

# Common Misconceptions in Handling MPF Contributions



As good and law-abiding employers who care for the retirement protection of your employees, you should ensure prompt payment of MPF contributions for employees on or before the contribution day (i.e. the 10<sup>th</sup> of each month) and submission of a duly completed remittance statement. Trustees now provide different means for employers to remit MPF contributions (e.g. by cheque, autopay, etc.) and different channels to submit remittance statement (e.g. fax, email, etc.). When handling MPF contributions, you should be mindful of the misconceptions listed below to avoid your payment being considered late or default.

Misconception		Correct Practice
<b>Payment Method: Cheque</b>		
1	<p><b>I have posted the cheque</b></p> <p>I posted the cheque to the trustee on the contribution day, so I have not delayed in paying contributions.</p>	<ul style="list-style-type: none"> <li>• <b>Allow sufficient mailing time</b> so as to make sure that the payment cheque and remittance statement are <b>delivered to the trustee</b> on or before the contribution day.</li> <li>• The postmark date on the envelope will not be considered as the date of payment.</li> <li>• Ensure that the information on the cheque is accurate and there are sufficient funds in the bank account to honour the cheque. If an employer's cheque is dishonoured, the employer will be considered as defaulting on contributions.</li> <li>• Please note that post-dated cheques or stale cheques are normally not accepted.</li> <li>• Affix sufficient postage before posting the cheque.</li> </ul>
2	<p><b>I have deposited the cheque in a drop-box at a bank branch</b></p> <p>I deposited the cheque in a drop-box at a bank branch nearby on the contribution day.</p>	<ul style="list-style-type: none"> <li>• The payment cheque and remittance statement must be deposited in the MPF drop-box at the collection centre(s) <b>designated</b> by the trustee.</li> <li>• Please check with the trustee about the <b>designated</b> locations and the cut-off time of MPF drop-boxes for collecting contributions.</li> </ul>
<b>Payment Method: Autopay</b>		
3	<p><b>I have set up autopay for making contributions</b></p> <p>I have set up autopay for making contributions to the trustee, so the payment must be on time.</p>	<ul style="list-style-type: none"> <li>• The autopay must be set up on or before the contribution day.</li> <li>• Sufficient funds must be maintained in the bank account for making full contributions, otherwise the trustee will not be able to debit your account for payment.</li> <li>• If a payment limit is set for autopay transactions, ensure that the amount is sufficient for making full contributions.</li> <li>• If a debit is unsuccessful, the employer will be considered as defaulting on contributions.</li> </ul>
4	<p><b>I have made contributions by autopay, but have not submitted a remittance statement</b></p> <p>As long as I have set up autopay for making contributions to the trustee and maintained sufficient funds in the bank account for making full contributions, I should not be considered as defaulting on contributions.</p>	<ul style="list-style-type: none"> <li>• Ensure that a <b>duly completed remittance statement</b> is delivered to the trustee on or before the contribution day.</li> <li>• The day on which the trustee receives the duly and accurately completed remittance statement will be regarded as the date of payment.</li> <li>• If an employer fails to submit the remittance statement, or the information on the statement is inaccurate, the trustee will not process the autopay instruction and the employer will be considered as defaulting on contributions.</li> </ul>

Misconception		Correct Practice
<b>Payment Method: Direct Credit</b>		
5	<p><b>I have made contributions via electronic banking</b></p> <p>I made contributions to the trustee via electronic banking on the contribution day, so I have not delayed in making contributions.</p>	<ul style="list-style-type: none"> <li>Ensure that the payment is credited to the bank account of MPF Scheme and the remittance statement is submitted to the trustee on or before the contribution day.</li> <li>Please note the cut-off time for payment transactions of electronic banking service provided by individual banks.</li> </ul>
<b>Remittance Statement</b>		
6	<p><b>I have not received the trustee's pre-printed remittance statement</b></p> <p>The trustee often provides a pre-printed remittance statement, but I have not received it this month. Therefore, I could not make contributions on time. The trustee should be held responsible for my delay.</p>	<ul style="list-style-type: none"> <li>In case the trustee has not provided a pre-printed remittance statement, the employer must <b>complete the remittance statement by himself / herself</b>.</li> <li>A trustee may provide pre-printed remittance statements to employers as a value-added service, but the trustee is not legally obliged to do so.</li> </ul>
7	<p><b>Submission of remittance statement by fax</b></p> <p>As the fax machine indicates that the transmission of remittance statement is successfully delivered, the trustee should have received it.</p>	<ul style="list-style-type: none"> <li>Ensure that the remittance statement is placed properly in the fax machine for transmission to avoid sending only blank or incomplete page(s) to the trustee.</li> <li>The fax record showing the date and pages of successful transmission should be kept as a proof of delivery.</li> </ul>
8	<p><b>Employees with no relevant income</b></p> <p>As I am not required to make contributions for those employees who do not have relevant income for a particular month, I do not have to list them in the remittance statement.</p>	<ul style="list-style-type: none"> <li>For those employees who do not have relevant income for a particular month, the employer is also required to state their names in the remittance statement and put down "0" under the column of Relevant Income, or complete the remittance statement in accordance with the trustee's guidelines.</li> </ul>
9	<p><b>Cessation of employment</b></p> <p>When an employee ceases to be employed, what I have to do is simply to pay the contributions for the last contribution period for that employee.</p>	<ul style="list-style-type: none"> <li>An employer must notify the trustee that an employee has ceased to be employed by reporting it in the remittance statement in the month in which the employee ceases to be employed, or by using the form provided by the trustee for such purpose.</li> <li>If an employer does not notify the trustee that an employee has ceased to be employed, the employer may be mistaken as defaulting on contributions for that employee.</li> </ul>
<b>Others</b>		
10	<p><b>It is the intermediary's mistake</b></p> <p>I will not be held responsible for late payment of contributions as long as I give the payment cheque to the MPF intermediary before the contribution day.</p>	<ul style="list-style-type: none"> <li>An employer should <b>give</b> the payment and remittance statement <b>to the trustee directly</b> instead of doing so through an MPF intermediary.</li> <li>Contact between an employer and an MPF intermediary is not considered a proof of payment of contributions.</li> </ul>
11	<p><b>No harm to raise objection first</b></p> <p>Every time before paying a surcharge, I will try to raise an objection to see whether MPFA agrees to withdraw it.</p>	<ul style="list-style-type: none"> <li>Once an employer has not made contributions on time/ has not made full contributions/ has not provided accurate information, he /she should approach the trustee to <b>pay the contributions in arrears together with the surcharge</b> as soon as possible.</li> <li>An employer who defaults on contributions (whether late or insufficient payment) is legally required to <b>pay a surcharge</b>.</li> </ul>
12	<p><b>Making rectification on enrolling employees and paying contributions</b></p> <p>If I realize I failed to enrol an employee into an MPF Scheme, I only need to rectify the mistake by enrolling him/her and paying contributions.</p>	<ul style="list-style-type: none"> <li>If an employer needs to make rectification on enrolling an employee and paying contributions, or if an employer has to pay the shortfall after making contributions because the amount of relevant income is incorrect or is adjusted upwards, the employer must also <b>pay a surcharge</b>.</li> </ul>