

Common Misconceptions in Handling MPF Contributions



Employers should ensure prompt payment of MPF contributions for employees and submit duly completed remittance statements to MPF trustees on or before the contribution day (i.e. the 10th day of each month) on a monthly basis. Using online systems or contribution software is the most effective way to avoid being imposed surcharges. At present, all MPF trustees are providing electronic services. Employers should make use of the online systems or contribution software provided by MPF trustees to submit their remittance statements and make contributions. Please contact MPF trustees for more details. Employers should be mindful of the misconceptions listed below to avoid making late payments or defaulting on payments.

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

| Misconceptions | | Correct Practice |
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| Payment Method: Direct Credit | | |
| 5 | I made contributions to the MPF trustee via electronic banking on the contribution day, so I have not delayed making contributions. | <ul style="list-style-type: none"> Ensure that the payment is credited to the bank account of MPF scheme and the remittance statement is submitted to the MPF trustee on or before the contribution day. Please note the cut-off time for payment transactions of electronic banking service provided by individual banks. |
| Remittance Statement | | |
| 6 | My MPF trustee has always provided pre-printed remittance statements, but I have not received it this month. Therefore, I could not make contributions on time. My MPF trustee should be held responsible for my delay. | <ul style="list-style-type: none"> Employers must complete the remittance statement on their own, even if their MPF trustees have not provided pre-printed remittance statements. Pre-printed remittance statements are only a value-added service provided by MPF trustees, not their legal obligation. |
| 7 | My fax machine indicates that my remittance statement has been successfully transmitted, so my MPF trustee should have received it. | <ul style="list-style-type: none"> Make sure the remittance statement is placed properly in the fax machine for transmission. Keep the fax record with the date and pages of successful transmission as proof of delivery. |
| 8 | As I am not required to make contributions for those employees who have no relevant income for a particular month, I do not have to list them in the remittance statement. | <ul style="list-style-type: none"> For those employees who have no relevant income for a particular month, the employer is still required to include them in the remittance statement by listing their names and putting down "0" under the column of relevant income, or as required in accordance with the MPF trustee's guidelines. |
| 9 | When an employee ceases to be employed, I only have to pay contributions for his / her last contribution period. | <ul style="list-style-type: none"> When an employee ceases to be employed, the employer must notify the MPF trustee of his / her cessation of employment by reporting it in the remittance statement for the month in which the employee ceases to be employed, or by using the designated form provided by the MPF trustee for such purpose. If an employer does not notify the MPF trustee that an employee has ceased to be employed, the employer may be mistaken as defaulting on contributions for that employee. |
| Others | | |
| 10 | 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. | <ul style="list-style-type: none"> An employer should give the payment and remittance statement to the MPF trustee directly instead of doing so through an MPF intermediary. Contact between an employer and an MPF intermediary is not considered a proof of payment of contributions. |
| 11 | Every time before paying a surcharge, I will try to raise an objection to see if MPFA will agree to withdraw it. | <ul style="list-style-type: none"> Employers who default on contributions (whether due to late payment, insufficient payment or provision of inaccurate information) are legally required to pay a surcharge. Therefore, MPFA will not withdraw the surcharge. Under the above circumstances, employers should approach their MPF trustees as soon as possible to pay the contributions in arrears together with the surcharge. |
| 12 | If I realize that I have failed to enrol an employee into an MPF scheme, all I need to do is to enrol that employee into a scheme and pay the overdue contributions. | <ul style="list-style-type: none"> If an employer needs to rectify his/her failure to enrol an employee into an MPF scheme and make contributions, or if the employer has to pay for a shortfall in contributions due to a misstatement or an upward adjustment of relevant income, the employer must also pay a surcharge. |