

HR Roundtable Workgroup Meeting at BCT office on 10 Jan 2025



9th Meeting on 10 Jan 2025

The 10th HR Roundtable Work Group (WG) took place on 10 Jan 2025 at the BCT office with the attendance of 24 HR professionals and WG committee members. We were delighted to have Bernie NG of Deacons, who shared insightful findings of “Abolition of MPF Offsetting Arrangement: What You Need to Know” and Elaine HWANG of Willis Towers Watson (WTW) sharing the related financial impact on employers.

Looking ahead, the Work Group is committed to utilizing this dynamic platform to foster knowledge exchange, share best practices, and explore innovative strategies. By harnessing the collective wisdom and experiences of our peers, we aim to strengthen our professional network.

Save the date for our upcoming HR Roundtable meeting on 18 Mar 2025! We extend a warm invitation to all HR professionals who are interested in joining this vibrant Work Group. If you or your HR executive would like to participate, please don't hesitate to reach out to the Secretariat of HKRSA at events@hkrso.org.hk. We look forward to welcoming new members and fostering a diverse and engaging community.

香港退休計劃協會之人力資源圓桌工作小組 (WG) 於 2025 年 1 月 10 日第十次會議在 BCT 銀聯集團辦公室舉行。24 名人力資源專業人員和 WG 委員會成員出席了會議。我們很高興邀請到來自的近律師行的 Bernie NG 分享了「取消強積金對沖安排：僱主須知」的深刻見解，以及 Willis Towers Watson (WTW) 的 Elaine HWANG 分享了對僱主的相關財務影響。

工作小組期待繼續利用這個雙月互動的平台來來交流見解、分享最佳實踐，並透過會員主導的計劃探索創新策略，從而培育更強大的網路。每個成員都可以從同行的集體智慧和經驗中受益。下次會議定於 2025 年 3 月 18 日舉行。

歡迎更多人力資源專業人士加入，分享經驗和建立聯繫。如果您或您的人力資源主管有興趣加入香港退休計劃協會的「人力資源圓桌會議工作小組」，請聯絡秘書處以獲取詳細資訊：events@hkrso.org.hk。

Abolition of MPF Offsetting Arrangement: What You Need to Know

取消強積金「對沖安排」：僱主須知

By Bernie NG of Deacons

The long-awaited Abolition of MPF Offsetting Arrangement will take effect on 1 May 2025. This sharing provided a comprehensive overview of the implications of the legislative update, with practical examples to illustrate both the salient features of the new arrangement and common misconceptions among employers. Essential tips were also provided for HR personnel in navigating the transition.

- 'Abolition' of MPF Offsetting Arrangement: Despite commonly understood as an 'abolition', it is inaccurate to suggest that employers are no longer entitled to use their MPF contributions to offset statutory severance/long service liability from 1 May 2025. Specifically, the new regime only prevents an employer from using MPF benefits derived from their mandatory contributions (or the 'carved-out benefit' under MPF-exempted ORSO schemes) to offset statutory severance/long service accrued from 1 May 2025 onwards. It also does not affect an employer's right to utilise other benefits permitted under existing law for offsetting purposes.
- Government subsidy: With the aim to share out employers' additional expenses under the new regime, the Government has introduced a 25-year subsidy scheme for employers to claim reimbursement of their post-transition severance/long service expenditure up to the prescribed limit. It is expected that more details of the subsidy scheme will be announced in the coming months. Employers should keep track of updates from the Government.
- Preparing for transition: Employers should familiarise themselves especially their HR personnel with the new regime and make sure their internal systems and procedures are well placed for the transition. Employers should also evaluate the financial impact of the new offsetting arrangement for both auditing purposes and planning of broader HR policies.

取消強積金對沖安排將於2025年5月1日正式生效。是次分享全面概述了轉制的影響，並以實例說明了新制度的特點和僱主常見的誤解。此外，是次分享亦為人力資源人員提供了有關過渡至新制度的實用提示。

- "取消"強積金對沖安排: 儘管坊間一般指強積金對沖安排將被"取消"，但事實上僱主並非由2025年5月1日起不再有權使用其強積金供款的任何部分抵銷法定遣散費/長期服務金。具體而言，新制度僅限制僱主使用其強制性供款所衍生的權益（或獲強積金豁免的職業退休計劃下的「剔除款項」）以抵銷由2025年5月1日起累算的法定遣散費 / 長期服務金。新制度亦不會影響僱主運用現行法例容許的其他權益作抵銷用途。
- 政府資助: 為協助分擔僱主在新制度下的額外開支，政府推出了一項為期25年的資助計劃，讓僱主可就過渡期後的法定遣散費 / 長期服務金開支根據相關資助限額申請發還款項。我們預計政府將在未來幾個月內公佈更多資助計劃細節。僱主應密切關注政府的最新消息。
- 為過渡做準備: 僱主應讓公司人力資源人員了解新制度，並確保其內部系統和程序已為過渡做好準備。僱主亦應評估新制度造成的財務影響，以作審計用途及規劃更廣泛的人力資源政策。

HKRSA HR Roundtable – Financial Implication of LSP

香港退休計劃協會人力資源 圓桌會議 長期服務金的財務影響

By Elaine HWANG of WTW

Following the abolition of Long Service Payment offset effective 1 May 2025, employers in Hong Kong are required to book a provision for such obligation for their expected payout in the future. Since it is an exercise of estimating future payments, an actuarial assessment is involved because the calculation requires setting actuarial assumptions such as future salary increase, future MPF investment return (since employers can use MPF/ORSO benefits to offset pre-1 May 2025 obligation), discount rate, expected employee turnover rates, expected retirement age etc.

As one of the major pension actuarial firms in Hong Kong, we have conducted such valuations for 500+ employers. We shared at this event some key statistics around average / median of valuations that we have conducted. Some assumptions are similar among employers such as future salary increase and expected MPF return while others, especially employee turnover rates, vary widely depending on industry, employee size and other factors.

The resulted provision also varies widely, not only due to the assumptions adopted, but also due to the employee profile and the MPF/ORSO benefits offered to employees.

Employers are keen to monitor the development, and we are pleased to offer help if needed.

隨著長期服務金對沖於2025年5月1日取消，香港的僱主需為未來預計需支付的責任預留準備金。由於這是一項預估未來支付的工作，因此需要進行精算評估，因為計算需要設定精算假設，例如未來薪酬增長、強積金投資回報（因為僱主可以使用強積金 / 職業退休金福利抵消2025年5月1日之前的責任）、折現率、預期員工流動率、預期退休年齡等。

作為香港主要的退休金精算公司之一，過去我們已為500多名僱主進行了此類估值。我們在本次活動中分享了一些我們所進行的估值平均值 / 中位數的關鍵精算假設數據。一些精算假設在僱主之間相似，例如未來薪酬增長和預期的強積金回報，而其他假設，特別是員工流動率，則根據行業、員工規模和其他因素而有很大差異。

因此，準備金也有很大差異，這不僅是由於採用的假設，還因為員工資料和提供給員工的強積金 / 職業退休金福利。

僱主們非常關注此條例的發展，我們樂意在有需要時提供幫助。