

eMPF Platform: A New Chapter for the MPF System

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A Snapshot of MPF System



















MPF Transactions

Every year

1.7 Million new MPF accounts are set up

1.5 Million transactions on transfer of MPF

200,000 transactions on withdrawal of MPF 30 Million transactions (65% paper)





Three Major Elements of MPF Scheme





Current State of MPF Scheme Administration



Digital Users

46% Employers (on average)

Diverse distribution; less than

10% for some trustees



By Post



Hundreds of service outlets



40,000 MPF Intermediaries



Thousands of Full-time Staff
Equivalent provide services to users

12 Administration Platforms

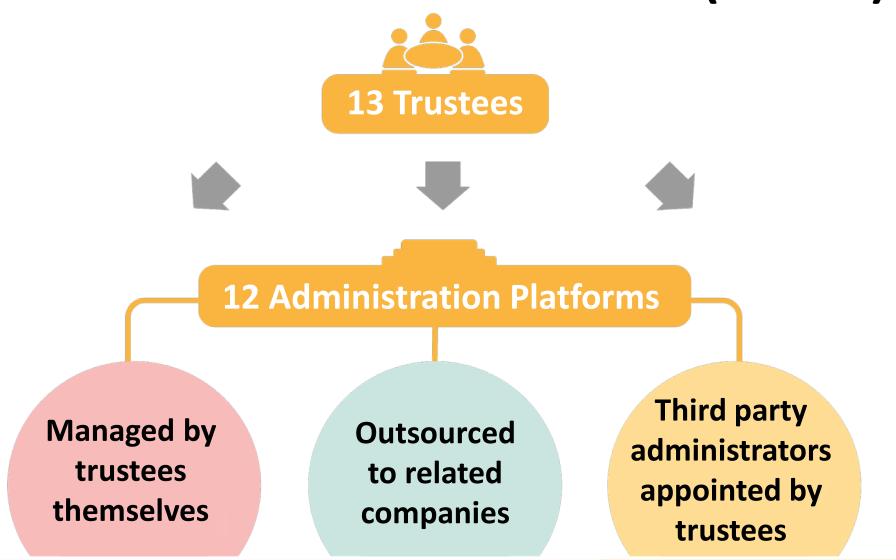




Manual Users
54% Employers (on average)



Current State of MPF Scheme Administration (cont'd)





Digital Transformation - eMPF Platform





What is eMPF Platform?

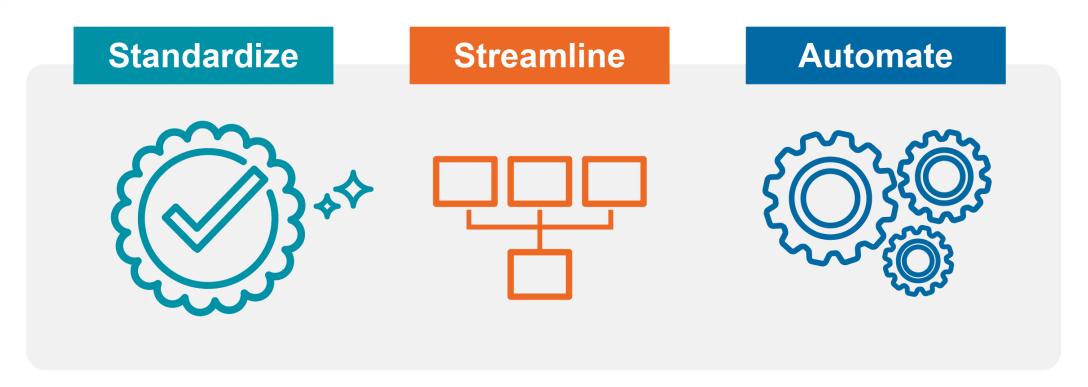
A Public Utility

- ✓ A common, integrated electronic platform that connects 4.5 million scheme members (including 230 000 self-employed persons (SEPs)) & 300 000 employers
- ✓ Tangible benefits to stakeholders & MPF industry





Objectives of eMPF Platform



MPF scheme administration





Vision of eMPF Platform

Benefit employers, employees, SEPs, MPF industry and MPFA

Paperless and mobile/platform based MPF experience to 4.5 million members and 300,000 employers

Foster a barrier-free market & promote competition

 \uparrow efficiency and \downarrow cost will create room for \downarrow MPF management fees

Implement initiatives e.g. Designated Savings Account, government's contribution for low income earners

Pave way for future MPF reforms e.g. full portability



Key Benefits for Users



Employers and **SEPs**

- ✓ One-stop making enrolment and contributions and handling related documents / information
- ✓ Reduce paper work and human errors
- ✓ Reminder of contribution due date



Employees

- ✓ One-stop handling of all accounts
- ✓ Operate anytime, anywhere (e.g. transfer schemes, switch funds, withdraw MPF)
- ✓ Real-time viewing of all accounts
- ✓ Create room for fee reduction



Trustees

- ✓ Standardize, streamline and automate scheme administration
- ✓ Reduce administrative burden and the associated compliance burden and cost



- ✓ Improve reliability and accuracy of the MPF System and facilitate enforcement actions
- ✓ Pave way for future reform initiatives



Other benefits from a macro viewpoint



- □ Induce behavioural changes of the public on digital adoption
- Embrace innovation and technology and work with other digital infrastructures to build HK as a Smart City









Challenges

Current User Behaviour

46% employers as digital users (Diverse distribution: less than 10% for some trustees)

65% of transactions are still paper-based

Most scheme members don't actively manage their MPF accounts via electronic means

High Degree of User Diversity

a large number of users involved

Diverse cohorts in the MPF System

Diverse degrees of digital literacy and experience

Complexity of eMPF Platform

More than just an IT project

A change management process

Schedule

Tight timeline

Publicity and communication

Phased onboarding increases complexity





Timeline and latest progress

Construction phase

2021-2022

Data migration and onboarding phase

2023-2024

Fully operational 2025





Onboarding process of trustees

Phased migration

Start from 2023



Full onboarding

Complete in 2025

Timetable will be formulated in 2022 to allow sufficient time to plan for the necessary data migration and onboarding arrangement





Legislative amendments

The Mandatory Provident Fund Schemes (Amendment) Bill was passed by Legislative Council on 22 October 2021

Requiring trustees to use the eMPF Platform for MPF scheme administration

Stipulating the "straight pass-on" requirement in respect of cost saving to benefit scheme members





Engagement, Publicity & Education

Large-scale stakeholder engagement, publicity and education programmes will be launched to gauge views, solicit buy-in and promote use of the eMPF Platform









Key to eMPF Platform's Success

Support of employers, employees and the industry





Thank you

