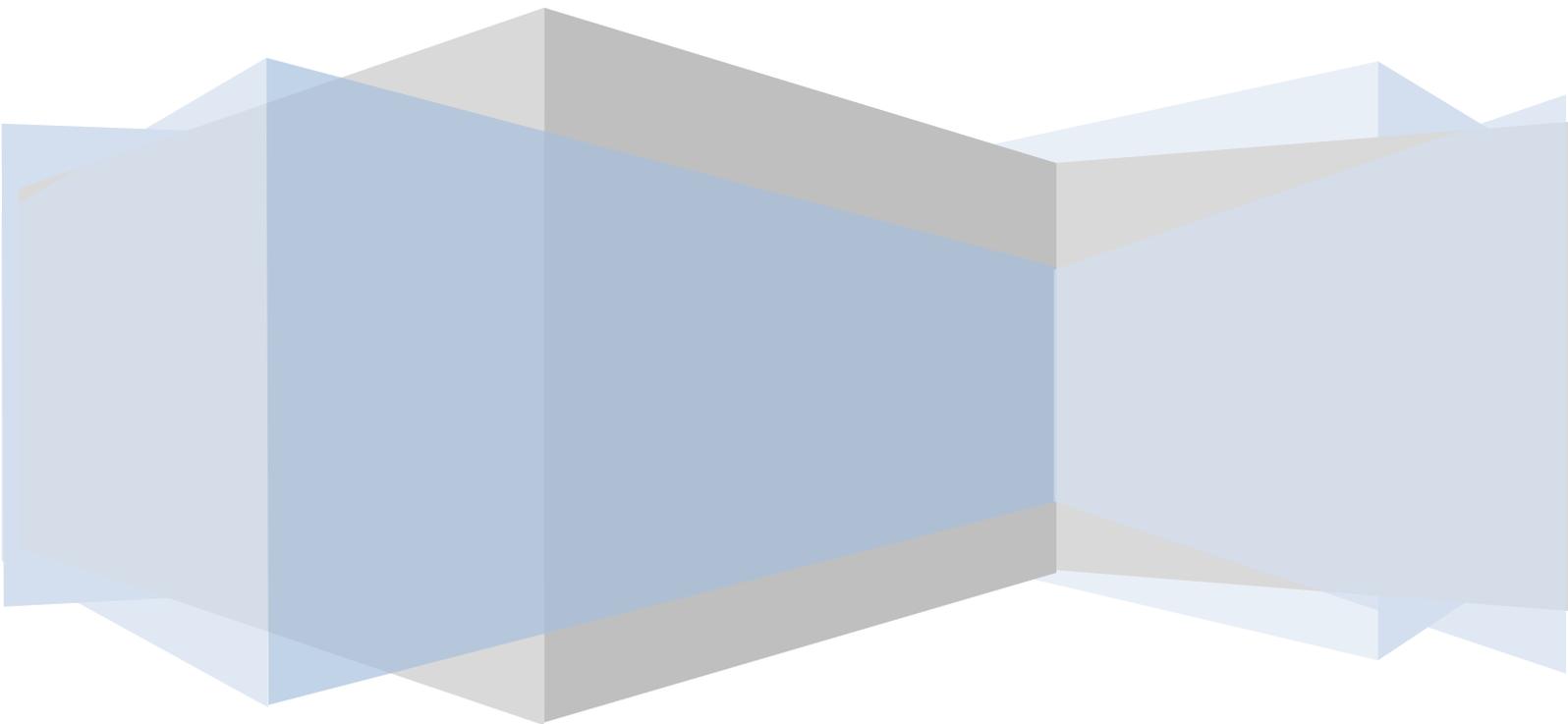




# **Statistical Report on Claims for Offsetting Severance Payment and Long Service Payment against MPF Accrued Benefits**

**(1 January 2018 – 31 December 2018)**



©Mandatory Provident Fund Schemes Authority 2019

Published by  
**Mandatory Provident Fund Schemes Authority**

Level 8, Tower 1, Kowloon Commerce Centre  
51 Kwai Cheong Road  
Kwai Chung  
Hong Kong

Tel : 2918 0102  
Fax : 2259 8806  
Email : [mpfa@mpfa.org.hk](mailto:mpfa@mpfa.org.hk)  
Website : [www.mpfa.org.hk](http://www.mpfa.org.hk)

Information or data contained herein is provided only for general purposes and without any express or implied warranty of any kind. The Mandatory Provident Fund Schemes Authority will not be liable for any errors, omissions or misrepresentations concerning any such information or data, and will not accept any liability whatsoever for any loss or damage arising from or in respect of any use of or reliance on any such information or data.

## Table of Contents

<b>HIGHLIGHTS .....</b>	<b>1</b>
<b>I. BACKGROUND .....</b>	<b>3</b>
<b>II. SUMMARY OF CLAIMS FOR SP &amp; LSP OFFSETTING (1 JANUARY 2018 – 31 DECEMBER 2018).....</b>	<b>4</b>
<b>A. Number of Claims .....</b>	<b>4</b>
<b>B. Amount of Claims .....</b>	<b>5</b>
<b>C. Claim Amount as a Percentage of the Involved Employees' Account Balance.....</b>	<b>9</b>
<b>D. Age of Employees .....</b>	<b>11</b>
<b>E. Years of Service of Employees .....</b>	<b>12</b>
<b>F. Industry Type of Employers.....</b>	<b>13</b>
<b>G. Size of Employers.....</b>	<b>15</b>

## HIGHLIGHTS

- In 2018, a total of 49 400 Severance Payment (SP)/Long Service Payment (LSP) offsetting claims were processed by trustees, a decrease of 1 900 claims (or 4%) from 2017. SP offsetting claims accounted for 64% of the total number of claims, and LSP offsetting claims accounted for 36% of the total. These claims involved a total of 13 600 unique employers and 48 100 unique employees.
- In 2018, the total amount of SP/LSP offsetting claims was \$4,395 million, an increase of \$93 million (or 2%) from 2017. SP accounted for 49% of the total and LSP for 51%. From July 2001 to December 2018, the accumulated amount of SP/LSP offsetting claims was \$40,923 million.
- In 2018, around 88% of the total SP/LSP offsetting amount came from benefits derived from mandatory contributions and around 12% of the offsetting amount came from those derived from voluntary contributions.
- SP/LSP offsetting amount accounted for 19.3% of the total benefit withdrawal from the Mandatory Provident Fund (MPF) System in 2018. To put this in perspective, that is equivalent to 6.2% of the total amount of contributions received in the year and 0.5% of the total net asset value of MPF schemes as at 31 December 2018.
- The average amount of SP/LSP offsetting claims per employee was \$91,300, higher than the average amount of \$86,000 in 2017 by 6%. The average amount of LSP offsetting claims per employee (\$128,300) was substantially higher than that of SP (\$70,100). The average amount of SP/LSP offsetting claims per employer was \$322,600 in 2018, increasing 9% from the average amount of \$295,000 in 2017.
- On average, the amount of SP/LSP offsetting claims, regardless of the type of claim, accounted for 50% of the involved employees' account balance in 2018, same as the figure for 2017. SP/LSP can be offset only against those benefits in employees' accounts that are derived from employer contributions, but not those benefits derived from employee contributions. In this regard, the amount of SP/LSP offsetting claims, on average, accounted for 89% of employer's portion of the involved employees' account balance in 2018, decreasing from 91% in 2017.
- More than 80% of the total SP/LSP offsetting claims in 2018 were related to employees aged 40 years and above. The average age of employees involved in SP/LSP offsetting claims was 50 years, increasing from 49 years in 2017. Relatively speaking, employees involved in LSP offsetting claims were older (an average of 54 years) than those involved in SP offsetting claims (an average of 48 years).

- On average, employees involved in SP/LSP offsetting claims had nine years' of service in 2018. The median service year was six years. Employees involved in LSP offsetting claims had a longer service period (an average of 13 years) than those involved in SP offsetting claims (an average of six years).
- In 2018, the top five industry types of employers involved in SP/LSP offsetting claims were wholesale/retail/import & export trades, construction, catering, manufacturing and community/social/personal services. These five industry types were also the top five industry types of employers involved in SP/LSP offsetting claim in 2017.
- In 2018, 51.9% of total claims were related to employers with 50 employees or less, compared to 55.7% in 2017. Some larger employers, such as those with more than 1 000 employees, accounted for 16.2% of total claims which was slightly more than that in 2017 (i.e. 14.8%).

## **I. BACKGROUND**

1. Before the Mandatory Provident Fund (MPF) System came into operation in December 2000, the Employment Ordinance (Cap.57) (EO) already allowed employers to use provident fund payment to offset severance payment (SP) and long service payment (LSP). Under the EO, employers are required to make SP and LSP upon cessation of employment of employees in specified situations. An employee will only receive either SP or LSP, but not both. This long-established offsetting arrangement was extended to cover MPF schemes with the introduction of the MPF System.
2. Under the EO, if an employee becomes entitled to SP/LSP, and accrued benefits derived from employer's contributions (ER accrued benefits) are held in an MPF scheme in respect of the employee, or has been paid to the employee, the SP/LSP can be offset against ER accrued benefits to the extent that they relate to the employee's years of service for which the SP/LSP is payable. The Mandatory Provident Fund Schemes Ordinance sets out operational details of the SP/LSP offsetting arrangements.
3. Since the implementation of the MPF System in December 2000, there have been strong views expressed by different stakeholders on the issue of whether employers should be entitled to use provident fund payment to offset SP and LSP. Today, this remains an issue of debate. Data contained in this report is provided to facilitate informed discussion of the topic.
4. In the coming section, the report analyzes various aspects of SP/LSP offsetting claim in 2018. Section A sets out the number of SP/LSP offsetting claims and the number of employees and employers involved in SP/LSP offsetting claims. Section B gives an account of the amount of SP/LSP offsetting claims. Section C analyzes the offsetting claim amount as a percentage of the involved employees' account balance. A review of the profile of employees involved in SP/LSP offsetting claims are provided in Section D (by the age of employees) and Section E (by the number of years of service of employees). The report then looks at the profile of employers involved in SP/LSP offsetting claims in Section F (by industry type) and Section G (by the size of employers).

## II. SUMMARY OF CLAIMS FOR SP & LSP OFFSETTING (1 JANUARY 2018 – 31 DECEMBER 2018)

5. The statistics contained in this report are based on the SP/LSP offsetting claims processed by MPF trustees in 2018 and other relevant years. All statistics were provided by MPF trustees to the MPFA in accordance with relevant MPF guidelines.

### A. Number of Claims

6. In 2018, a total of 49 400 SP/LSP offsetting claims were processed by trustees, a decrease of 1 900 claims (or 4%) from 2017.<sup>1</sup> These claims involved a total of 13 600 unique employers and 48 100 unique employees.

7. SP offsetting claims accounted for 64% of the total number of claims, and LSP offsetting claims accounted for 36% of the total.

**Table 1 Number of Claims, Number of Unique Employers and Employees Involved**

Type of Claim	Number of Claims <sup>(1)</sup>			Number of Unique Employers Involved <sup>(2)</sup>			Number of Unique Employees Involved <sup>(2)</sup>		
	2016	2017	2018	2016	2017	2018	2016	2017	2018
SP	33 600	33 100	31 500	8 900	8 500	7 800	32 800	32 300	30 600
LSP	16 900	18 200	17 900	7 600	7 800	7 400	16 500	17 700	17 500
Overall	50 500	51 300	49 400	14 900	14 600	13 600	49 300	50 000	48 100

Notes:

(1) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claims refers to the number of claims made by the claimants but not the unique number of claim cases in the year.

(2) The information on the number of unique employers involved and the number of unique employees involved is provided by trustees for each individual scheme. The number of unique employers involved and the number of unique employees involved in the table are only the aggregate of relevant figures of all schemes without taking into account any multiple claims involving the same employer/employee made in different schemes in the year.

<sup>1</sup> The number of SP/LSP offsetting claims is affected by a number of factors, such as economic environment, labour market conditions and demographic trends. Regarding the distribution and changes of the number of SP/LSP offsetting claims by the industry type of employers in 2018, please refer to Table 11 on Page 13 for details.

**B. Amount of Claims**

8. In 2018, the total amount of SP/LSP offsetting claims was \$4,395 million, an increase of \$93 million (or 2%) from 2017.<sup>2</sup> SP accounted for 49% of the total and LSP for 51%. From July 2001 to December 2018, the accumulated amount of SP/LSP offsetting claims was \$40,923 million.

**Table 2 Total Offsetting Amount by Type of Claim**

(\$ million)

Year	SP	LSP	Overall
2016	2,038	1,817	3,855
2017	2,164	2,138	4,302
2018	2,148	2,246	4,395

Note:

(1) Figures do not sum up to the overall figure due to rounding.

9. Under the SP/LSP offsetting arrangements, both ER accrued benefits derived from mandatory contributions and those derived from voluntary contributions can be used to offset against any amount the employer has paid for SP/LSP.

10. In 2018, around 88% of the total SP/LSP offsetting amount came from benefits derived from mandatory contributions and around 12% of the SP/LSP offsetting amount came from those derived from voluntary contributions. In 2017, those benefits derived from mandatory contributions and those derived from voluntary contributions accounted for 89% and 11% of total SP/LSP offsetting amount respectively.

**Table 3 Offsetting Amount by Type of Contribution and Type of Claim, 2018**

Type of Contribution	Type of Claim				Overall	
	SP		LSP		Offsetting Amount (\$ million)	%
	Offsetting Amount (\$ million)	%	Offsetting Amount (\$ million)	%		
Mandatory Contributions	1,972	91.8%	1,886	84.0%	3,858	87.8%
Voluntary Contributions	176	8.2%	360	16.0%	536	12.2%
Total	2,148	100.0%	2,246	100.0%	4,395	100.0%

Note:

(1) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.

<sup>2</sup> The SP/LSP offsetting amount is affected by a number of factors, such as economic environment, labour market conditions and demographic trends. Regarding the distribution and changes of the offsetting claim amount by the industry type of employers, please refer to Table 11 on Page 13 for details.

11. SP/LSP offsetting was a major withdrawal ground of MPF benefits.<sup>3</sup> SP/LSP offsetting amount accounted for 19.3% of the total benefit withdrawal from the MPF System in 2018. To put this in perspective, that is equivalent to 6.2% of the total amount of contributions received in the year and 0.5% of the total net asset value of MPF schemes as at 31 December 2018.

**Table 4 Offsetting Amount as a Percentage of Benefits Paid, Contributions Received and Net Asset Value of MPF Schemes**

Year	Offsetting Amount as a Percentage of Total Amount of Benefits Paid <sup>(1)</sup>	Offsetting Amount as a Percentage of Total Amount of Contributions Received <sup>(2)</sup>	Offsetting Amount as a Percentage of Total Net Asset Value of MPF Schemes <sup>(3)</sup>
2016	23.5%	6.1%	0.6%
2017	19.5%	6.4%	0.5%
2018	19.3%	6.2%	0.5%

Notes:

- (1) The amount of benefits paid includes the amount of benefits paid derived from mandatory contributions and/or voluntary contributions but excludes the amount of benefits paid derived from special voluntary contributions.
- (2) The amount of contributions received includes the amount of mandatory contributions received and the amount of voluntary contributions received but excludes the amount of special voluntary contributions received.
- (3) The total net asset value of MPF schemes as at end of the year.

<sup>3</sup> Other major withdrawal grounds of MPF benefits are as follows: retirement (31.9% of total benefits withdrawn), permanent departure from Hong Kong (21.0%), and early retirement (11.8%).

12. The average amount of SP/LSP offsetting claims was \$89,000 in 2018, showing an increase of about 6% as compared to \$83,900 in 2017. Relatively speaking, the average amount of LSP offsetting claims (\$125,500) was substantially higher than that of SP (\$68,200). In 2017, the average amount of LSP offsetting claims was \$117,600, while that of SP was \$65,400. More than 40% (42.8%) of SP/LSP offsetting claims in 2018 were less than \$50,000, lower than the proportion in 2017 (44.6%).

**Table 5 Number, Percentage and Average Amount of Claims, 2018**

Type of Claim	Offsetting Amount	Number of Claims <sup>(1)</sup>	%	Average Offsetting Amount Per Claim <sup>(3)</sup> (\$)
SP	<\$50,000	18 000	57.3%	68,200
	\$50,000 - <\$100,000	7 100	22.5%	
	\$100,000 - <\$200,000	4 300	13.6%	
	\$200,000 - <\$300,000	1 500	4.6%	
	\$300,000 - <\$390,000	500	1.6%	
	\$390,000 <sup>(2)</sup>	100	0.3%	
	Sub-Total	31 500	100.0%	
LSP	<\$50,000	3 100	17.3%	125,500
	\$50,000 - <\$100,000	6 000	33.3%	
	\$100,000 - <\$200,000	5 700	31.6%	
	\$200,000 - <\$300,000	2 000	11.1%	
	\$300,000 - <\$390,000	700	4.1%	
	\$390,000 <sup>(2)</sup>	500	2.6%	
	Sub-Total	17 900	100.0%	
Overall	<\$50,000	21 100	42.8%	89,000
	\$50,000 - <\$100,000	13 000	26.4%	
	\$100,000 - <\$200,000	9 900	20.1%	
	\$200,000 - <\$300,000	3 400	7.0%	
	\$300,000 - <\$390,000	1 200	2.5%	
	\$390,000 <sup>(2)</sup>	600	1.2%	
	Total	49 400	100.0%	

Notes:

- (1) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claims refers to the number of claims made by the claimants but not the unique number of claim cases in the year.
- (2) Under the Employment Ordinance, the maximum amount of SP/LSP to which an employee is entitled is \$390,000.
- (3) The average offsetting amount is compiled on the basis of the total number of claims by the claimants but not the unique number of claim cases in the year.
- (4) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.

13. According to the information submitted by trustees, an employee might be involved in more than one offsetting claim in the year.<sup>4</sup> As shown in Table 6, the average amount of SP/LSP offsetting claims per employee was \$91,300, higher than the average amount of \$86,000 in 2017 by 6%. Relatively speaking, the average amount of LSP offsetting claims per employee (\$128,300) was substantially higher than that of SP (\$70,100). In 2017, the average amount of LSP offsetting claims per employee (\$120,500) was also higher than that of SP (\$66,900).
14. The average amount of SP/LSP offsetting claims per employer was \$322,600, increasing 9% from the average amount of \$295,000 in 2017. The overall figure is higher than the average amount of SP or LSP offsetting claim as the same employers may be involved in both SP and LSP claim cases during the year.

**Table 6 Average Amount of Claims Per Employer and Per Employee**

Type of Claim	Average Offsetting Amount Per Employer <sup>(1)</sup> (\$)			Average Offsetting Amount Per Employee <sup>(2)</sup> (\$)		
	2016	2017	2018	2016	2017	2018
SP	229,600	255,900	274,600	62,100	66,900	70,100
LSP	238,200	273,500	304,100	110,300	120,500	128,300
Overall	258,200	295,000	322,600	78,300	86,000	91,300

Notes:

(1) The number of employers is based on the unique number of employers in Table 1.

(2) The number of employees is based on the unique number of employees in Table 1.

<sup>4</sup> An employee might be involved in more than one offsetting claim during the year, for example, under the following two circumstances:

- a. Both the employer and the employee made offsetting claims for the same claim case to the same scheme during the period. In this scenario, the trustee would need to process two claims for one case. Since only one employee was actually involved, the trustee would report the number of unique employees involved as one.
- b. In some cases, an employee might be involved in two claim cases in the same scheme (e.g. claiming LSP offsetting on reaching age 65 and resigning on ground of old age in respect of two employments with both employers participating in the same scheme). As long as these claim cases were related to the same employee, the trustee would report the number of unique employee involved as one.

**C. Claim Amount as a Percentage of the Involved Employees' Account Balance**

15. On average, the amount of SP/LSP offsetting claims, regardless of the type of claim, accounted for 50% of the involved employees' account balance,<sup>5</sup> same as the figure for 2017. It should be noted that these figures only relate to those employees who were involved in SP/LSP offsetting claims in that year.

**Table 7 Percentage of the Involved Employees' Account Balance Withdrawn for Offsetting, 2018**

Type of Claim	Percentage of the Involved Employees' Account Balance Withdrawn for Offsetting	Number of Claims <sup>(1)</sup>	%	Average Percentage of the Involved Employees' Account Balance Withdrawn for Offsetting
SP	<20%	1 300	4.0%	50%
	20% - <40%	4 000	12.6%	
	40% - <60%	22 300	70.8%	
	60% - <80%	1 700	5.5%	
	80% - <100%	1 800	5.8%	
	100%	400	1.3%	
	Sub-Total	31 500	100.0%	
LSP	<20%	800	4.6%	49%
	20% - <40%	2 600	14.8%	
	40% - <60%	12 000	67.0%	
	60% - <80%	1 100	5.9%	
	80% - <100%	1 100	6.1%	
	100%	300	1.6%	
	Sub-Total	17 900	100.0%	
Overall	<20%	2 100	4.2%	50%
	20% - <40%	6 600	13.4%	
	40% - <60%	34 300	69.4%	
	60% - <80%	2 800	5.6%	
	80% - <100%	2 900	5.9%	
	100%	700	1.4%	
	Total	49 400	100.0%	

**Notes:**

- (1) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claim refers to the number of claims made by the claimants but not the unique number of claim cases in the year.
- (2) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.

<sup>5</sup> The "employees' account balance" refers to the balance accrued in four sub-accounts of MPF contribution accounts of employees, namely, (i) the sub-account holding the benefits derived from employer mandatory contributions in respect of the employee's current employment, (ii) the sub-account holding the benefits derived from employer voluntary contributions in respect of the employee's current employment, (iii) the sub-account holding the benefits derived from employee mandatory contributions in respect of the employee's current employment and (iv) the sub-account holding the benefits derived from employee voluntary contributions in respect of the employee's current employment. The percentage of an employee's account balance withdrawn for offsetting may exceed 50%, for example, where the employee was not required to make mandatory contributions or the employer made voluntary contributions that exceeded the amount of voluntary contributions made by the employee. However, it should be noted that SP/LSP can be offset only against benefits derived from employer contributions (i.e. accrued benefits in sub-accounts (i) and (ii) above), but not those benefits derived from employee contributions (i.e. accrued benefits in sub-accounts (iii) and (iv) above).

16. On average, the amount of SP/LSP offsetting claims accounted for 89% of employer’s portion of the involved employees’ account balance,<sup>6</sup> decreasing from 91% in 2017. In 2018, SP offsetting claims had a slightly higher percentage than those of LSP (90% vs. 88%). In 2017, SP offsetting claims also had higher percentage than those of LSP (92% vs. 90%). It should be noted that these statistics only relate to those employees who were involved in SP/LSP offsetting claims in that year.

**Table 8 Percentage of the Employer Portion of the Involved Employees’ Account Balance Withdrawn for Offsetting, 2018**

Type of Claim	Percentage of the Employer Portion of the Involved Employees’ Account Balance Withdrawn for Offsetting	Number of Claims <sup>(1)</sup>	%	Average Percentage of the Employer Portion of the Involved Employees’ Account Balance Withdrawn for Offsetting
SP	<20%	700	2.2%	90%
	20% - <40%	400	1.2%	
	40% - <60%	700	2.1%	
	60% - <80%	3 800	12.0%	
	80% - <100%	10 600	33.5%	
	100%	15 400	49.0%	
	Sub-Total	31 500	100.0%	
LSP	<20%	400	2.4%	88%
	20% - <40%	500	2.6%	
	40% - <60%	700	3.9%	
	60% - <80%	2 300	12.9%	
	80% - <100%	4 900	27.6%	
	100%	9 100	50.7%	
	Sub-Total	17 900	100.0%	
Overall	<20%	1 100	2.3%	89%
	20% - <40%	800	1.7%	
	40% - <60%	1 400	2.7%	
	60% - <80%	6 100	12.3%	
	80% - <100%	15 500	31.4%	
	100%	24 500	49.6%	
	Total	49 400	100.0%	

Notes:

- (1) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claims refers to the number of claims made by the claimants but not the unique number of claim cases in the year.
- (2) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.

<sup>6</sup> The “Employer Portion of the Involved Employees’ Account Balance” refers to the balance accrued in two sub-accounts of MPF contribution accounts of employees, namely (i) the sub-account holding the benefits derived from employer mandatory contributions in respect of the employee’s current employment and (ii) the sub-account holding the benefits derived from employer voluntary contributions in respect of the employee’s current employment.

**D. Age of Employees**

17. More than 80% of the total SP/LSP offsetting claims in 2018 were related to employees aged 40 years and above. The average age of employees involved in SP/LSP offsetting claims was 50 years, increasing from 49 years in 2017. Relatively speaking, employees involved in LSP offsetting claims were older (an average of 54 years) than those involved in SP offsetting claims (an average of 48 years).

**Table 9 Number and Percentage of Claims and Average/Median Age of Employees, 2018**

Type of Claim	Age Group	Number of Claims <sup>(1)</sup>	%	Average Age	Median Age
SP	18-29	2 000	6.5%	48	49
	30-39	5 700	18.1%		
	40-49	8 200	26.2%		
	50-59	10 400	33.1%		
	60-64	4 400	14.1%		
	>64	700	2.1%		
	Sub-Total	31 500	100.0%		
LSP	18-29	300	1.4%	54	58
	30-39	1 800	9.9%		
	40-49	3 100	17.5%		
	50-59	4 300	24.1%		
	60-64	5 300	29.5%		
	>64	3 100	17.6%		
	Sub-Total	17 900	100.0%		
Overall	18-29	2 300	4.6%	50	52
	30-39	7 500	15.1%		
	40-49	11 400	23.0%		
	50-59	14 700	29.8%		
	60-64	9 700	19.7%		
	>64	3 800	7.7%		
	Total	49 400	100.0%		

Notes:

- (1) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claims refers to the number of claims made by the claimants but not the unique number of claim cases in the year.
- (2) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.

## E. Years of Service of Employees

18. On average, employees involved in SP/LSP offsetting claims had nine years' of service in 2018. The median service year was six years. Employees involved in LSP offsetting claims had a longer service period (an average of 13 years) than those involved in SP offsetting claims (an average of six years).

**Table 10 Number and Percentage of Claims by Year of Service of Employees and Average/Median Service Year of Employees, 2018**

Type of Claim	Year of Service	Number of Claims <sup>(2)</sup>	%	Average Service Year	Median Service Year
SP	2	8 300	26.7%	6	4
	3-5	11 300	36.6%		
	6-8	4 000	12.8%		
	9-11	2 500	8.1%		
	12-14	1 600	5.3%		
	15-17	1 200	3.8%		
	18-20	800	2.5%		
	>20	1 300	4.1%		
	Sub-Total	31 000	100.0%		
	Not Available <sup>(1)</sup>	500	NA		
	Total	31 500	NA		
LSP	5	2 100	12.0%	13	11
	6-8	4 500	25.3%		
	9-11	3 200	18.0%		
	12-14	2 400	13.5%		
	15-17	2 100	11.6%		
	18-20	1 200	6.8%		
	>20	2 300	12.9%		
	Sub-Total	17 800	100.0%		
	Not Available <sup>(1)</sup>	100	NA		
	Total	17 900	NA		
Overall	2	8 300	17.0%	9	6
	3-5	13 500	27.6%		
	6-8	8 500	17.4%		
	9-11	5 700	11.7%		
	12-14	4 000	8.3%		
	15-17	3 200	6.6%		
	18-20	2 000	4.1%		
	>20	3 600	7.3%		
	Sub-Total	48 800	100.0%		
	Not Available <sup>(1)</sup>	600	NA		
	Total	49 400	NA		

Notes:

- (1) The information on employees who are casual employees in industry schemes is not available.
- (2) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claims refers to the number of claims made by the claimants but not the unique number of claim cases in the year.
- (3) NA denotes not applicable.
- (4) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.

**F. Industry Type of Employers**

19. According to the available information, in 2018, the top five industry types of employers involved in SP/LSP offsetting claims were wholesale/retail/import & export trades, construction, catering, manufacturing and community/social/personal services. These five industry types were also the top five industry types of employers involved in SP/LSP offsetting claim in 2017.

**Table 11 Number and Percentage of Claims and Offsetting Amount by Industry Type of Employer, 2018**

Industry Type of Employer <sup>(1)</sup>	Type of Claim						Overall		
	SP			LSP			Number of Claims <sup>(2)</sup> (change from 2017)	%	Offsetting Amount (\$ million) (change from 2017)
	Number of Claims <sup>(2)</sup>	%	Offsetting Amount (\$ million)	Number of Claims <sup>(2)</sup>	%	Offsetting Amount (\$ million)			
Wholesale/Retail/Import & Export Trades	4 800	19.2%	417	2 600	21.2%	336	7 400 (-400)	19.9%	753 (+26)
Construction	4 100	16.5%	220	1 000	8.3%	121	5 100 (+200)	13.8%	341 (+42)
Catering	3 300	13.3%	139	1 200	9.8%	112	4 500 (+300)	12.2%	251 (+28)
Manufacturing	2 500	10.1%	294	1 300	10.4%	197	3 800 (-500)	10.2%	491 (+12)
Community/Social/Personal Services	1 500	5.9%	101	1 400	11.4%	171	2 900 (-500)	7.8%	273 (+54)
Financing/Insurance/Real Estate/Business Services	1 400	5.7%	89	900	7.5%	105	2 300 (-600)	6.3%	194 (-27)
Transport	1 300	5.2%	99	900	7.1%	115	2 200 (#)	5.8%	214 (+15)
Cleaning	1 200	4.9%	29	100	0.9%	6	1 400 (+700)	3.6%	36 (+24)
Security Guard	500	2.1%	13	200	1.5%	19	700 (+200)	1.9%	33 (+2)
Hairdressing and Beauty	#	§	##	#	§	##	# (#)	§	1 (##)
Others	4 200	16.9%	279	2 700	21.8%	322	6 900 (-900)	18.5%	601 (-53)
Sub-Total	24 900	100.0%	1,682	12 300	100.0%	1,504	37 300 (-1 500)	100.0%	3,187 (+123)
Unknown	6 600	NA	466	5 500	NA	742	12 100 (-400)	NA	1,208 (-31)
Total	31 500	NA	2,148	17 900	NA	2,246	49 400 (-1 900)	NA	4,395 (+93)

Notes:

- (1) The information on the industry type of employers is based on the information provided to trustees by employers largely at the time of enrolling in schemes. A standardized industry type for classification of employers was provided to trustees by MPFA in April 2007 and has been in use since then. The industry type of "Others" refers to the industries other than the 10 standard industries listed in the table. The industry type of "Unknown" applies to some employers enrolled before April 2007, the industry type of which was not known to trustees. The industry type of "Unknown" also includes those offsetting claims in which adjustments to the offsetting claim amount were reported by trustees in 2018.
- (2) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claims refers to the number of claims made by the claimants but not the unique number of claim cases in the year.
- (3) NA denotes not applicable.
- (4) # denotes less than 50. # in brackets denotes within +/- 50.
- (5) § denotes less than 0.5%.
- (6) ## denotes less than \$ 0.5 million. ## in brackets denotes within +/- \$ 0.5 million.
- (7) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.

20. Compared with those figures in 2017, relatively speaking, the following five industries recorded greater changes in the number of SP/LSP offsetting claims in 2018:
- Cleaning (an increase of 700 claims and \$24 million offsetting amount);
  - Financing/Insurance/Real Estate/Business Services (a decrease of 600 claims and \$27 million offsetting amount);
  - Manufacturing (a decrease of 500 claims and an increase of \$12 million offsetting amount);
  - Community/Social/Personal Services (a decrease of 500 claims and an increase of \$54 million offsetting amount); and
  - Wholesale/Retail/Import & Export Trades (a decrease of 400 claims and an increase of \$26 million offsetting amount).

## G. Size of Employers

21. In 2018, 51.9% of total claims were related to employers with 50 employees or less, compared to 55.7% in 2017. Some larger employers, such as those with more than 1 000 employees, accounted for 16.2% of total claims which was slightly more than that in 2017 (i.e. 14.8%).

**Table 12 Number and Percentage of Claims by Number of Employees Employed by the Employers Involved, 2018**

Number of Employees of Employers <sup>(1)</sup>	Type of Claim				Overall	
	SP		LSP			
	Number of Claims <sup>(2)</sup>	%	Number of Claims <sup>(2)</sup>	%	Number of Claims <sup>(2)</sup>	%
1-50	16 500	53.1%	8 800	49.7%	25 300	51.9%
51-100	3 100	10.0%	1 500	8.4%	4 600	9.4%
101-200	3 000	9.7%	1 300	7.4%	4 300	8.8%
201-500	3 000	9.7%	1 400	8.1%	4 500	9.1%
501-1 000	1 400	4.4%	900	4.9%	2 200	4.6%
>1 000	4 100	13.1%	3 800	21.5%	7 900	16.2%
Sub-Total	31 000	100.0%	17 800	100.0%	48 800	100.0%
<i>Casual Employees</i> <sup>(3)</sup>	500	NA	100	NA	600	NA
Total	31 500	NA	17 900	NA	49 400	NA

Notes:

- (1) Including the account holders whose MPF accrued benefits were used for offsetting SP/LSP.
- (2) Since a claim case may involve more than one claimant (e.g. both the employer and the employee can make claims with trustee(s) for the same claim case), the number of claims refers to the number of claims made by the claimants but not the unique number of claim cases in the year.
- (3) The information on the casual employees in industry schemes is not available.
- (4) NA denotes not applicable.
- (5) Figures or percentages may not sum up to the corresponding total or 100.0% due to rounding. Percentage figures are derived from unrounded figures.