

Calculation of contributions for regular employees

If you are employed in the construction or catering industry for a fixed period of 60 days or more, you are a "regular employee" under the MPF system.

If your employer chooses to enrol you in an Industry Scheme, the method for calculating contributions will be different from the method used for casual employees. The amount of mandatory contributions for regular employees is calculated based on 5% of their relevant income in respect of the wage period concerned (the same as the contribution calculation method under Master Trust Schemes). This is subject to the minimum and maximum relevant income levels, i.e. \$7,100 and \$30,000 per month respectively⁴. Details are as follows:

Monthly relevant income	Amount of mandatory contribution	
	Employer's contributions	Employee's contributions
Less than \$7,100	Relevant income x 5%	Not required
\$7,100 to \$30,000	Relevant income x 5%	Relevant income x 5%
More than \$30,000	\$1,500	\$1,500

Coverage of the Construction Industry

For the purpose of Industry Schemes, the construction industry includes the following eight major work categories:

- Foundation and associated works
- Civil engineering and associated works
- Demolition and structural alteration works
- Refurbishment and maintenance works
- General building construction works
- Fire services, mechanical, electrical and associated works
- Gas, plumbing, drainage and associated works
- Interior fitting out works

Coverage of the Catering Industry

For the purpose of Industry Schemes, the catering industry includes holders of food business licenses or permits under the Food Business Regulation (Cap 132X, Laws of Hong Kong), canteens at schools and workplaces, and catering establishments inside clubs. Here are some examples:

- Food factories, milk factories, frozen confection factories and bakeries
- Restaurants
- Factory canteens
- Siu mei or lo mei shops
- Cold stores
- Fresh provision shops
- Cooked food stalls operating in public markets
- Cooked food stalls which are granted hawkers licenses
- Chinese herb tea shops

Q&As

Q: I was a casual employee and worked on a construction site for two weeks. My employer participated in a Master Trust Scheme, and claimed that he was not required to make contributions for me because I was employed for less than 60 days. Is that true?

A: No. The legislation stipulates that, except for exempt persons, employers must enrol in an MPF scheme for all full-time and part-time employees who are aged 18 to 64 and employed under an employment contract (written or verbal) for a period of not less than 60 days, and make contributions for them. However, this 60-day employment rule is not applicable to casual employees in the construction industry and the catering industry who are employed on a daily basis or a fixed period of not more than 60 days. Whether they participate in Industry Schemes or Master Trust Schemes, employers in these two industries must enrol their casual employees in an MPF scheme and make contributions for them.

Q: I was employed as a casual employee in a Chinese restaurant for one day. The employer participated in an Industry Scheme, but I did not have an MPF account in that Scheme. The employer said that he could not make contributions for me unless I set up an account under that Scheme by myself. Is that true?

A: No. The legislation stipulates that employers are obliged to enrol employees in MPF schemes and make contributions for them. If an employee does not have an MPF account under the Industry Scheme that the employer participates in, the employer is obliged to enrol the employee in that Scheme and make contributions for him/her. The employee may, however, choose to open an MPF account under that Scheme by himself/herself for giving convenience to the employer in making contributions.

Q: What kind of information should I provide so that my employer can make contributions to my Industry Scheme account?

A: If you have joined the same Industry Scheme as your employer and have a casual employee account, the simplest way is to present your employer with the casual employee card issued to you by the trustees, or to provide your employer with the MPF account number/casual employee number printed on your card. Your employer will then be able to make contributions for you.

MPF Industry Schemes



MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

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MANDATORY PROVIDENT FUND
SCHEMES AUTHORITY

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⁴ This refers to the level as of the date of publication (November 2017).

MPF Industry Schemes for CONSTRUCTION INDUSTRY and CATERING INDUSTRY

Industry Schemes were established under the Mandatory Provident Fund (MPF) System. If you are employed as a “casual employee” in the construction or catering industry, work for more than one employer at the same time, or change jobs frequently, you should enrol in the Industry Scheme.



“Casual employees” refer to those who are employed in the construction or catering industry on a daily basis, or for a fixed period of less than 60 days. It doesn't matter for how short the employment period is; even for just one day, employers are still required to make MPF contributions for the casual employees.

No need to enrol in an MPF scheme again when you change jobs

If you have opened an Industry Scheme account, you will not need to fill in an MPF enrolment form again if you change jobs, as long as your previous employer and your new employer are both registered with the same MPF trustee offering the Industry Scheme. Your new employer will be able to make contributions to your account right away.

It's simple to join the Industry Scheme

The Industry Schemes are currently offered by two MPF trustees:

Bank Consortium Trust Co. Ltd. ☎ 2298 9333
Bank of East Asia (Trustees) Limited ☎ 2211 1777

You can open casual employee accounts in advance with each of the two Industry Scheme trustees. The two trustees will each issue you with a “casual employee card”. If you start working for a new employer, as long as your new employer has also joined the same Industry Scheme, you are no longer required to enrol in the same MPF scheme again. Simply present your “casual employee card” and your employer will be able to make contributions for you with your account information.

Three major benefits to having these “Casual Employee Cards”:

- Time Saving:** If you start working for a new employer, you will not need to fill in a form to open a new MPF account.
- Convenient:** Different employers can immediately make MPF contributions to your accounts.
- Access to the latest MPF information:** You will receive important MPF information in a timely manner.

Calculation of contributions according to daily-rated income

If you are a daily-rated casual employee, your employer is required to make fixed sum contributions according to your daily relevant income¹. The contribution amounts are multiples of \$5, making them simple and easy to remember.

Daily Relevant Income	Amount of mandatory contributions	
	Employer's contributions	Employee's contributions
Less than \$280	\$10	Not required
\$280 to less than \$350	\$15	\$15
\$350 to less than \$450	\$20	\$20
\$450 to less than \$550	\$25	\$25
\$550 to less than \$650	\$30	\$30
\$650 to less than \$750	\$35	\$35
\$750 to less than \$850	\$40	\$40
\$850 to less than \$950	\$45	\$45
\$950 or more ²	\$50	\$50

Points-to-note about making contributions

The daily minimum and maximum relevant income levels³ for casual employees under Industry Schemes are as follows:

- If your daily relevant income is less than the daily minimum relevant income level (i.e. \$280), you are not required to make any contributions, but your employers are still required to make the employer's part of contributions (i.e. a contribution of \$10) on time;
- If your daily relevant income is more than the daily maximum relevant income level (i.e. \$950), both you and your employer are each required to make contributions according to the maximum relevant income level (i.e. contributions of \$50 each);
- Employers are required to make contributions for you regardless of your relevant income level.



Note: The length of casual employees' wage period may be different. For instance, employees employed on a day-to-day basis are usually paid every day after work. Accordingly, their contribution period is one day. However, there are also cases where employees are paid less frequently, such as weekly or twice a month (once in the first half and again in the second half of the month).

¹ Relevant income refers to any wages, salary, leave pay, fee, commission, bonus, gratuity, perquisite or allowance, expressed in monetary terms, paid or payable by an employer to an employee, but excluding severance payments or long service payments under the Employment Ordinance.

² This income band contains the daily maximum relevant income level (i.e. \$1,000) and the maximum amount of contribution (i.e. \$50). If the daily relevant income of a casual employee exceeds \$1,000, the amount of contribution payable by both the employee and the employer will remain at \$50 each per day.

³ This refers to the level as of the date of publication (November 2017).

Calculation of contributions according to non-daily-rated income

If you are not daily-rated but instead are employed, for example on a fixed weekly or monthly rate, then your employer is required to calculate your average daily relevant income, then check it against the corresponding income band under the contribution scale to determine the daily contribution amount, and finally calculate the total contributions payable for the entire wage period.

Average daily relevant income	=	Relevant income earned in a wage period No. of working days in the wage period
Daily contribution amount	=	Check average daily relevant income against contribution scale for contribution amount
Total MPF contribution amount	=	Daily contribution amount x No. of working days in the wage period

Example:

Mr. Li is a casual employee in the construction industry who works five days a week, and has a weekly income of \$5,000. The contributions payable by Mr. Li and his employers are calculated as follows:

Weekly income	: \$5,000
Number of working days per week	: 5
Average daily relevant income	: \$1,000 (\$5,000 ÷ 5 working days)
Daily contribution amount	: \$50 (income falls in income band “\$950 or more” under the contribution scale)
Employee's contribution	: \$250 (\$50 x 5 working days)
Employer's contribution	: \$250 (\$50 x 5 working days)
Total contribution amount payable by employer and employee	: \$500

Manage your MPF accounts well

Your accumulated MPF benefits make up one part of your assets, so you should proactively manage your MPF accounts. This should include:

- Providing your trustees with your contact number or email address so that you can receive the latest MPF information.
- Updating your trustees as soon as possible if your personal particulars (e.g. your address or telephone number) have changed.

