retirement planning and MPF investment. Four workshops for 2020-21 had been held so far including two conducted in December 2020.

14. A financial planning cum MPF webinar was conducted by a certified financial planner on 17 December 2020 for pre-retirees to provide them with practical tips of retirement planning and MPF investment.

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