

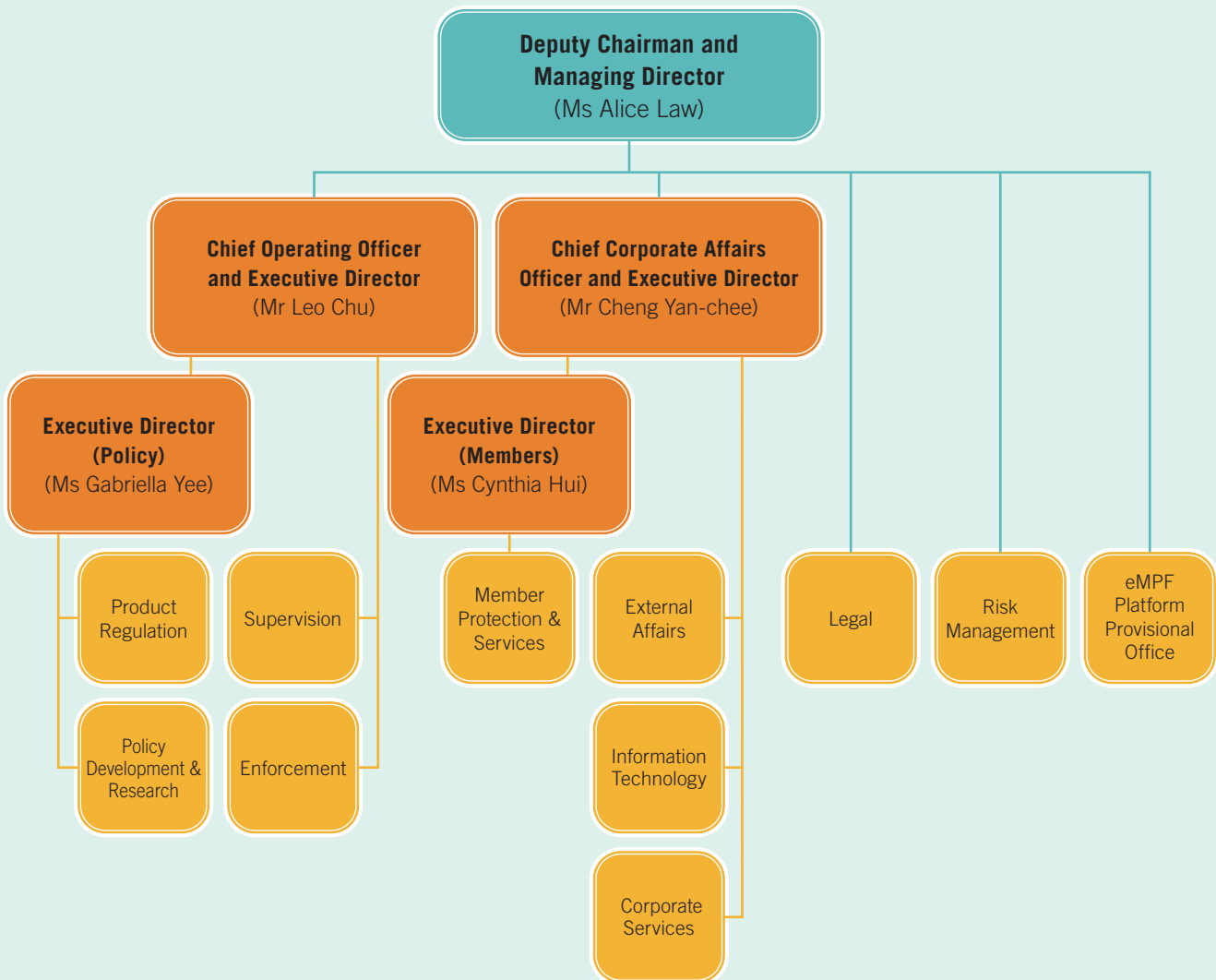
Our People

Staff are the most important asset of MPFA. Our corporate achievements would not be accomplished without a dedicated workforce.

People Strategies

We strive to build a team of high-calibre staff to perform MPFA's functions, and attach great importance to developing staff with high ethical value, empathy and strong commitment in serving the public and our diverse service targets.

Organization Chart (31.3.2021)



OUR ORGANIZATION

Key Figures on Our Staff (31.3.2021)

Workforce at a Glance

Item	Number
Size of workforce	578*
Years of service in MPFA (on average)	9.8 years
Turnover rate (in 2020-21)	7.8%
Average age	41.4
Staff cost over total expenditure (in 2020-21)	71.5%

* Including 19 staff members under eMPF Platform Provisional Office

Diversity (Gender and Age Group)

By gender

Staff category	Gender (% over total number of staff)		
	Male	Female	Total
Managerial / professional staff	57 (9.9%)	101 (17.4%)	158 (27.3%)
Supervisory / supporting staff	116 (20.0%)	304 (52.7%)	420 (72.7%)
Total	173 (29.9%)	405 (70.1%)	578 (100%)

By age group

Staff category	Age group (% over total number of staff)			
	Below 30	30 – 50	Above 50	Total
Managerial / professional staff	0 (0.0%)	111 (19.2%)	47 (8.1%)	158 (27.3%)
Supervisory / supporting staff	72 (12.5%)	306 (52.9%)	42 (7.3%)	420 (72.7%)
Total	72 (12.5%)	417 (72.1%)	89 (15.4%)	578 (100%)

A Better Workplace

Equal Opportunities




MPFA is committed to offering equal opportunities at the workplace. Fairness is a top priority in devising programmes in talent acquisitions, career advancement, learning and development, compensation and benefits and other employment related matters.

We do not tolerate any kind of discrimination and harassment on the grounds of gender, marital status, pregnancy or breastfeeding, family status, disability, race, etc. Established guidelines and information are shared on various occasions like new hire orientation pack and interviewer kits to raise staff members' awareness of anti-discrimination.

Staff Recognition

We have established a structured Employee Recognition Framework to recognize colleagues' contribution and exceptional performance on an annual basis, with an aim to uphold a strong recognition culture within MPFA.

In 2020, the following awards were presented:

<p>Exemplary Team Award</p> <p>7 cross-department work teams were awarded for their exemplary contributions and demonstration of MPFA's core values</p> 	<p>"Bravo!" Award</p> <p>36 staff members were recognized for work performed beyond expectations or outside their normal job scope</p> 	<p>Long Service Award</p> <p>79 staff members attained Long Service Award for having served at MPFA for over 10, 15 or 20 years</p> 
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MPFA has also been commended for its commitment to service excellence to the public. Two staff members won The Ombudsman's Awards for Officers of Public Organizations in 2020 in recognition of their outstanding and professional service in handling public complaints and redressing grievances.

Apart from the formal awards, we also encourage informal recognition. To make saying thank you an easier and more interesting gesture, an e-thank you card application is available to our staff.

OUR ORGANIZATION

Training and Development

Despite the difficulties brought about by the outbreak of the pandemic, MPFA strived to provide development opportunities to staff at different levels as far as practicable. We were able to shift our focus to online training and also made available to staff e-learning modules in the market.

In line with our emphasis on transformation and enhancing organization capabilities, our training programmes were designed to nurture leaders and talents for the upcoming challenges. Workshops and seminars were arranged on a variety of topics, such as transformation, leadership, supervisory skills, resilience, leading with emotional intelligence, art of storytelling in business presentation and creative problem solving.

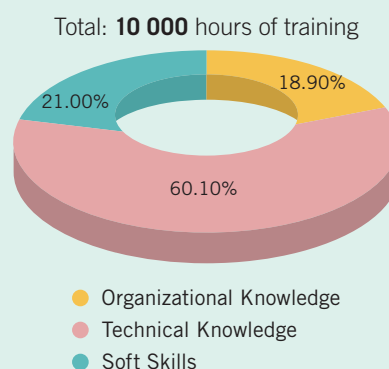
We also offered local external training on technical knowledge and soft skills, and provided executive coaching for staff at senior levels.

Communicating with Staff

The management attaches great importance to two-way communication with staff.

In 2020-21, our training and development efforts resulted in:

- About 10 000 hours of training
- Over 4 000 training places
- Around 97% of staff members having received training



With our consistent efforts in staff training and development, we continue to be accredited as a Manpower Developer under the Employees Retraining Board's Manpower Developer Award Scheme.



Programme	Communication
Town Hall Sessions by Managing Director	<ul style="list-style-type: none"> • to share with staff vision and thoughts, corporate objectives and developments, and address questions raised by staff
Cascade of the corporate plan	<ul style="list-style-type: none"> • to facilitate staff's understanding of corporate goals and how to contribute to the success of the organization
Briefing sessions by business units	<ul style="list-style-type: none"> • to promote staff's understanding of the major operational developments in MPFA
Regular meetings <ul style="list-style-type: none"> • among heads of divisions and departments • between supervisors and staff 	<ul style="list-style-type: none"> • to promote on-going communication and sharing of information • to discuss and review achievements of workplans



Business Continuity and Operation of MPFA During the COVID-19 Pandemic

Keep Fighting the Virus

Our fight with COVID-19 is not over. We have been staying vigilant and act swiftly in our responses.

Crisis Management

A Crisis Command Team (CCT), set up in January 2020, met twice a month on average in the year. It monitored the development of the COVID-19 pandemic, assessed its impact on the operations of MPFA and the MPF sector as well as MPF scheme members' interests, and made decisions on contingency measures. We have also maintained close communication with staff, delivered updated information on CCT's decisions promptly and shared health advice with them frequently.

Staff's Well-being and Safety, Our Priority!

Work-from-home Arrangement

Work arrangements for staff have been made with flexibility at different stages of the pandemic, including work-from-home and split-team arrangements, in response to the Government's advice on minimizing social contact.

IT facilities and security controls have been set up for colleagues to access email and computer systems remotely for performing essential business operations in a secure manner.

Virtual Activities

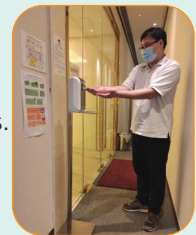
To reduce face-to-face contact, events and activities involving a large number of participants have been suspended. A video conferencing solution with encryption and security protection was implemented to support virtual meetings, briefings and training sessions, workshops, seminars and press conferences. Colleagues could join these virtual activities anywhere with mobile phones, tablet devices or computers.

Clean and Safe Workplace

Since late January 2020, we have stepped up cleansing and disinfection of our offices. Additional

measures that have been taken include the following:

- Face masks provided to staff members working in the office or outside.
- Surgical gloves, safety goggles and face shields provided to staff members with public-facing or outdoor duties.
- The seating capacity of all meeting rooms reduced to around half to maintain social distance.
- Acrylic panels and virus eliminating air purifiers placed in meeting rooms.



Public Services

In view of the Government's arrangement for public services and to safeguard the health of the public and our staff, MPFA's public service counters had been closed three times when the pandemic was most severe. Following the resumption of our customer counter services, as a new practice, members of the public are requested to make appointment through MPFA's hotline for using our services. They are also encouraged to obtain MPF-related information, make enquiries and lodge complaints through digital means or MPFA's hotline instead of physically visiting our offices to get the services they need.

With the above special arrangements, MPFA's operations have remained largely normal, with minimal disruption to our services to the public.

OUR ORGANIZATION

Sustainability of the Organization

Strengthening Organizational Capability for Transformation

Transformation is key to preparing MPFA for the future and the challenges ahead. Addressing the changes to the operating landscape before and after the launch of the eMPF Platform, MPFA continued the efforts in the year before to brace itself for change.

In particular, we commenced reviewing our regulatory role, business processes and people capabilities. Initial studies have thrown light on the current and desired culture and core values which will provide input to other organizational capabilities projects, such as the development of a competency model for MPFA which was kicked off towards the end of the financial year. The findings of these projects will be looked at in totality to enhance our organizational capabilities as a whole.

Work with Greater Efficiency – eMPFA Initiatives

MPFA has continued pursuing a digital transformation journey to further standardize, streamline and automate MPFA operations progressively with “digital by default” guiding principles. eMPFA initiatives are pursued to better support MPF reforms, facilitate our supervisory oversight, improve communication with the public and delivery of services, improve work accuracy, reliability and efficiency, as well as to achieve greater cost-effectiveness in the long run.

We have implemented a set of eMPFA initiatives to work with greater efficiency in 2020-21:

- A series of interactive online dashboards for internal use to reduce turnaround time in report preparation and deliver management information more effectively. As at 31 March 2021, 72 dashboard reports were created for internal use.
- Revamped our official website with a simple and clear content structure and website navigation to provide an enhanced browsing experience for

visitors and help them obtain MPF information easily and conveniently. Around 53% visitors browsed our website with their mobile phones or tablets (51% phone; 2% tablets); 47% with desktop computers.

- A new chatbot on the MPFA website, ePA website and mobile apps to provide instant and round-the-clock online enquiry support for frequently asked questions on MPF matters. As at 31 March 2021, 6 536 users (or 156 users per day) have made MPF enquiries via the chatbot since its launch in mid-February 2021.
- Extended the functionalities of the “eService” for MPF intermediaries platform. This supports the electronic processing of change of information of intermediaries to enhance data accuracy and reduce processing time. Processing time is reduced by more than 20% as a result.
- With the digital submission of investment portfolios held by MPF funds from MPF trustees automated and streamlined, time has been saved in the data collection process. MPFA can have more timely information on exposure of MPF assets for monitoring and reporting purposes.
- Enhanced system for monitoring around 3 800 ORSO schemes on their ongoing compliance with the employment based criterion through written statements, and around 500 ORSO exempted scheme with new returns requirements.



Financial Resources

We operate on a self-financing basis with operations funded by statutory fees and investment income generated from a one-off Capital Grant of \$5 billion from the Government in 1998.

To ensure the long-term financial sustainability of MPFA, the MPF Schemes (Amendment) Ordinance 2020, coming into force in July 2020, gives MPFA the power to charge approved trustees an annual registration fee (ARF) from 1 October 2020. The rate is 0.03% per annum on the respective MPF schemes' net asset value for the first six years, subject to review in the seventh year.

To enable MPFA to pursue the eMPF Platform project, the LegCo has approved, up to April 2021, a total grant of some \$4.9 billion. During the year ended 31 March 2021, a total of \$395.4 million of the grant was received in accordance with the Grant Agreement entered into between the Government and MPFA in December 2019 for governing the project. The grant is segregated from the funding of MPFA and is monitored separately.

Income

	2020-21		2019-20
	%	\$ million	\$ million
Net investment income	76.7	329.0	69.8
Fees and charges	12.3	52.7	20.0
Interest income	0.6	2.6	5.2
Recoveries from MPF Schemes Compensation Fund ¹	0.3	1.2	1.3
Other income	10.1	43.3	50.0
Total	100	428.8	146.3

In 2020-21, we posted an investment gain of \$329.0 million, amid a highly volatile investment environment under the prevailing market conditions.

In view of the increasing volatility in the financial markets and the onslaught of the COVID-19 pandemic, MPFA had implemented a risk mitigating strategy since February 2021.

For the year ended 31 March 2021, ARF (included in "Fees and charges") of \$33.3 million was recorded but not yet received, and the related expenses incurred for the year was \$462.8 million. Fees on ORSO schemes and application and annual fees on MPF intermediaries of \$18.3 million were also recorded. These fees accounted for the bulk of total fees and charges in 2020-21.

In 2020-21, "Other income" included a Government grant of \$41.5 million in relation to reimbursement of expenses for the eMPF Platform project.

Expenditure

	2020-21		2019-20
	%	\$ million	\$ million
Staff cost	71.5	390.4	364.2
Premises expenses	2.1	11.7	12.0
Other expenses	26.4	143.9	154.9
Total	100	546.0	531.1

In face of the many demands on our resources, we will continue to exercise stringent fiscal discipline and make efforts in controlling our expenditure.

Financial Position

As at 31 March 2021, the capital and reserve of MPFA was \$2.51 billion. Details are set out in the audited financial statements of MPFA on pages 94-134.

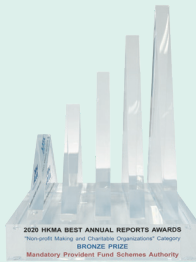
It is expected that we will be able to better position MPFA's budget in the long run with the collection of ARF as a new and major income source of MPFA.

¹ The MPF Schemes Compensation Fund is set up under the MPF legislation to compensate MPF scheme members or other persons who have beneficial interests in MPF schemes for any loss in MPF benefits attributable to misfeasance or illegal conduct committed by MPF trustees or any other persons concerned with the administration of those MPF schemes. Currently MPFA administers the MPF Schemes Compensation Fund and recoups the expenses incurred on a cost recovery basis.

OUR ORGANIZATION

Awards and Recognition

Corporate Governance



Bronze Award in the “Non-Profit Making and Charitable Organizations” Category in the 2020 Best Annual Reports Awards



Special Mention under the Public Sector/Not-for-profit (Large) Category in the Best Corporate Governance Awards 2020



Privacy-Friendly Silver Certificate of the Privacy-Friendly Awards 2021

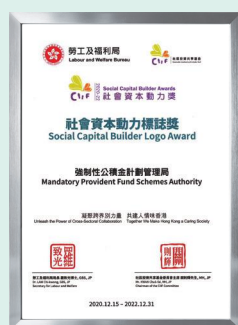
Socially Responsible



Caring Organization Logo since 2005



Caring Ambassadors 2020-21



Social Capital Builder Logo Award since 2018 (biennial)



Excellence Level of Wastewi\$e Certificate since 2010

Caring Employer



Family-friendly Good Employer since 2020



Signatory of the Good Employer Charter since 2018



Manpower Developer Award since 2013

Service Excellence



Ombudsman's Awards for Officers of Public Organizations since 2003 (Recipients of 2020)

IT / Fintech Innovation



Six Gold Awards in the Web Accessibility' Recognition Scheme 2020-21



FinTech Ecosystem Contribution Honorary Award in the FinTech Achievement Awards 2019