

Legislative Council Panel on Manpower

Implementation of the Mandatory Provident Fund System Progress Report – February 2025

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 28.02.2025	As at 31.01.2025	Change ²	As at 28.02.2025	As at 31.01.2025	Change ²
Employers	356 000	363 200	- 7 200	100%	100%	-
Employees³	2 637 300	2 642 200	- 4 900	100%	100%	-
Self-Employed Persons (SEPs)	233 300	233 400	- 100	89%	89%	-

3. The enrolment rates of employers, employees and SEPs remained stable. As at end February 2025, 27 400 employers, 578 600 employees³ and 10 000 SEPs were registered under the Industry Schemes.

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 244 400 and 244 900 employees under the Industry Schemes were holders of inactive accounts (i.e. accounts which have not received contributions in the past year) in January 2025 and February 2025 respectively. They were not included in the estimated number of employees.

Complaint Handling

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

4. In February 2025, 389 complaints were received by MPFA, of which 343 (88%) complaints were made against 202 employers. A breakdown of these complaints by subject matter is as follows:

	<u>Number of complaints</u>
(a) Complaints against employers	343 (88%)
<i>Breakdown by subject matter of complaint⁴</i>	
• Involuntary change from “employee” status to “SEP” status	1
• Non-enrolment in MPF Schemes	76
• Default contribution	330
• Others (e.g. no contribution records)	7
(b) Complaints against trustees / intermediaries, or concerning occupational retirement schemes, etc.	46 (12%)

Complaints received by the Labour Department (LD)

5. In February 2025, LD received 60 MPF-related complaints, all of which were on alleged wrongful deduction of wages and default contributions.

6. Of the 114 complaints received from 1 January 2025 to 28 February 2025:

- (a) 2 cases (2%) were resolved after conciliation or advice given;
- (b) 21 cases (18%) were referred to the Labour Tribunal/Minor Employment Claims Adjudication Board for adjudication;

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

- (c) 8 cases (7%) where the employer was insolvent were referred to the Protection of Wages on Insolvency Fund; and
- (d) 83 cases (73%) where the employees had lodged claims with LD were awaiting conciliation result.

Enforcement

7. MPFA continued to enforce the Mandatory Provident Fund Schemes Ordinance (Cap 485) 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 2025 are summarized below:

(a) Prosecution

- Number of summonses applied	36	
• <i>Non-enrolment of employees</i>	7	(19%)
• <i>Non-enrolment (Employee / SEP dispute)</i>	0	(-)
• <i>Default contribution</i>	29	(81%)
• <i>False statement</i>	0	(-)
• <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	33 500
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(c) Submission to the Small Claims Tribunal

- Number of cases submitted	134
- Number of employees involved	459

(d) Submission to the District Court

- Number of cases submitted	10
- Number of employees involved	495

- (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 13
- (g) Proactive Inspections
 - Number of employment establishments visited 83

eMPF Platform

9. As of February 2025, the following MPF schemes and their trustees had been onboard the eMPF Platform (eMPF):

MPF Scheme	MPF Trustee	Onboard Date
MASS Mandatory Provident Fund Scheme	YF Life Trustees Limited	26 June 2024
China Life MPF Master Trust Scheme	China Life Trustees Limited	29 July 2024
BCOM Joyful Retirement MPF Scheme	Bank of Communications Trustee Limited	3 September 2024
SHKP MPF Employer Sponsored Scheme	Standard Chartered Trustee (Hong Kong) Limited	2 October 2024
BEA (MPF) Value Scheme	Bank of East Asia (Trustees) Limited	29 October 2024

10. BEA (MPF) Master Trust Scheme will onboard the eMPF on 5 March 2025, marking the commencement of Phase 2 onboarding of medium-sized MPF schemes in Q1 and Q2 2025. All MPF trustees are expected to get onboard the eMPF by end 2025.

Education and Publicity

Chairman's Blog

11. MPFA Chairman published a blog post on 16 February 2025, recounting that among the nearly 200,000 transaction instructions processed via the eMPF in the initial phase of operation of the eMPF, two-thirds were conducted electronically, including contributions, MPF withdrawals, transfer of MPF benefits and change of investment mandate. In particular, the digital usage rate for submission of contribution data and change of investment was 80%. She also highlighted that in preparing for phase 2 onboarding scheduled to commence on 5 March 2025, the eMPF project team introduced a series of improvement measures, based on previous experience and user feedback. Additionally, to further enhance user experience and smooth operation of the eMPF, a three-tier testing framework had been established to comprehensively optimize the eMPF's operation and user experience.

Corporate Event

12. MPFA held the MPF Symposium on 24 February 2025 titled "Sustainability for MPF", in which speakers and panellists shared the latest trends, developments and strategies for pursuing and promoting sustainable investing, and the opportunities and challenges in integrating sustainability factors into the MPF industry's operations. A total of 400 guests from the MPF industry, financial regulators, professional bodies, government officials, tertiary students, and other relevant stakeholders attended the event in person, while another 200 guests joined the event online. Before the event, a media briefing was held to introduce MPFA's efforts in promoting sustainable investing and its latest regulatory initiative to enhance the disclosure and reporting requirements for "Environmental, Social, and Governance" (ESG) constituent funds.

Senior Executives' Engagement Activities

13. In February 2025, MPFA Chairman and senior management, as well as Chief Executive Officer of eMPF Platform Company Limited (eMPF Company) met with the current and former directors of both MPFA and the eMPF Company, as well as current and former members of committees in a reunion event, sharing the major work foci of MPFA.

14. MPFA senior management met with members of the Expert Group for the eMPF. Composed of IT experts, management of large technology or digital platform companies, representative of IT trade association, and university scholar, the Expert Group will provide professional opinions and recommendations with an aim to further improve the operation and services of the eMPF. In addition, MPFA senior executives attended different events as speakers during the month to share the latest developments of the eMPF with scheme members.

Young Engagement Ambassadors Programme

15. Under the Young Engagement Ambassadors programme, as a continuous initiative to reach out to specific cohorts, outreach activities targeting ethnic minorities at Muslim Madrassa (Islamic Prayer Hall) were arranged. Meanwhile, eight enquiry counters were held in collaboration with various non-governmental organizations for promoting MPF messages to scheme members and grassroots job seekers. Additionally, two MPF talks were conducted for grassroots job seekers to educate them on basic MPF knowledge and to share the latest updates on the eMPF and default investment strategy (DIS).

Stakeholder Education and Engagement

16. During the month, four district outreach activities were arranged in collaboration with a labour union and various district bodies to disseminate MPF and eMPF messages to the public by organizing MPF seminars, enquiry counters and game booths. In addition, MPF talks were held for different stakeholder groups, including civil servants, construction workers, trainees of Hong Kong Institute of Construction, as well as foremen in the cleaning service industry. These activities covered MPF and eMPF messages and information such as employers' responsibilities, employees' rights, tips on managing MPF, DIS and tax-deductible voluntary contributions.

Educational Programmes

17. A new series of three short videos “喪(公)司生存指南” targeting prospective scheme members and young employees was rolled out by phases, commencing mid-February 2025. This light-hearted video series aims to deliver basic concepts of MPF investment and MPF management in an imaginative and interesting setting of “Workplace Zombie”. The stories feature correlations of daily experience at workplace and MPF messages in a humorous approach to create resonance with the target audience. Key messages incorporated in the videos included key features of DIS, concept of dollar cost averaging as a long-term investment strategy, making good use of MPFA's MPF

Fund Platform to manage MPF investment as well as handling MPF personal accounts when changing jobs. The videos have been rolled out progressively on MPFA social media platforms and major online platforms until end March 2025.

18. MPFA continued to organize in-company workshops to provide scheme members with practical tips on planning for retirement protection and MPF investment. A total of 25 sessions of the workshop, in physical, online or hybrid format, are planned for 2024-25. All 25 sessions have been conducted, including one hybrid and one online session by February 2025.

19. Other educational activities targeting tertiary and secondary students were also held with five sessions conducted during the month to enhance their understanding of the MPF System, MPF investment and the concept of investment for retirement protection before they join the work force in the future. A workshop for parents was also held to provide them with practical tips on family budgeting, planning for retirement protection, MPF investment and the concept of investment for retirement protection.

Collaborations with pension authorities from Macao

20. In February 2025, MPFA Managing Director and senior executives met with representatives of the Monetary Authority of Macao for exchange on the latest developments in the retirement protection systems of Hong Kong and Macao and share experience in MPF supervision.

Participation in international events

21. MPFA Executive Director (Policy) attended IOPS Committee Meetings and International Conference on Private Pensions in Costa Rica, where he made a presentation on performance measurement as technical input to IOPS' research project on value for money. He also shared the advantages of the design features of DIS, achievements and experience learned since its launch, and the challenges ahead during a panel discussion.

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