



2025年12月11日(星期四)
上午11時至中午12時

提高退休成效的實用工具



Practical Tools to Improve Retirement Outcomes

By Virginia TANG

11 Dec 2025

A business of Marsh McLennan



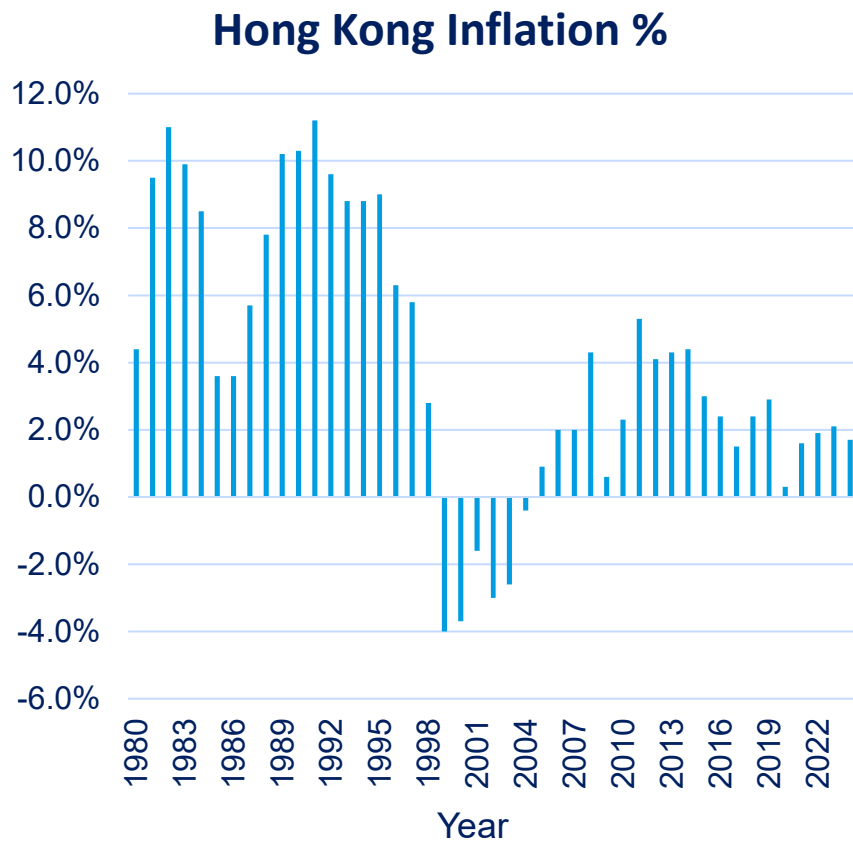
- 1. Key Challenges in retirement planning**
- 2. Budgeting and Saving strategies**
- 3. Investment and annuity for retirement**
- 4. Medical Conversion Plan Upon Retirement**

Agenda

Key Challenges in Retirement Planning



Key Challenges - Inflation



Source: [Inflation rates in Hong Kong](#)

Inflation calculator for Hong Kong

Enter any amount, a start year and an end year here. You will then be shown the amount that resulted from the original amount after inflation.

100 dollars in 1980 will still be 100 dollars in 2025. The nominal value does not change. What does change, is the purchasing power. In other words, the amount of goods that can be bought with this money. As inflation increases, this amount decreases.

Example: The purchasing power of 100 dollars in 1980 corresponds to that of 572.63 dollars at the beginning of 2025. Conversely, in 1980 you could buy as much with 150.62 dollars as you can today with 1000 dollars.

Original amount in dollar:

Start year:

End year:

Calculate

Inflation-adjusted purchasing power at the beginning of 2024: **62.42 dollars**

Increase in prices in 20 years: **60.21%**

Decrease in value in 20 years: **37.58%**

Conversely, if an item had a price of 100 dollars in 2004, it will cost 160.21 dollars at the beginning of 2024 due to inflation.

This corresponds to an average depreciation of 3.01 dollars per year. The amount of the price increase corresponds to the overall inflation over this period.

Key Challenges - Longevity

According to the Census and Statistics Department, in 2024, the life expectancy at birth was 83 years for men and 88 years for women. This is about 7 years longer than 30 years ago.



A new report from the Actuarial Society of Hong Kong in August 2025 shows that the average life expectancy has increased to 84.2 years for men and 88.6 years for women, confirming that Hong Kong has one of the longest-living populations in the world.

Source: [C&SD : Statistics and You](#) , [HK life expectancy rises, highlighting need for 'silver economy' shift](#)

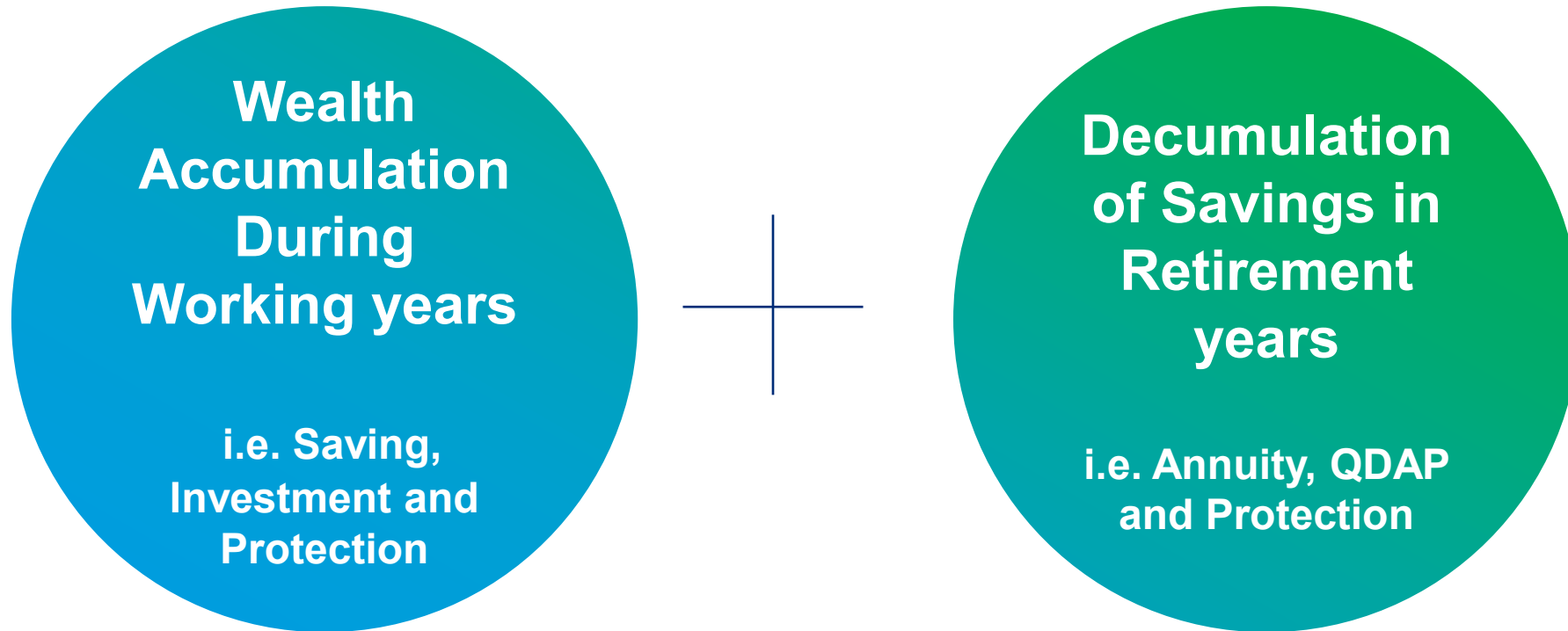
Key Challenges - Rising Medical Costs

	2025	2014	% increased
家庭醫學/普通科門診診金 Family Medicine/General Outpatient	420	250	↑68%
專科醫生門診診金 Specialist	1,000	700	↑42.86%

外科醫生收費(Surgeon fees)	2025	2014	% increased
超大型手術 Complex	100,000	60,000	↑66.67%
大型手術 Major	57,500	30,000	↑91.67%
中型手術 Intermediate	30,000	15,000	↑100%
小型手術 Minor	10,000	5,000	↑100%

Source: 立法會議員林哲玄2025私家醫生收費調查報告 May 2025

Retirement Lifecycle

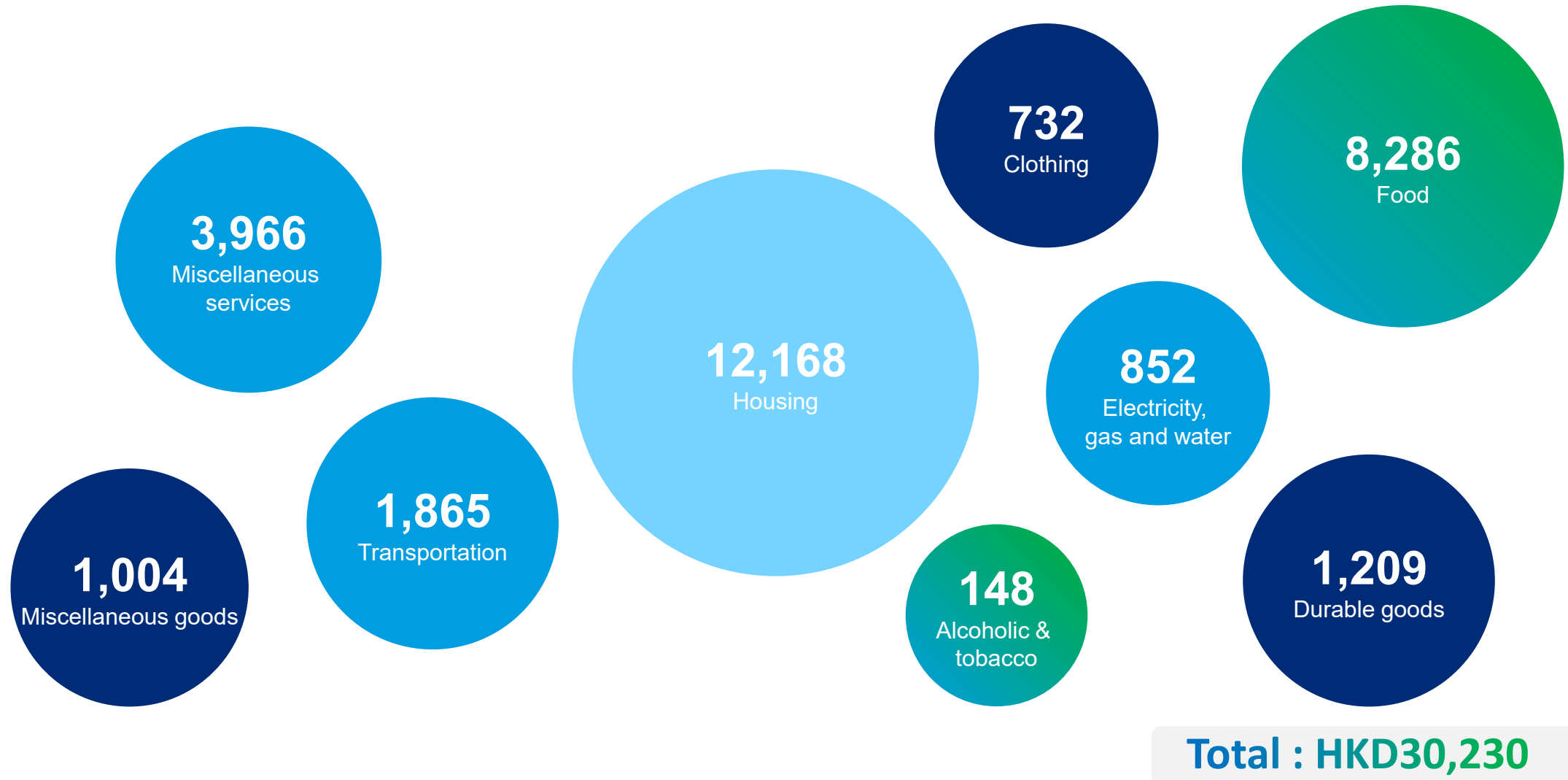


Budgeting and Saving Tools

2

Understanding your spending

On average, how much does a Hong Kong family spend per month?



Expense Categorization

Spending can be divided into 3 main categories: Needs, Wants, and Savings

Needs



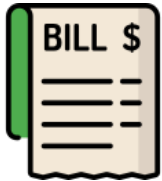
Meals



Lodging



Transport



Utilities



Clothes

Wants



Visiting a
theme park



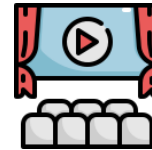
Vacation



Wine



Entertainment



Savings



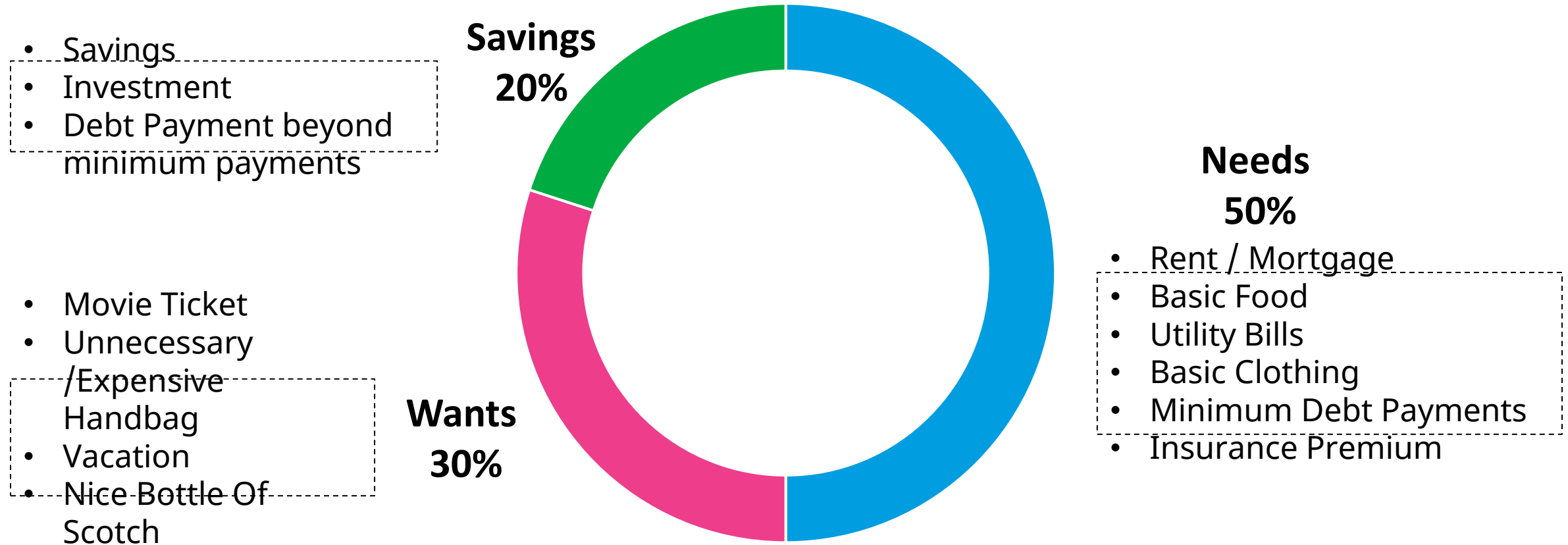
Savings



Investments

50/30/20 as the budgeting's rule of thumb

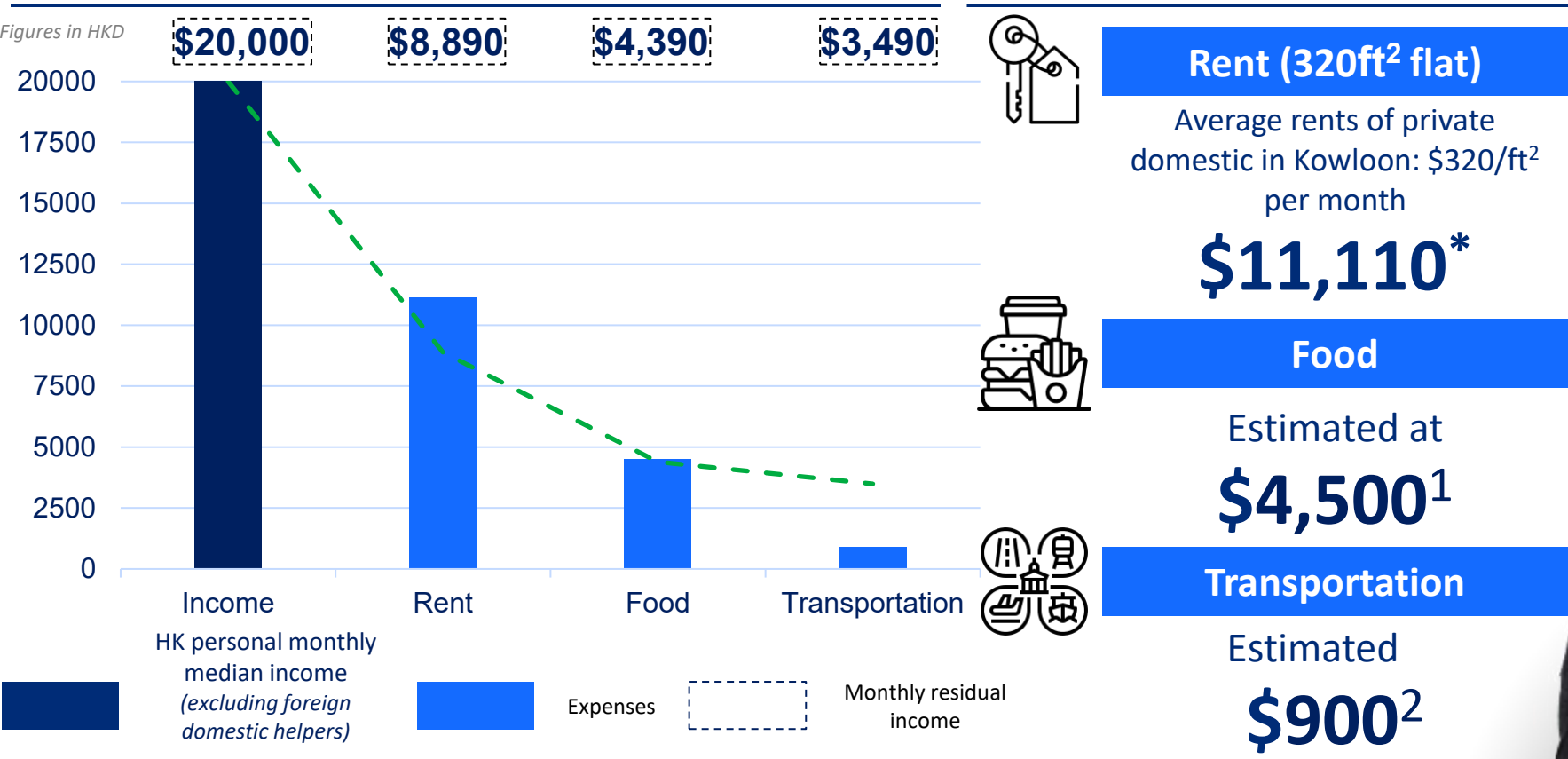
Financial advisors suggest this allocation...



Do you think your current budget allocation fits the 50/30/20 rule?

These expense items take up most of your monthly income

Assume you earn HKD20,000 per month...

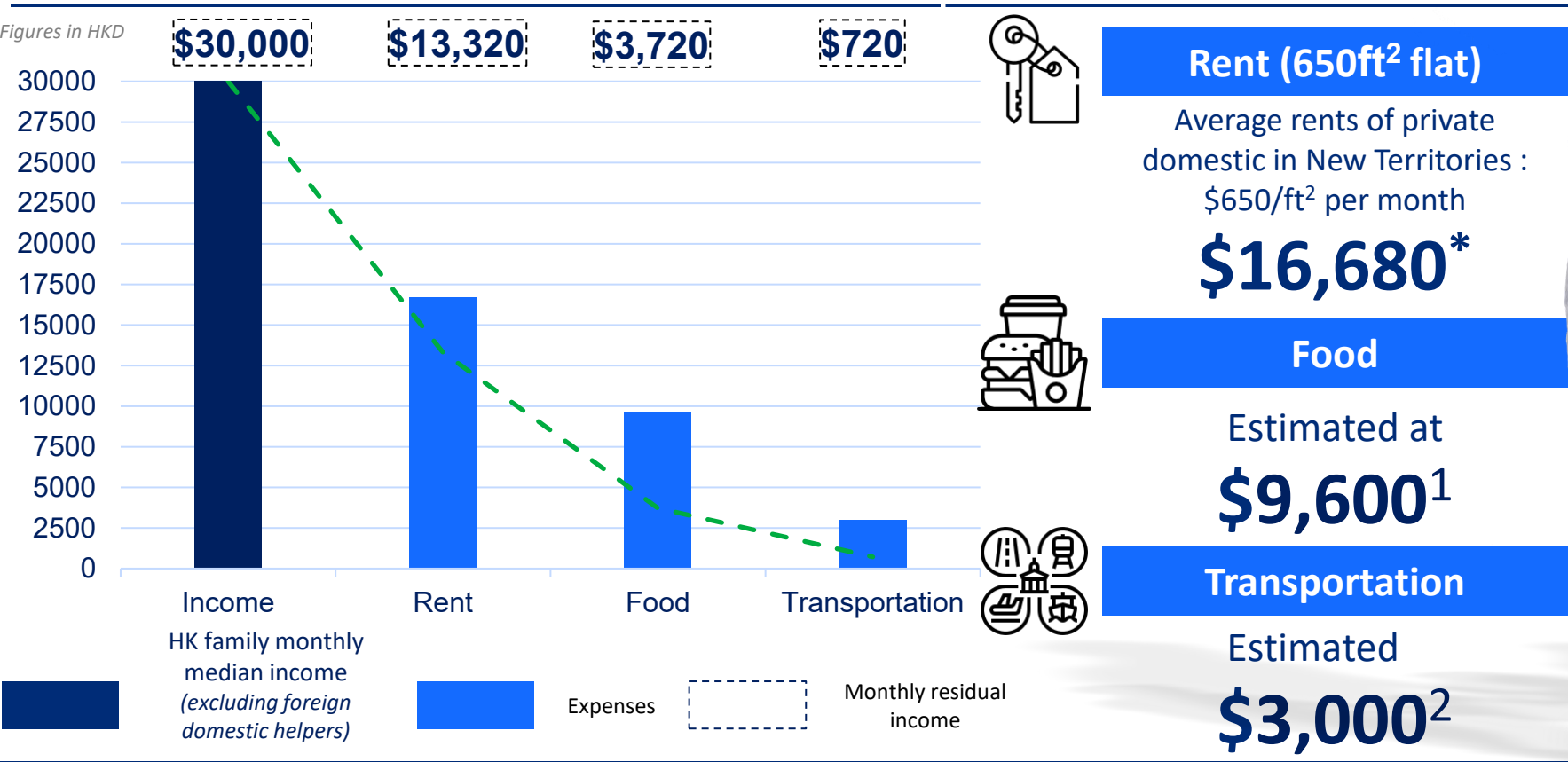


Rent costs 56% of the income, leaving renting virtually impossible to the majority of the population

* Rating and Valuation Department , Hong Kong Property Review Monthly Supplement, Rent at June 2025
1. Estimated daily food cost at \$320 ;
2. Assuming \$100 round-trip for work everyday

These expense items take up most of your monthly income

Assume your family (2 parents + 1 child) earn HKD30,000 per month...



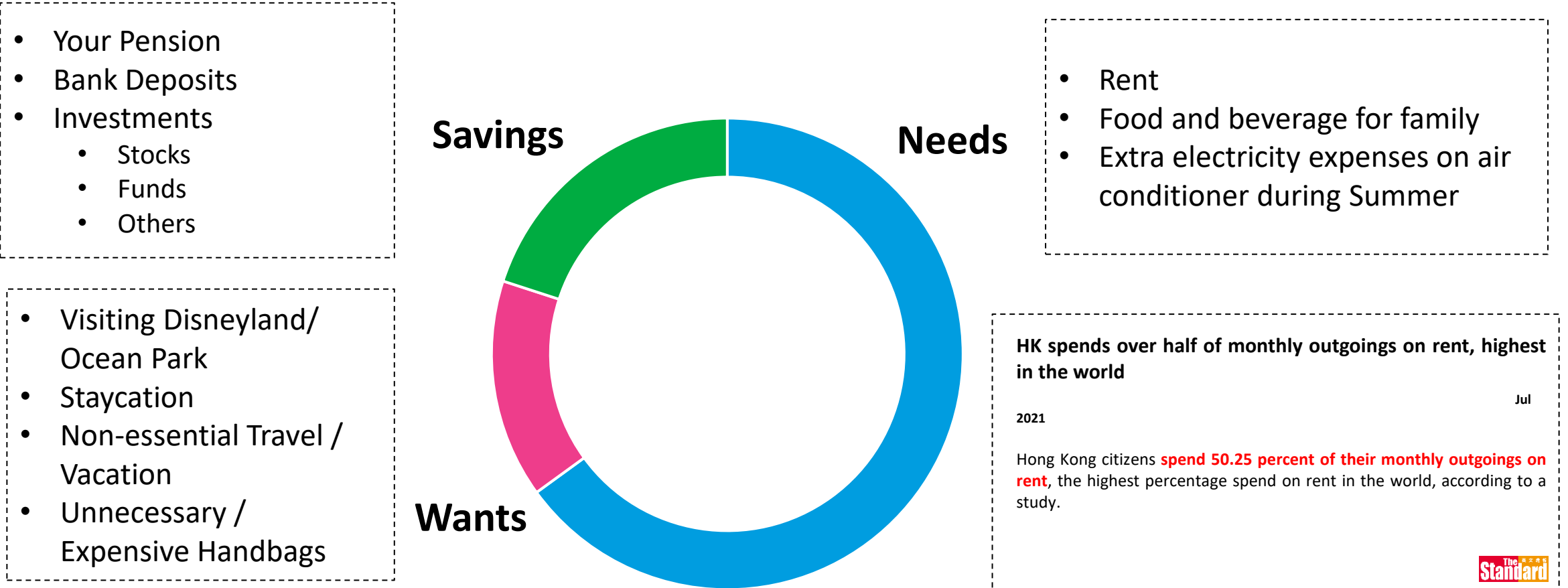
Rent costs 56% of the income, leaving renting virtually impossible to the majority of the population

* Rating and Valuation Department , Hong Kong Property Review Monthly Supplement, Rent at June 2025

1. Estimated daily food cost at \$320 ;

2. Assuming \$100 round-trip for work everyday

Is the golden ratio feasible in Hong Kong?



Since the necessities expense is higher in HK, people may need to cut their leisure expense to maintain the same saving level

Emergency Fund

You should reserve for unplanned expenses or financial emergencies. For example:



Home repairs



Medical bills



Loss of income

Why should you set up emergency fund?



1. Create a financial buffer

Emergency fund keeps you afloat in emergency times without having to rely on credit cards or high-interest loans



2. Create financial confidence

Emergency fund gives you confidence to control unexpected events, and prevents you from making bad decisions in emergency

Rule of thumb

1

Save 3 to 6 months of living expenses

Example:

Monthly Income: \$35,000

Emergency Fund = $35,000 \times 6 = \$210,000$

2

Commit your saving goal by setting up auto-transfer from your salary account

3

Keep your emergency fund in a separate saving account

4

Only use the fund in unforeseen emergency situations



Considerations of Emergency Fund

1



Clear your debt first. There is no sense to put money that gives you nearly 0% interest, if you still have a debt account that costs significant interest (e.g. 30% for credit card) If your debt amount is as large as your emergency fund, the sad news is: your emergency payment has already started.

2



Emergency fund should be put in **highly liquid** financial tool with no lockup period and minimal risk of losing money, so the fund can be fully used at any time.

However, this would make emergency fund in a money-losing position that **cannot keep pace with inflation** over the long term. Consider carefully the allocation portion of emergency fund portion in your budgeting plan

3

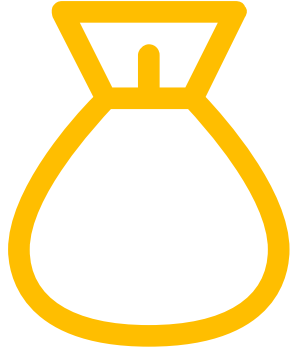


To minimize the spending in emergency situation, consider buying comprehensive **insurance plans**.

Investment and annuity for retirement



Why Should You Invest?



Build Wealth –

Investing helps your money grow bigger over time



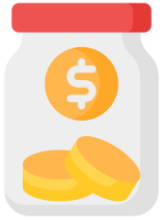
Achieve Your Financial

Goals - Investing can help you save for things like a house, school, or retirement.



Beat Inflation - Investing can help your money keep up with the cost of living.

How much should you invest?



Make sure to establish an emergency fund before putting money into higher risk investments



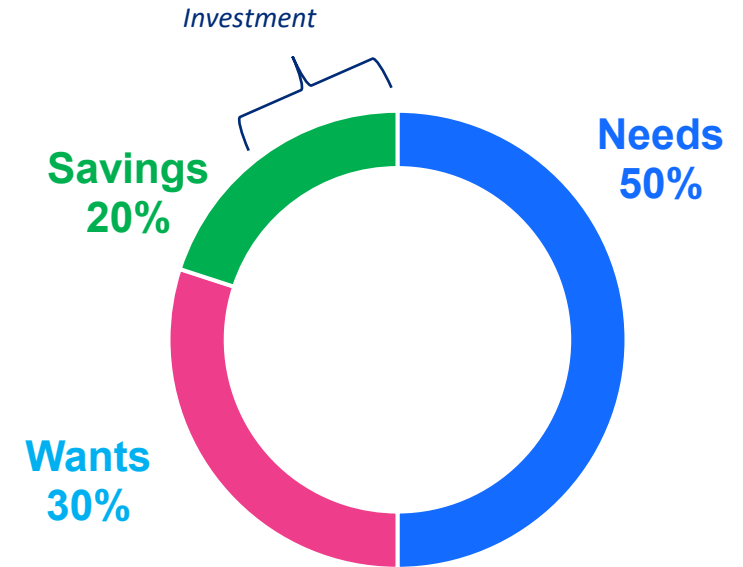
Consider your:

- Risk Tolerance
- Financial Capacity
- Investment Horizon
- Required return to achieve your goals



Build your portfolio

- Stocks or Bonds?
- When to enter the market?



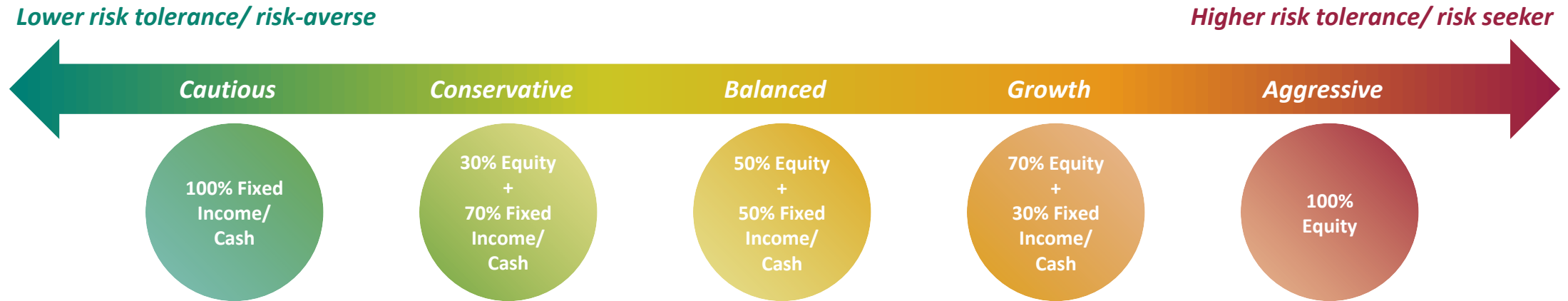
Example

After-MPF Monthly Income: HKD 30,000

Needs	$30,000 \times 50\% = 15,000$
Wants	$30,000 \times 30\% = 9,000$
Savings	$30,000 \times 20\% = 6,000$
Investment	$30,000 \times 20\% \times ?\% = ?$

Understand your Risk Profile

Individuals may have various risk appetite and risk profile that can be roughly categorized as below:



Major factors contributing to higher risk capacity and tolerance includes the following:

- **Time Horizon**
Longer time to invest, higher risk tolerance
- **Investment knowledge**
More investment knowledge, higher risk tolerance
- **Other reserves**
Larger amount of other reserves, higher risk tolerance
- **Loss tolerance level**
Higher loss tolerance, higher risk tolerance

The above categorization does not constitute individualized investment advice

Continue to Invest After Retirement at 65

As of 30 Jun 2025, average annualized net return of MPF system since MPF's establishment in Dec 2000 of Mixed Assets Fund is 4.3%

Scenario 1

For Illustration Only

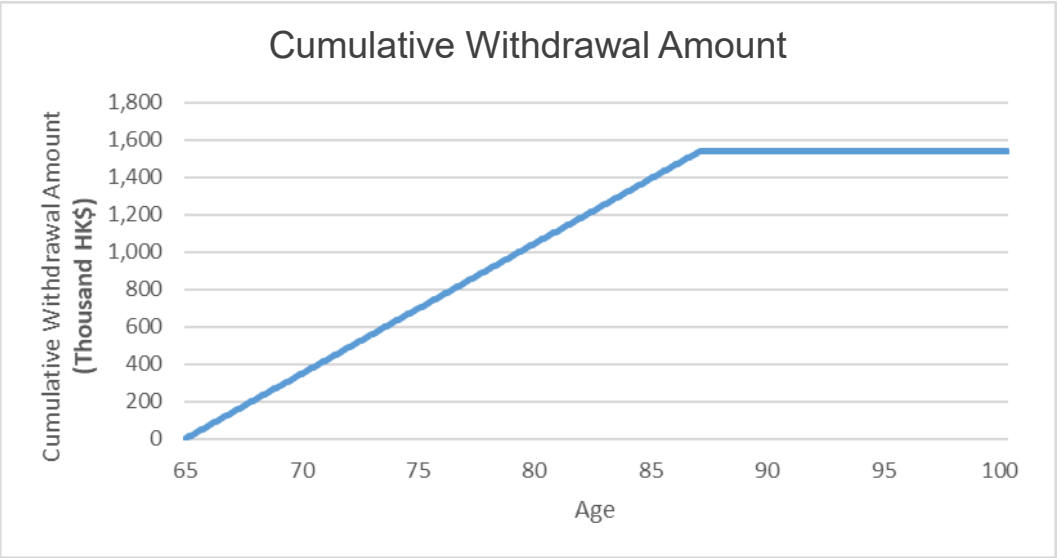
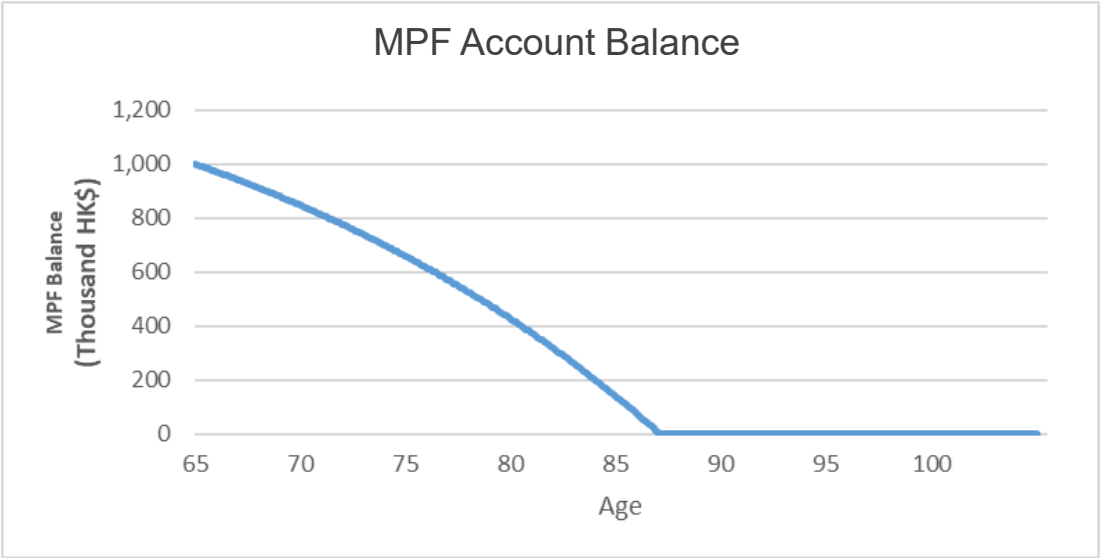


Mr. Chan

MPF Account Balance: HK\$1,000,000

Assume MPF annual return: +4.3%

Monthly Withdrawal: HK\$5,800



Assume MPF's Annualized Net Return of 4.3% as a reference, Mr. Chan's MPF savings will **deplete in less than 22 years**, just before he reaches age 88.

Cumulative Withdrawal amounts to ~HK\$1.6 million, but this amount is **dependent** on the market return. A **high market volatility** can potentially affect and **reduce** this number.

The above categorization does not constitute individualized investment advice

Continue to Invest After Retirement at 65

Scenario 2

For Illustration Only



Mr. Chan

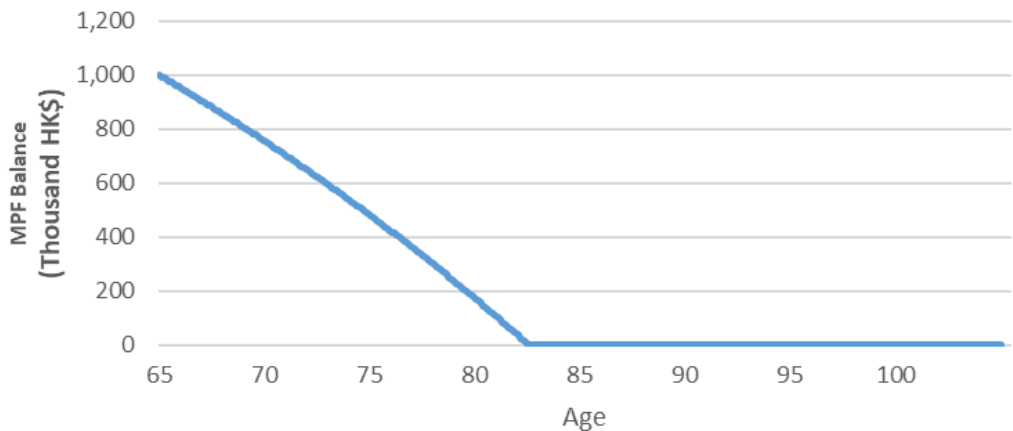
MPF Account Balance: HK\$1,000,000

Assume MPF annual return: +2.4%

Monthly Withdrawal: HK\$5,800

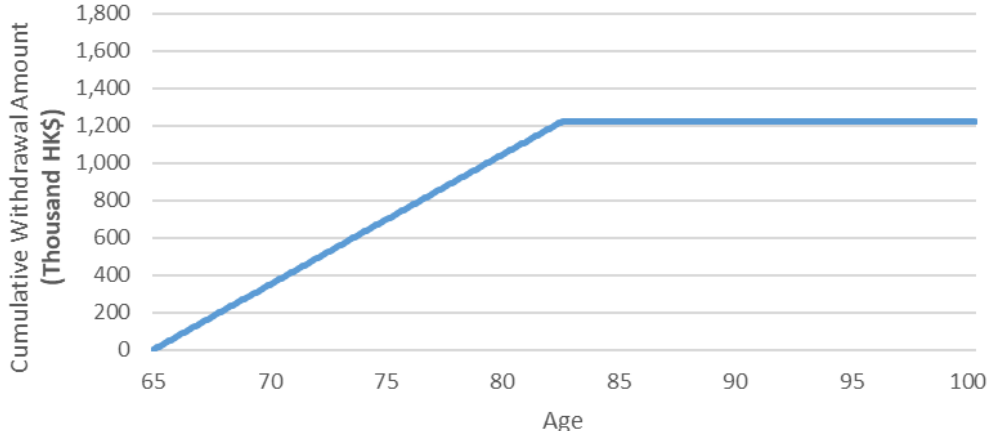
As of 30 Jun 2025, lowest annualized net return of MPF system since MPF's establishment in Dec 2000 of Mixed Assets Fund is 2.4%

MPF Account Balance



Assume MPF's Annualized Net Return of 2.4% as a reference, Mr. Chan's MPF savings will **deplete in less than 18 years**, just before he reaches age 83.

Cumulative Withdrawal Amount



Cumulative Withdrawal amounts to ~HK\$1.2 million, but this amount is **dependent** on the market return. A **high market volatility** can potentially affect and **reduce** this number.

The above categorization does not constitute individualized investment advice

Annuities

Annuity is a financial product that is designed to pay out a steady amount of cash over time
Generally used as a **retirement vehicle** to ensure regular income in later years



1. Immediate Annuity

- Policyholder will start to receive pay outs immediately, once the upfront **lump-sum** premium has been paid.
- Suitable for **retirees** who wants a secure income.
- Example: Hong Kong Mortgage Corporation ("HKMC") annuity



2. Deferred Annuity

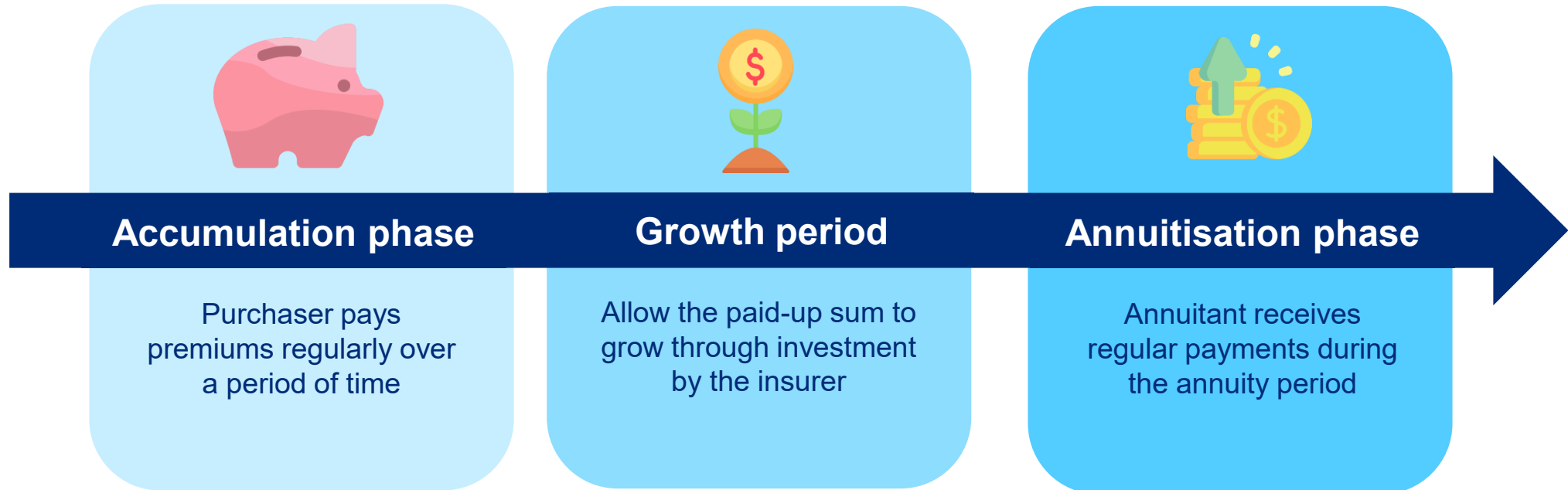
- Policyholder will make **periodic premium contributions** for a pre-agreed period, before income pay outs begins
- Suitable for the **working population** that wants to accumulate retirement savings.
- Example: Qualifying Deferred Annuity Policy ("QDAP") products

Deferred Annuity Policy

Retirement Vehicles in the Market

Deferred Annuity:

- One of the types of Annuity
- Help individuals turn their accumulated savings into a stable stream of income during retirement



What is a QDAP?



Retirement Vehicles in the Market

- Apart from making TVC, premiums paid for **Qualifying Deferred Annuity Policy (QDAP)** is also eligible for claiming tax deductions; up to **HK\$60,000 (inclusive of TVC)** per assessment year.
- A QDAP must comply with the following guidelines issued by the Insurance Authority.
 - ✓ Minimum total premiums of **HK\$180,000** and minimum payment period of **5 years**
 - ✓ Minimum annuity period of 10 years
 - ✓ Pay out at the age of 50 or beyond
 - ✓ Disclosure of internal rate of return (IRR) to facilitate evaluation and comparison
 - ✓ Clear presentation of the guaranteed and non-guaranteed annuity payouts
 - ✓ Clear separation of premiums of all riders from the QDAP premiums
- As of 30 May 2025, there are **22 QDAPs** under **19 service providers** accept new applications.

Taxpayers can claim a tax deduction for their qualifying deferred annuity premiums, up to a maximum limit of HK\$60,000* per assessment year

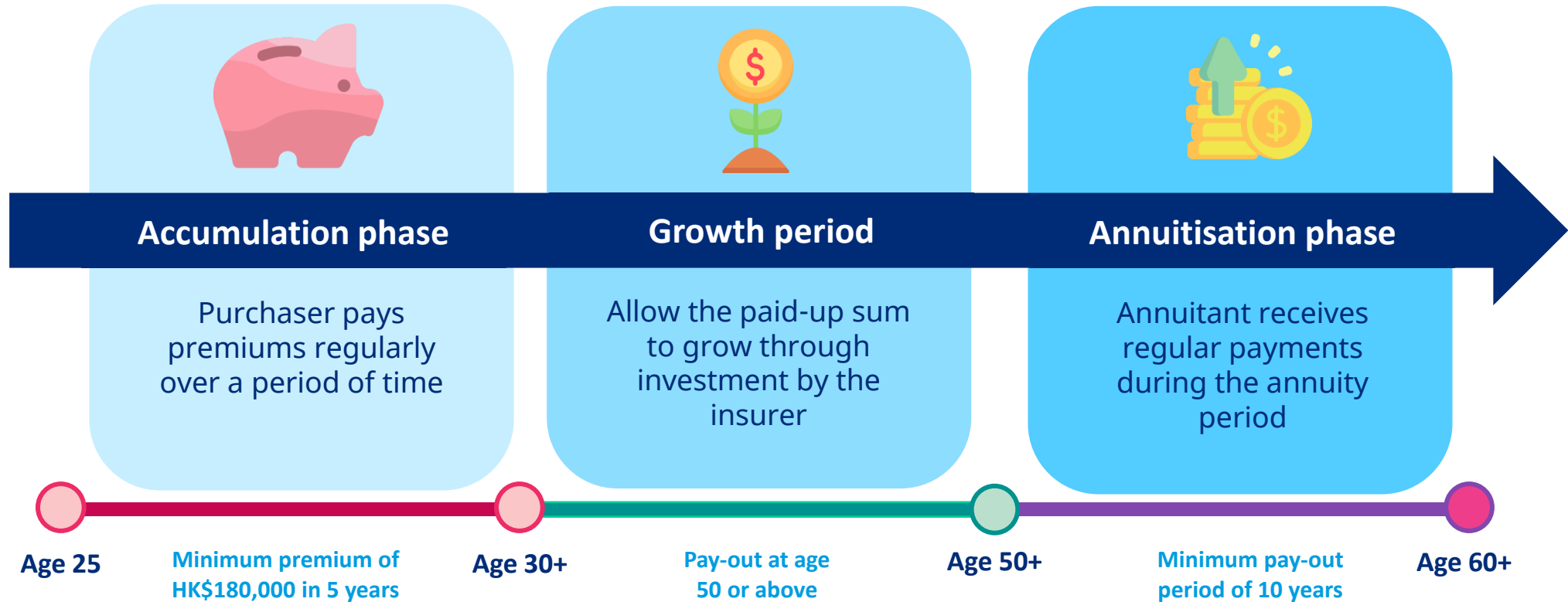
*Tax deductions under salaries tax or tax under personal assessment, with tax deductible limit \$60,000 per year. The amount is an **aggregate limit** for both TVC and Qualifying Deferred Annuity Policy (QDAP) premiums paid during the relevant year of assessment.

Deferred Annuity Policy

Retirement Vehicles in the Market










Deferred Annuity:

- One of the types of Annuity
- Help individuals turn their accumulated savings into a stable stream of income during retirement



Example

Boosting Financial Security: Combining Investments and Annuities

Investment		Annuity
Highly liquid and free to use		 Illiquid and can incur financial repercussions for early surrender
Potential growth to beat inflation / generate income		 High inflation will eat away purchasing power of the fixed payment from annuity in the long run
Potential loss of investment / income		 Guaranteed regular income can counter balance some of the investment loss, and provide a safety net to retirees
Need time, energy and knowledge to monitor, review and manage the investment portfolio		 No active management and maintenance required
Potential to outlive your whole investment capital		 Guaranteed fixed income for a pre-agreed period of time, or even up to a lifetime (e.g. HKMC Annuity)

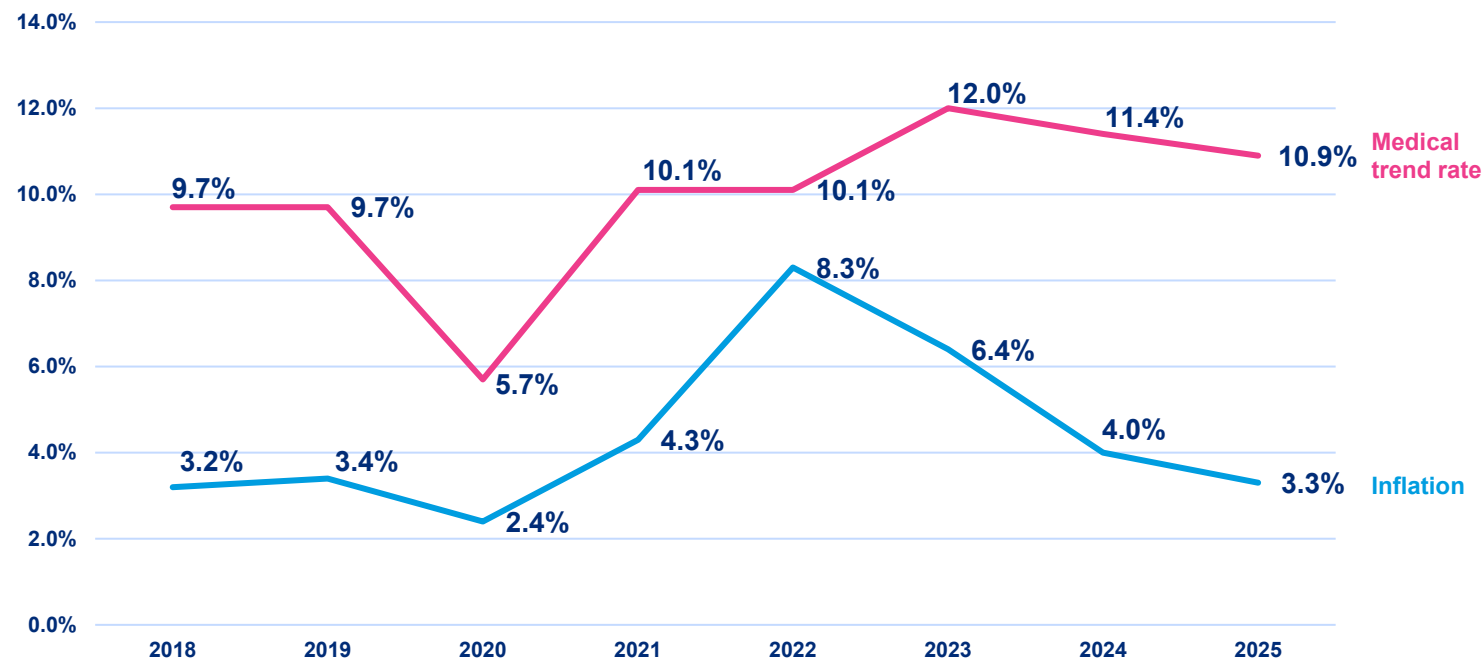
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Medical Conversion Plan Upon Retirement

by Jan NG



Medical trend continues to outpace inflation



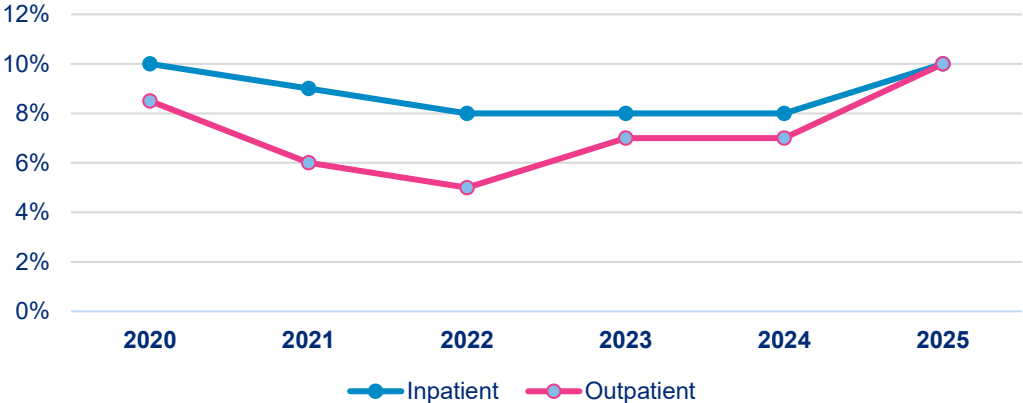
2023-2025 Medical Trend

	2023	2024	2025
Global (Ex-US)	12.0%	11.4%	10.9%
Global Expat (IPMI)	11.9%	11.0%	10.8%
Canada	9.0%	9.0%	10.0%
Asia	12.7%	13.0%	13.0%
Europe	13.0%	11.7%	10.4%
Latin America and Caribbean	10.0%	10.6%	10.4%
Middle East and Africa	12.4%	10.6%	10.7%
Pacific	9.0%	11.5%	9.3%
United States	5.2%	5.2%	5.8%

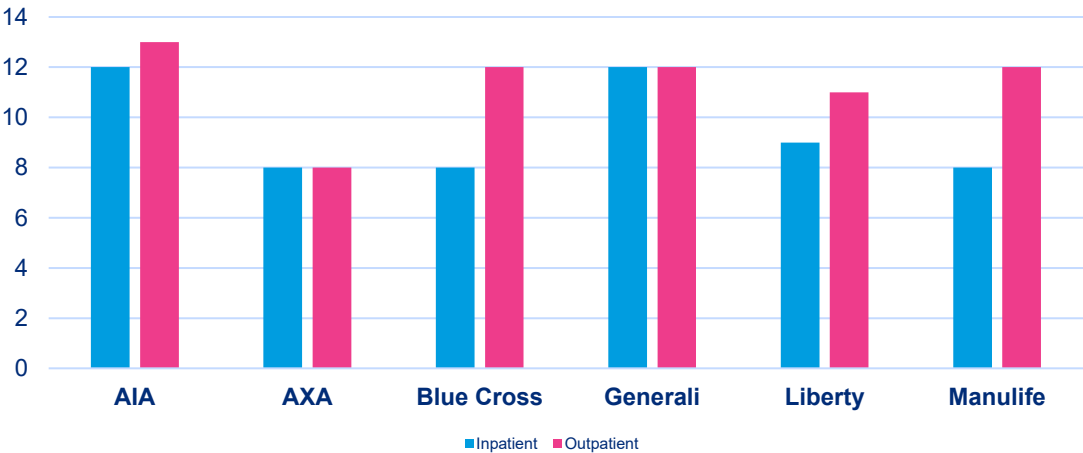
Trend Rates and Inflation Rates for 2018-2023 are retrospective. Rates for 2024 and 2025 are prospective. Unweighted global averages used. Global Trend Rate Excludes Expat Trend Rates.
Inflation rates are sourced from the International Monetary Fund, World Economic Outlook Database, June 2024. Inflation rate information is strictly for general reference purpose; Marsh and Mercer give no guarantees as to their accuracy and will not accept liability for decisions based on them.
Please note the United States is not part of the research. For more information on the rates in the US, refer to this year's National Survey of Employer-Sponsored Health Plans [National Survey of Employer-Sponsored Health Plans](#).

Medical inflation & trend rates in Hong Kong

Five Year Medical Trend Rate in Hong Kong
Based on insurer feedback among local insurers



2025 Projected Medical Trend Rates for Local Medical Insurance
Based on insurer feedback among local insurers



Defining Medical Trend Rate

Medical Inflation
Increase in cost of services/supplies; can be driven by currency fluctuations with respect to imported supplies

Changes in treatment mix
Potentially more expensive and innovative treatment options now administered

Utilization changes
More/less of certain age groups & demographics leveraging health services

Regulatory Changes

Year-over-year cost increase for claims on a per-person basis made under a medical scheme

If your estimated claims are already over 75% you can already expect a premium inflation for your next renewal; this is **before** applying the medical trend rate

Common medical treatment costs

Cost of clinical visits in Hong Kong



Hong Kong Island

Kowloon

New Territories

General Practitioner (HKD)

\$300 – \$500

\$280 – \$300

\$280 – \$300

Combined Specialist* (HKD)

\$740 – \$2,000

\$500 – \$1,500

\$400 – \$1,200

Chinese Herbalist (HKD)

\$260 – \$700

\$185 – \$500

\$200 – \$400

Benefit plan design requires a **balance of economics & empathy**, coupled with robust employee communications to minimize employee out-of pocket, to ensure adequacy of cover to meet fundamental insurance needs

Common medical treatment costs

Cost of common surgical procedure fees Hong Kong across private hospitals



	<div>Cataract Surgery</div> <div>白內障超聲乳化術和人工晶狀體植入術</div>	<div>Colonoscopy with/without Polypectomy</div> <div>結腸鏡檢查及有/無息肉切除術</div>	<div>Cholecystectomy (Laparoscopic)</div> <div>膽囊切除術 (腹腔鏡)</div>
50 th Percentile	\$22,000	\$20,000	\$104,000
90 th Percentile	\$30,000	\$31,000	\$143,000
	<div>Colectomy (Open)</div> <div>結腸切除術 (開放式)</div>	<div>Breast Lump Excision</div> <div>乳房腫塊切除術</div>	<div>Knee Arthroscopy</div> <div>膝關節鏡檢查</div>
50 th Percentile	\$185,000	\$56,000	\$85,000
90 th Percentile	\$251,000	\$85,000	\$106,000

Above information is for reference only, coverage of illnesses / conditions will vary by diagnosis type (complex / major / intermediate / minor), as well as policy terms & class of scheme

The cost of the same treatment **will vary by class of scheme** thus there will be different sub-limits across private, semi-private and ward level and the above surgeon's fees will vary by class.

The importance of adequate coverage

Even in the mature markets such as Hong Kong, public healthcare faces challenges



Hong Kong public hospital's waiting time for stable new case bookings at Specialist Outpatient Clinics (as of Aug 2025); Despite availability of public healthcare, long waiting times mean either delayed treatment / worsening conditions, or the option to go to private hospitals, via company sponsored &/ out-of-pocket expenses to reduce waiting times



Surgery

Waiting time: 19 / 101 weeks
HK West / Kowloon Central



Medicine

Waiting time: 29 / 94 weeks
HK West / Kowloon Central



Gynaecology

Waiting time: 25 / 96 weeks
HK East / Kowloon West



Specialty
Shortest – Longest
waiting time
Hospital cluster

Source: Hospital Authority
(https://www.ha.org.hk/visitor/ha_index.asp?Lang=CHIB5)



Ophthalmology (Eye)

Waiting time: 35 / 133 weeks
HK East / Kowloon West



Ear Nose & Throat

Waiting time: 25 / 81 weeks
HK East / Kowloon East



Orthopaedics

Waiting time: 23 / 79 weeks
HK West / Kowloon Central

“Medical Conversion Plan Upon Retirement”

1

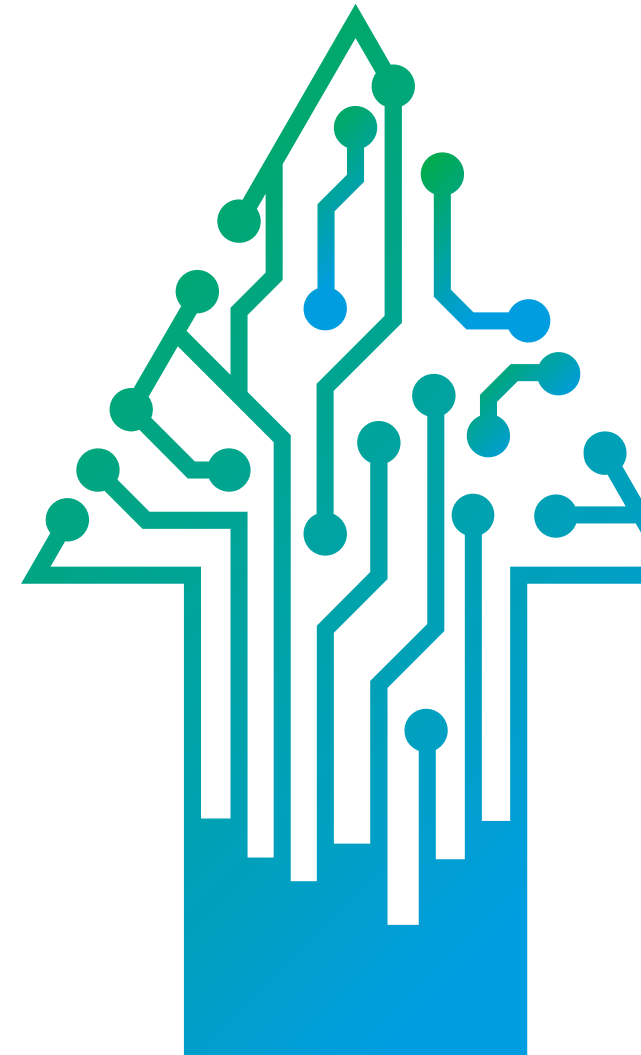
What is a Conversion Plan?

2

What are the key differentiators between a Conversion Plan and Individual Policies like VHIS?

3

What should we consider to ensure adequate coverage when selecting a Conversation Plan?



A diagram featuring a central horizontal box with a blue-to-pink gradient. To its left is a dark blue circle containing the number '1'. Above the box, five dark blue arrows point downwards towards it. Below the box, a dark blue arrow points downwards, followed by a pink box containing the text 'Why should you consider conversion plan?'. Below this pink box, four dark blue arrows point downwards, and a single dark blue arrow points further down. In the bottom left corner, a green-to-blue gradient arrow points upwards.

1

What is a Conversion Plan?

Why should you consider conversion plan?



2

What are the key differentiators between a Conversion Plan and Individual Policies like VHIS?

What are the excluded elements?

Is pre-existing condition included in the plan?

Is full medical underwriting required?

3

What should we consider to ensure adequate coverage when selecting a Conversion Plan?

The renewal of group medical

The enrolment timeline, prior to the retirement date

The coverage of the conversion plan

What would be the premium rate?

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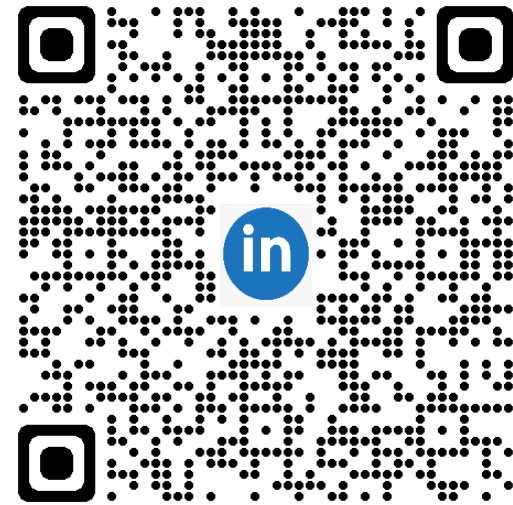
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HSBC Asset Management

Invesco

Manulife
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