

# Enrolment Kit

HSBC Mandatory Provident Fund





# Your total MPF planning

**HSBC MPF Member Hotline**

3128 0128

**HSBC MPF Website**

[www.hsbc.com.hk/mpf](http://www.hsbc.com.hk/mpf)

## Important notes

- The HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice are mandatory provident fund schemes.
- You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.
- You should consider your own risk tolerance level and financial circumstances before investing in the MPF Default Investment Strategy. You should note that the DIS constituent funds, namely, the Core Accumulation Fund and the Age 65 Plus Fund, may not be suitable for you, and there may be a risk mismatch between the DIS constituent funds and your risk profile (the resulting portfolio risk may be greater than your risk preference). You should seek financial and/or professional advice if you are in doubt as to whether the DIS is suitable for you, and make the investment decision most suitable for you taking into account your circumstances.
- You should note that the implementation of the DIS may have an impact on your MPF investments and benefits. We recommend that you consult with the Trustee if you have doubts on how you are being affected.
- The Guaranteed Fund under HSBC Mandatory Provident Fund – SuperTrust Plus invests solely in an approved pooled investment fund in the form of an insurance policy provided by HSBC Life (International) Limited. The guarantee is also given by HSBC Life (International) Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of HSBC Life (International) Limited. Please refer to the ‘Warning’ section under ‘Guaranteed Fund’ in Part II – Fund Structure of the ‘Principal Brochure’ of HSBC Mandatory Provident Fund – SuperTrust Plus for details of the credit risk.
- The guarantee in the Guaranteed Fund only applies under certain conditions. Please refer to the ‘Guarantee features’ section under ‘Guaranteed Fund’ in Part II – Fund Structure of the ‘Principal Brochure’ of HSBC Mandatory Provident Fund – SuperTrust Plus for full details of the guarantee features and Guarantee Conditions, including the guarantee features in the context of payment of benefits in instalments.
- MPF Benefits and AVC Benefits payable on a member’s 65th birthday or early retirement on or after his/her reaching age 60 can be paid in one lump sum or in instalments, at the member’s election (in such form and on such terms as the Trustee may, to the extent not prohibited by the ‘MPF Ordinance’ or General Regulation, prescribe). Please refer to the ‘Payment of MPF Benefits and AVC Benefits’ section under ‘Payment of benefits’ in Part I – Product Information of the relevant ‘Principal Brochure’ for full details.
- You should not invest based on this document alone and should read the relevant ‘Principal Brochure’.
- Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the relevant ‘Principal Brochure’.

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## 1 Solid foundation and reputation at HSBC

### A choice for trust and strengths

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The workforce in Hong Kong is well known to be hard working. You, as an MPF member, accrue MPF contributions over years, so you need a partner you can trust and rely on, through different stages in life. HSBC is your trusted partner.

HSBC is the founding member of the HSBC Group and serves customers worldwide through our global businesses. HSBC provides two MPF schemes and serves over one million MPF customers. We are also one of the MPF service providers in Hong Kong with the largest MPF market shares in terms of MPF assets of the schemes<sup>1</sup>. Our global strength and over 40 years of experience in retirement fund management enable us to stand out in the market.

With our strong and long-term commitment to the Hong Kong community, you can rest assured that no matter what the future may have in store, you have one of the world's largest banking and financial services organisations on your side.

<sup>1</sup> Source: 'Mercer MPF Market Shares Report' as at 30 June 2018 by Mercer (Hong Kong) Limited

### Just moments to join

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Complete the application form and send to the Administrator of HSBC MPF schemes at:

HSBC Mandatory Provident Fund  
PO Box 73770  
Kowloon Central Post Office

For any assistance, you may enquire via the following channels:

**HSBC MPF Member Hotline**  
**3128 0128**

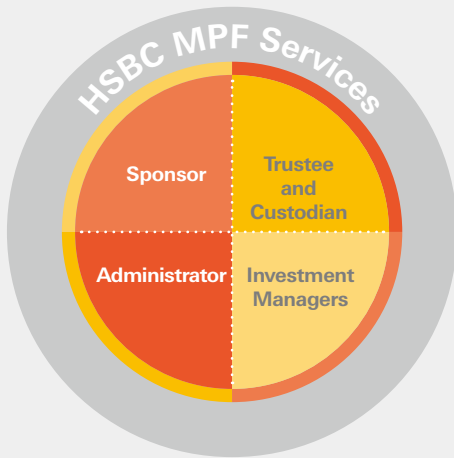
**HSBC MPF Website**  
**[www.hsbc.com.hk/mpf](http://www.hsbc.com.hk/mpf)**

## 2 Total MPF planning



### **Experience you can trust**

As one of the world's major banking and financial services organisations, and one of the largest retirement scheme administrators in Hong Kong, the HSBC Group have the expertise and experience to take care of your MPF investment and efficiently manage your fund. The HSBC Group is highly experienced in all four aspects involved in operating an MPF scheme.



## Sponsor and Administrator

The Hongkong and Shanghai Banking Corporation Limited

- established in 1865 and is the founding member of the HSBC Group
- one of the world's largest banking and financial services organisations

## Trustee and Custodian

HSBC Provident Fund Trustee (Hong Kong) Limited

- incorporated in Hong Kong and is registered as a Trust Company under the Trustee Ordinance and an Approved Trustee under the Mandatory Provident Fund Schemes Ordinance

## Investment Managers

HSBC Global Asset Management (Hong Kong) Limited (for HSBC Mandatory Provident Fund – SuperTrust Plus) / HSBC Investment Funds (Hong Kong) Limited (for HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice)

- over 40 years of experience in managing retirement funds
- one of Hong Kong's largest retirement fund managers
- experienced worldwide fund management teams
- global investment planning platform supported by a worldwide network

## Hang Seng Investment Management Limited

- investment arm of Hang Seng Bank
- extensive experience in managing index-tracking funds, retirement funds, institutional accounts and private client portfolios

### 3 Diversified investment options



#### **Variety designed to suit your needs**

At HSBC, we provide two MPF schemes with a range of diversified constituent funds to meet your unique retirement needs. You can choose from a list of constituent funds available under the MPF scheme you have enrolled.



## HSBC Mandatory Provident Fund – SuperTrust Plus

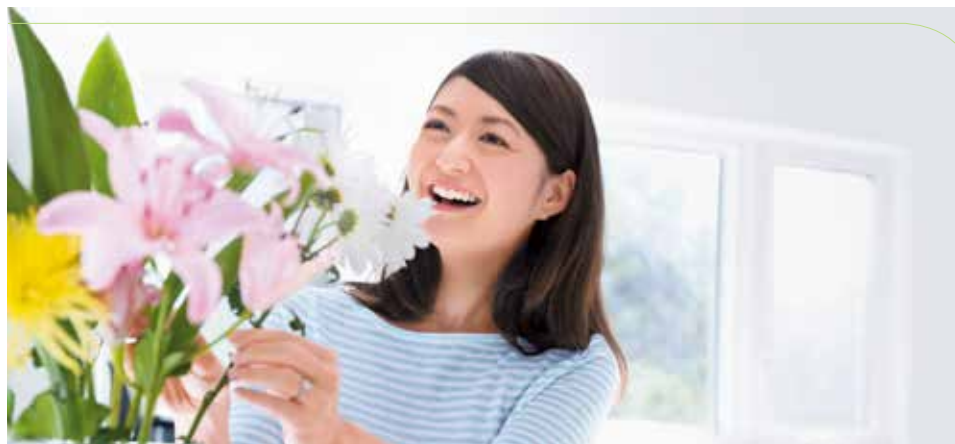
HSBC Mandatory Provident Fund – SuperTrust Plus provides a variety of constituent funds ranging from conservative to aggressive investments, particularly with equity funds investing in specific market(s) and index-tracking collective investment schemes (ITCIS).



Name of constituent fund	Typical asset allocation <sup>2</sup>			Fund descriptor
	Equities	Bonds	Cash	
<b>Money market fund</b>				
<b>MPF Conservative Fund</b> <sup>3</sup>	–	100%		Money market fund – Hong Kong
<b>Guaranteed fund</b>				
<b>Guaranteed Fund</b> <sup>4,6</sup>	0-50%	20-100%	0-80%	Guaranteed fund – The higher of the Guarantee Balance or the Actual Balance (the value of units held in the Guaranteed Fund) will be paid under the Guarantee Conditions <sup>5</sup>
<b>Bond fund</b>				
<b>Global Bond Fund</b>	–	70-100%	0-30%	Bond fund – Global markets
<b>Mixed assets fund</b>				
<b>Stable Fund</b>	15-45%	55-85%		Mixed assets fund (Global) – Maximum equity around 45%
<b>Balanced Fund</b>	55-85%	15-45%		Mixed assets fund (Global) – Maximum equity around 85%
<b>Growth Fund</b>	70-100%	0-30%		Mixed assets fund (Global) – Maximum equity around 100%
<b>Core Accumulation Fund</b>	55-65%	35-45%		Mixed assets fund (Global) – Maximum equity around 65%
<b>Age 65 Plus Fund</b>	15-25%	75-85%		Mixed assets fund (Global) – Maximum equity around 25%
<b>Equity fund</b>				
<b>North American Equity Fund</b>	70-100%	0-30%		Equity fund – North America
<b>European Equity Fund</b>	70-100%	0-30%		Equity fund – United Kingdom and other continental European countries
<b>Asia Pacific Equity Fund</b>	70-100%	0-30%		Equity fund – Asia Pacific, excluding Japan
<b>Hang Seng Index Tracking Fund</b> <sup>7</sup>	100%	–		Equity fund – Hong Kong
<b>Hong Kong and Chinese Equity Fund</b>	70-100%	0-30%		Equity fund – Hong Kong and China
<b>Chinese Equity Fund</b>	70-100%	0-30%		Equity fund – China

## HSBC Mandatory Provident Fund – ValueChoice

HSBC Mandatory Provident Fund – ValueChoice provides a variety of constituent funds ranging from conservative to more aggressive investments including equity funds in specific market(s) and more choices of ITCIS.



Name of constituent fund	Typical asset allocation <sup>2</sup>			Fund descriptor
	Equities	Bonds	Cash	
<b>Money market fund</b>				
<b>MPF Conservative Fund</b> <sup>3</sup>	–	100%		Money market fund – Hong Kong
<b>Bond fund</b>				
<b>Global Bond Fund</b>	–	70-100%	0-30%	Bond fund – Global markets
<b>Mixed assets fund</b>				
<b>ValueChoice Balanced Fund</b>	55-85%	15-45%		Mixed assets fund (Global) – Maximum equity around 85%
<b>Core Accumulation Fund</b>	55-65%	35-45%		Mixed assets fund (Global) – Maximum equity around 65%
<b>Age 65 Plus Fund</b>	15-25%	75-85%		Mixed assets fund (Global) – Maximum equity around 25%
<b>Equity fund</b>				
<b>Global Equity Fund</b>	70-100%		0-30%	Equity fund – Global markets
<b>ValueChoice US Equity Fund</b>	70-100%		0-30%	Equity fund – United States
<b>ValueChoice European Equity Fund</b>	70-100%		0-30%	Equity fund – European countries
<b>ValueChoice Asia Pacific Equity Fund</b>	70-100%		0-30%	Equity fund – Asia Pacific, excluding Japan
<b>Hang Seng Index Tracking Fund</b> <sup>7</sup>	100%		–	Equity fund – Hong Kong
<b>Hang Seng China Enterprises Index Tracking Fund</b> <sup>8</sup>	100%		–	Equity fund – China

# Default Investment Strategy

The Default Investment Strategy ('DIS') is a ready-made investment arrangement mainly designed for those members who are not interested or do not wish to make an investment choice, and is also available as an investment choice itself, for members who find it suitable for their own circumstances. For those members who do not make an investment choice, their contributions and accrued benefits transferred from another registered scheme will be invested in accordance with the DIS.

The DIS aims to balance the long term effects of risk and return through investing in two constituent funds, namely the Core Accumulation Fund and the Age 65 Plus Fund, according to the pre-set allocation percentages at different ages. The DIS will manage investment risk exposure by automatically reducing the exposure to higher risk assets and correspondingly increasing the exposure to lower risk assets as the member gets older.

For further details of the DIS, please refer to the relevant 'Principal Brochure'.

- 2 Typical asset allocation is an indicative reference only and the long-term allocation of the fund may change depending on market conditions.
- 3 Fees and charges of an MPF Conservative Fund can be deducted from either (i) the assets of the fund or (ii) members' account by way of unit deduction. The MPF Conservative Fund of HSBC MPF schemes uses method (i) and, therefore, its unit prices, net asset value (NAV) and fund performance quoted have reflected the impact of fees and charges.
- 4 The Guaranteed Fund under HSBC Mandatory Provident Fund – SuperTrust Plus invests solely in an approved pooled investment fund in the form of an insurance policy provided by HSBC Life (International) Limited. The guarantee is also given by HSBC Life (International) Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of HSBC Life (International) Limited.  
The guarantee in the Guaranteed Fund only applies under certain conditions. Please refer to the 'Guarantee features' section under 'Guaranteed Fund' in Part II – Fund Structure of the 'Principal Brochure' of HSBC Mandatory Provident Fund – SuperTrust Plus for full details of the guarantee features and Guarantee Conditions, including the guarantee features in the context of payment of benefits in instalments.
- 5 Guarantee conditions:
  - > Withdrawal of mandatory and/or voluntary balances on:
    - Termination of employment<sup>9</sup>
    - Reaching retirement age or normal retirement date
    - Reaching early retirement date
    - Total incapacity
    - Terminal illness
    - Death
    - Permanent departure from the Hong Kong SAR
    - Making a claim on small balance under section 162(1)(c) of the Mandatory Provident Fund Schemes (General) Regulation ('General Regulation')
  - > Transfer of balances to a recipient scheme on termination of employment<sup>9</sup>
- 6 The account balance of a member in the Guaranteed Fund will be crystallised (the 'Crystallised Amount') on 31 December in the year in which the member reaches age 65. The Crystallised Amount will be the greater of the Actual Balance and the Guaranteed Balance to which he/she would be entitled had he/she withdrawn the benefits from the Guaranteed Fund on 31 December in that year on the ground of reaching retirement age or normal retirement date, as calculated in accordance with the provisions under the 'Principal Brochure' (the '31 December Amount'). However, where the 31 December Amount is less than the amount of benefits as at the member's 65th birthday calculated in accordance with the provisions of the 'Principal Brochure' (the '65th Birthday Amount'), the 65th Birthday Amount will be deemed to be the Crystallised Amount. Where the member switches or withdraws part of his/her investment out of the Guaranteed Fund between his/her 65th birthday and 31 December in that year, the Crystallised Amount will be the higher of the 31 December Amount and the pro-rated 65th Birthday Amount calculated in the following manner:  
 $(X/Y) \text{ times } Z$   
where:  
X: the number of Guaranteed Units as at 31 December in the Relevant Year  
Y: the number of Guaranteed Units as at 65th birthday of the member  
Z: the greater of the Guaranteed Balance and the Actual Balance as at 65th birthday of the member.  
The Crystallised Amount will then become the Actual Balance from 1 January in the following year. No further Guarantee will apply to the Crystallised Amount, any new contributions or transfer-in assets that are to invest in the Guaranteed Fund thereafter (the 'Relevant Amount'). However, while all fees and charges including the guarantee charge will continue to apply to the Relevant Amount, the guarantee charge will be rebated to the member on a monthly basis in arrears, calculated by using the daily net asset value in that month. Please refer to the 'Guarantee features' section under 'Guaranteed Fund' in Part II – Fund Structure of the 'Principal Brochure' of HSBC Mandatory Provident Fund – SuperTrust Plus for full details.
- 7 The approved ITCIS directly or indirectly held by the Hang Seng Index Tracking Fund may gain exposure to the Hang Seng Index or its constituent stocks as allowed under the applicable laws and regulations.
- 8 The approved ITCIS directly or indirectly held by the Hang Seng China Enterprises Index Tracking Fund may gain exposure to the Hang Seng China Enterprises Index or its constituent stocks as allowed under the applicable laws and regulations.
- 9 This condition does not apply to balances in personal account (as defined in the General Regulation) invested in the Guaranteed Fund. However, the other Guarantee Conditions will still be applicable to the accrued benefits held in the personal account.

## 4 Management fees



The table below only provides a brief summary of the management fees (as a percentage of the net asset value (NAV) per annum) of the constituent funds under each HSBC MPF scheme for reference only. Please refer to the relevant 'Principal Brochure' for more details of the management fees and other applicable fees, charges and expenses<sup>13</sup> of the constituent funds.

<b>HSBC Mandatory Provident Fund – SuperTrust Plus</b>	
<b>Name of constituent fund</b>	<b>Management fees<sup>10, 11</sup></b> <b>(As a percentage of NAV per annum)</b>
	<b>Contribution Account / Personal Account</b>
MPF Conservative Fund <sup>3</sup>	0.75%
Guaranteed Fund <sup>4, 12</sup>	1.275%
Global Bond Fund	0.79%
Stable Fund	1.25%
Balanced Fund	1.35%
Growth Fund	1.45%
Core Accumulation Fund	0.75%
Age 65 Plus Fund	0.75%
North American Equity Fund	1.35%
European Equity Fund	1.35%
Asia Pacific Equity Fund	1.45%
Hang Seng Index Tracking Fund	Up to 0.755%
Hong Kong and Chinese Equity Fund	1.45%
Chinese Equity Fund	1.45%

## HSBC Mandatory Provident Fund – ValueChoice

Name of constituent fund	Management fees <sup>10, 11</sup> (As a percentage of NAV per annum)
	Contribution Account / Personal Account
MPF Conservative Fund <sup>3</sup>	0.75%
Global Bond Fund	0.79%
ValueChoice Balanced Fund	0.79%
Core Accumulation Fund	0.75%
Age 65 Plus Fund	0.75%
Global Equity Fund	0.79%
ValueChoice US Equity Fund	0.79%
ValueChoice European Equity Fund	0.79%
ValueChoice Asia Pacific Equity Fund	0.79%
Hang Seng Index Tracking Fund	Up to 0.755%
Hang Seng China Enterprises Index Tracking Fund	Up to 0.79%

<sup>10</sup> A preferential rate on the management fee is credited on monthly basis. The discount on the management fees will be refunded as 'special bonus' in the form of fund units allocation to the members' accounts each month and credited into employer's sub-accounts (if applicable) and member's sub-accounts (if applicable). The 'special bonus' forms part of the account balance and is subject to relevant fees and charges applicable to HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice. If a member terminates his/her account or transfers all assets out before the units allocation of that month, no 'special bonus' unit rebate will be granted for that month. The Trustee may offer other rebate/incentive arrangement to certain participating employers and/or members.

<sup>11</sup> 'Management fees' includes fees paid to the trustee, custodian, administrator, investment manager (including fees based on fund performance, if any) and sponsor of the scheme for providing their services to the relevant fund. They are usually charged as a percentage of the net asset value (NAV) of a fund.

In the case of the Core Accumulation Fund and the Age 65 Plus Fund, management fees payable to the parties named above (excluding the custodian), or their delegates, can only (subject to certain exceptions in the MPF Ordinance) be charged as a percentage of the NAV of the fund. These management fees are also subject to a statutory daily limit equivalent to 0.75% per annum of the NAV of the fund which applies across both the fund and underlying approved pooled investment fund(s) and ITCIS(s).

The management fees of all constituent funds are deducted from the asset of the fund.

<sup>12</sup> The percentage does not include the guarantee charge of 0.75% per annum of NAV.

<sup>13</sup> Other applicable fees, charges and expenses include but not limited to joining fee, annual fee, contribution charge, offer spread, bid spread, withdrawal charge and other expenses. For further details, please refer to the relevant 'Principal Brochure'.

## 5 Comprehensive service





## Services made to your advantages

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At HSBC, you can enjoy the convenience of managing your MPF account at any time through our comprehensive service and MPF information:

> [HSBC MPF Website at www.hsbc.com.hk/mpf](http://www.hsbc.com.hk/mpf)

> [HSBC Internet Banking and HSBC Mobile Banking](#)

> [HSBC MPF Member Hotline 3128 0128](#)

> [HSBC's and Hang Seng Bank's ATM service](#)

> [HSBC designated branches](#)

> [Enrolment video](#)

> [Quarterly Fund Fact Sheet](#)

> [Monthly Fund Performance Summary](#)

What's more, you can enjoy additional benefits from HSBC's financial services:

- Single logon to the HSBC Internet Banking to manage your wealth and MPF account(s) at one glance
- Check your MPF account balance through your monthly consolidated bank statement if you are an HSBC Premier, HSBC Advance or SmartVantage (ie Personal Integrated) customer
- HSBC MPF balances including those accrued benefits derived from your former employment(s) are counted towards your 'Total Relationship Balance'. This makes you easier to meet the relevant 'Total Relationship Balance' and become an HSBC Premier or HSBC Advance customers to enjoy more privileges on financial services

## Managing your MPF account with ease

Instant access to the information you need regarding your MPF account:

	Internet	Hotline	ATM	Statement
	HSBC Internet Banking and HSBC MPF Website at <a href="http://www.hsbc.com.hk/mpf">www.hsbc.com.hk/mpf</a>	HSBC MPF Member Hotline 3128 0128	HSBC's and Hang Seng Bank's ATMs	Consolidated bank statement <sup>14</sup>
<b>Latest contribution</b> (with the amount and fund purchase date)	○	○	○	
<b>Total account balance</b>	○	○	○	○
<b>Account balance by employer or by fund</b>	○	○		○ (by account)
<b>Latest unit prices of funds</b>	○	○		
<b>Fund information</b>	○			
<b>Change of investment allocation</b> (unlimited, with no handling charge)	○	○ <sup>15</sup>		
<b>Changing HSBC Internet Banking password or MPF phone PIN</b>	Changing online password	Changing MPF phone PIN		
<b>Forms</b>	Commonly used forms			

<sup>14</sup> Applicable to HSBC Premier, HSBC Advance and SmartVantage (ie Personal Integrated) customers.

<sup>15</sup> Only for Portfolio Rebalance and Contribution Redirection.

Please note that the account balance will not take into account any vesting percentage that may apply to your employer's voluntary contributions and/or employer's balance transferred from an ORSO scheme. You may enquire your vested balance online, but please be noted that your final benefit entitlement will be subject to the reason of termination of employment reported by your employer, any offset of long service payment or severance payment or other deduction as well as the unit prices of funds at the time the payment or transfer of benefits is processed.

## Flexi-Contributions of your choice

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HSBC MPF Flexi-Contributions, a value-added service, give you the flexibility to prepare for a more enjoyable and rewarding retirement at your own pace.

**Flexible management** – You can make regular monthly contributions from as little as HKD300 by direct debit, or simply pay a lump sum of HKD1,000 or more at any time. You can also withdraw your accumulated amount without any handling charge, subject to a minimum of HKD5,000 per withdrawal and a maximum limit of 12 times per scheme financial period.

**Total control** – You can change the Flexi-Contributions amount any time you wish to fit your needs. Your Flexi-Contributions will utilise your existing MPF investment instruction set up for your MPF account, so it is straightforward and simple.

**Systematic investment** – You can enjoy the potential benefits of dollar cost averaging<sup>16</sup>.

<sup>16</sup> Dollar cost averaging means investing equal dollar amounts regularly, for example, monthly over a period of time in a particular fund or a portfolio of funds. By doing so, when fund prices go down, you will buy more units. Alternatively, when fund prices go up, fewer units will be bought. Over time, the average unit price you pay for the fund(s) is likely to be lower than the market price because you will have bought more units at lower prices and fewer units at higher prices. This investment method can help to smooth out peaks and troughs. It works better with more volatile investments or market conditions. Although dollar cost averaging can reduce the effects of price fluctuations, it does not guarantee that you will make an investment gain or be protected against a loss.

Please note that Flexi-Contributions are accepted at the discretion of the Trustee. The Trustee reserves the absolute right not to accept any Flexi-Contributions at any time.



## 6 The MPF basics



## Coverage

All employees and self-employed persons who are at least 18 but under 65 years of age are required to join an MPF scheme, unless they are exempt persons.

### Employees are those:

- employed for 60 days or more under a continuous contract of employment, or
- casual employees engaged in the construction or catering industries and employed on a day-to-day basis or for a short-term fixed period of less than 60 days.

### Self-employed person is:

- a sole proprietor, a partner in a business, or work for oneself and is not employed as an employee by another party.

### Exempt persons include:

- domestic employees,
- self-employed licensed hawkers,
- people covered by statutory pension or provident fund schemes, such as civil servants and subsidised or grant school teachers,
- members of occupational retirement schemes which are granted exemption certificates,
- non-permanent residents from overseas who enter Hong Kong for the purposes of employment for less than 13 months, or who are covered by overseas retirement schemes, or
- employees of the European Union Office of the European Commission in Hong Kong.

## **Contributions**

### **Mandatory contributions**

Employers must contribute 5% of an employee's relevant income per month subject to the maximum relevant income level. Employees are required to match this portion unless their relevant income is below the minimum relevant income level.

Self-employed persons also have to contribute 5% of their relevant income subject to the maximum relevant income level. They can opt to make contributions on a monthly basis or a yearly basis. If their relevant income is below minimum relevant income level on a monthly or a yearly basis, they are not required to contribute but still need to be enrolled into an MPF scheme.

For the minimum and maximum relevant income levels, please visit MPFA website at [www.mpfa.org.hk](http://www.mpfa.org.hk).

### **Relevant income**

Relevant income includes wages, salaries, leave pay, housing allowances, housing benefits, fees, commissions, bonuses, gratuities, perquisites or allowances, expressed in monetary terms, paid or payable by an employer (directly or indirectly) to their employees, and in consideration of the employees' employment contracts, but excluding long service payments or severance payments.

### **Voluntary contributions**

Employees, employers and self-employed persons can opt to make additional voluntary contributions in addition to mandatory contributions.

Employees can make additional voluntary contributions via payroll deduction by their employer, or choose to make Flexi-Contributions on their own without going through their employer.

## Buying fund units

Contributions will be invested in the respective constituent fund(s) chosen by each member. All constituent funds are denominated in Hong Kong dollars. Contributions are converted into fund units, the value of which is subject to changes with the ups and downs of the funds. If any member does not make a valid investment instruction, their contributions will be invested in accordance with the DIS.

## Vesting

All mandatory contributions for members are fully and immediately vested as accrued benefits once they are allocated to the member's MPF account. Investment income or profit derived from the investment of accrued benefits within the MPF funds is also vested in the member.



## Long service payment or severance payment

Employers can offset a long service payment or severance payment made to their employees under the Employment Ordinance with vested accrued benefits derived from the employer's mandatory and voluntary contributions (including ORSO transfers) under an MPF scheme. Employers can request a refund of the relevant amount from the MPF account of their employees after paying the employees.

In handling the request for offsetting the long service payment or severance payment, the relevant amount will be calculated according to the following offset sequence:

1. Employer's voluntary contributions (if applicable)
2. AVC Benefits attributable to employer's ORSO transfers (if applicable)
3. Employer's special contributions (if applicable)
4. Employer's mandatory contributions.

All benefits will be paid in Hong Kong dollars.

## Tax advantages

MPF mandatory and additional voluntary contributions made by employers are profits tax deductible. Employees and self-employed person's mandatory contributions are also tax deductible but their additional voluntary contributions or Flexi-Contributions are not tax deductible. For further details on tax issues, please refer to the latest announcements by the Inland Revenue Department of the Government of the Hong Kong SAR. We recommend that you seek professional advice regarding your own particular tax circumstances.

## Transfer of accrued benefits

### Accrued benefits in contribution account

Employees may transfer their accrued benefits attributable to their own mandatory contributions made under their current employment (the employee's mandatory contributions but not the employer's) to a personal account with HSBC MPF or any other MPF scheme of their choice once a calendar year (ie 1 January to 31 December).

### Accrued benefits derived from former employment

Besides, employees may transfer their accrued benefits derived from mandatory contributions from former employment(s) in their contribution accounts to a personal account or contribution account with HSBC MPF or to any other MPF scheme of their choice at any time.

A personal account holder can always transfer all his/her accrued benefits derived from mandatory contributions and voluntary contributions (if any) from the existing personal account to an HSBC MPF Personal Account or any other MPF scheme of his/her choice at any time.



## When employee ceased employment

When employees change jobs, they can then transfer all their accrued benefits to a personal account with HSBC MPF, or transfer their accrued benefits to their new employer's MPF scheme or another MPF scheme of their choice.

## Withdrawal of accrued benefits

Members can withdraw their accrued benefits in a lump sum or in instalments on the ground of retirement at the age of 65 or early retirement at the age of 60.

There are also certain circumstances under which accrued benefits may be paid before reaching the age of 65:

- early retirement between age 60 and 64
- total incapacity
- terminal illness
- death (to be paid to member's legal personal representatives)
- permanent departure from Hong Kong
- small balance

(in the event that an account balance is HKD5,000 or less, and provided that as at the date of the claim application, at least 12 months have elapsed since the contribution day in respect of the latest contribution period for which a mandatory contribution is required to be made to any registered scheme, and the member does not have any accrued benefits kept in any other registered scheme, and does not intend to become employed or self-employed.)

## Claiming MPF benefits

Members are required to submit a completed claim form together with the necessary supporting documents. Benefits are paid at the age of 65 or under the circumstances listed above.

## 7 Notes

- It is important that you read this publication in conjunction with the accompanying 'Principal Brochure' which contains more detailed information about HSBC Mandatory Provident Fund – SuperTrust Plus and ValueChoice including information on the fund structure, risk involved, fee table and of our ability to alter these fees and charges in the future.
- Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the relevant 'Principal Brochure'.
- The information contained in this publication is for reference only and the provisions of the Mandatory Provident Fund Schemes Ordinance, other applicable legislation/regulations and guidelines or announcements published by the Mandatory Provident Fund Schemes Authority shall prevail.
- Additional voluntary contributions and Flexi-Contributions are accepted at the discretion of the Trustee. The Trustee reserves the absolute right not to accept any additional voluntary contributions and Flexi-Contributions at any time.
- If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.
- HSBC Provident Fund Trustee (Hong Kong) Limited accepts responsibility for the accuracy of the information contained in this publication only at the date of publication.