

HSBC Income Goal Deferred Annuity Plan

Jenny, a 36-year-old¹ professional accountant, is very keen on maintaining a healthy lifestyle.

She promised herself that she would open a yoga studio one day, to let people know more about the importance of exercise and good dietary habits, so they can also live a healthy life.

However, as a young mother whose income is needed to support the family expenses, she is hesitant about quitting her current job, due to the worries about her family's economic well-being if she does.

To fulfil her promise to herself while still providing stability for her family, Jenny picks HSBC Income Goal Deferred Annuity Plan to meet her needs.

HSBC Income Goal Deferred Annuity Plan is a Qualifying Deferred Annuity Policy with a premium payment period of just 5 or 10 years. A designated accumulation period will be followed by the annuity period, during which the policyholder will receive Monthly Annuity Payments². These payments, which can either be withdrawn in cash at any time or kept in the policy to accumulate interest³, will provide her with a steady stream of income.

Jenny chooses to pay a premium over the first 5 years, paying HKD180,021 annually and HKD900,107 in total⁴.

The default option for Annuity Payments under her Plan is cash payout. During the 15-year annuity period, she will receive a monthly payment² of HKD9,999, a steady income which will enable her to focus on running her business.

The annuity period will begin after a 15-year accumulation period, when Jenny is 51. A Special Bonus⁵ will be declared at this time and added to the balance of the accumulated dividends and interest already in the policy to earn more interest³. These will form part of the Non-guaranteed Annuity Payments in the future. The Special Bonus⁵ cannot be withdrawn during the Annuity Period.

When Jenny is 56, her yoga studio has become profitable. After receiving monthly annuity payments during the first 5 years, Jenny decides to roll over her remaining Monthly Annuity Payments² to accumulate interest³ until the end of the policy term, when she will be 66 years old¹.

By the time the policy matures, the accumulated Monthly Annuity Payments² will have a projected value of HKD1,408,502. This means the Monthly Annuity Payments² Jenny has received during the first 5 years plus the accumulated dividends and interest⁶ will total HKD2,008,438.

She will then have the flexibility to use the money to expand her yoga studio or add it to her retirement reserve to ensure an even better quality of life when she retires.

Better still, HSBC Income Goal Deferred Annuity Plan is a Qualifying Deferred Annuity Policy certified by Insurance Authority. Jenny can enjoy potential personal income tax deductions⁷ from her plan.

Jenny, being an eligible taxpayer, has the option to apply for tax deductions for deferred annuity plans either individually or jointly with her spouse. In general, the total tax-deductible amount per year is HKD60,000 for an individual taxpayer, or HKD120,000 for a taxpaying couple.

HSBC Income Goal Deferred Annuity Plan gives Jenny a steady income stream to achieve her personal goals as an entrepreneur and enjoy life in her retirement.

Don't hesitate. Act now to make your dreams come true! Visit any HSBC branch or go to our website for more product details, tax implication and certification of Qualifying Deferred Annuity Policy.