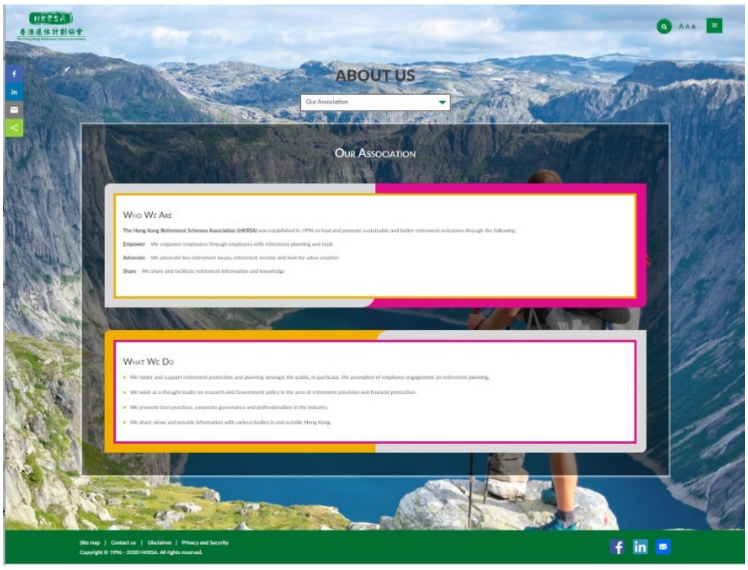
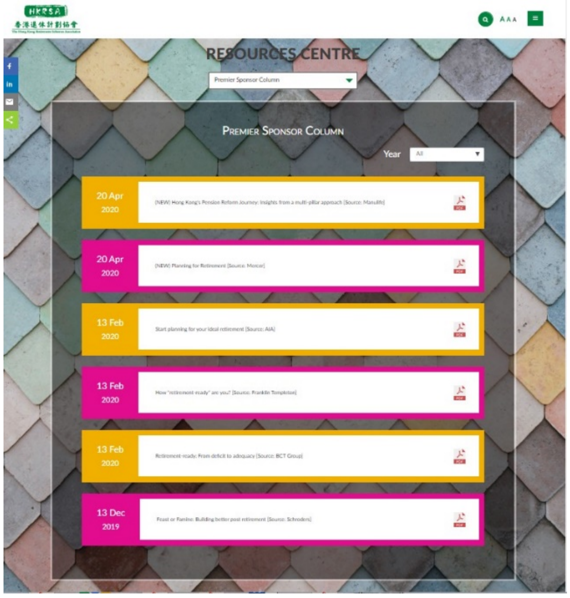
HKRSA 香港退休計劃協會
The Hong Kong Retirement Schemes Association
NEWS BULLETIN
May 2020
www.hkrsa.org.hk | Rm 1704, 17/F, OfficePlus @Sheung Wan, Wing Lok Street, Hong Kong | Facebook.com/hkrsa.hk/

Our new website will be launched soon, stay tuned!





With longevity, ageing and the build-up of potentially massive retirement gap, we believe providing objective and one-stop-shop retirement related resources shall be valuable to individual's retirement planning and thus leading to the retirement system success - which is the mission of the HKRSA in leading and promoting sustainable and better retirement outcomes.

This newly launch website will bring you a newer and smoother experience via different devices to cope with the century pace. Stay tuned!

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Exploring More about Post Retirement Solutions

Increased life expectancy has become a challenge for the public retirement system in Hong Kong with people worrying whether their savings are sufficient for a longer post-work life.

A seminar by the Hong Kong Retirement Schemes Association (HKRSA) on January 16 brought together stakeholders to share their views on the development of third pillar pension products, and how individuals should select financial solutions to address retirement needs.

Mr. Raymond Li, Executive Director and Chief Executive Officer of Hong Kong Mortgage Corporation (HKMC), provided an overview of the retirement products launched by the government mortgage company. He said the reverse mortgage programme introduced in 2012 allows property owners to use their flats as collateral for monthly retirement payouts. According to Mr. Li, it was the first retirement product to address longevity risks in Hong Kong, a city with the highest life expectancy in the world. "Over the past six months, we've seen the volume of our reverse mortgage grow as people wanted to lock in the high property value," Mr. Li said.

The second speaker was Mr. Joseph Lee, Director of Product Regulation Division at Mandatory Provident Fund Schemes Authority (MPFA), which supervises the city's largest public retirement plan.

According to Mr. Lee, the majority of the existing 400plus MPF funds have high exposure to market volatility. He said the MPFA was working with the industry to develop principles for designing retirement solutions, which should be "outcome oriented", and the two major goals should be to beat Hong Kong inflation, and provide long-term income payout.

"The retirement solutions also need to be transparent and easy to understand with an appropriate fee level. [The] performance should be reviewed on a regular basis," he added. Mr. Lee said the MPFA has launched the Investment Solution Lab to encourage MPF providers to design retirement solutions using these principles.

After his speech, he joined Mr. Li, Ms. Ka Shi Lau, Executive Committee member of HKRSA, Managing Director & Chief Executive Officer of BCT Group, and Mr. Raymond Ng, Vice President and Head of Employee Benefits at Manulife (International) Limited, in a panel session moderated by Mr. Alan Taylor, Profile & Event Subcommittee member of HKRSA and Chairman of investment consultancy AT Associated Hong Kong.

According to Ms. Lau, a majority of MPF members have "extreme" investment behavior. She said some members are "disengaged" from portfolio rebalancing and put all their money into conservative funds, while others are overly active in portfolio reallocation. She said they should consider whether their savings are "sufficient" for retirement, and whether their behavior is "healthy" for portfolio reallocation.

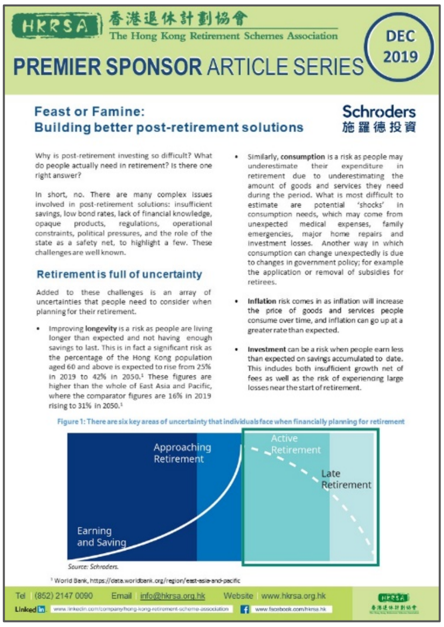
Ms. Lau said MPF providers also need to provide a more comprehensive platform, including risk assessment and asset allocation advisory services, and a balanced mix of funds for their clients.

Meanwhile, Mr. Ng said a recent survey by Manulife found that most MPF members preferred to withdraw their MPF savings in a lump sum once they reach 65 years of age. Many respondents said they are considering reinvesting the capital in risky assets such as stocks and property, a risk-taking mindset that Mr. Ng described as very "worrying".

But the survey also found strong demand for income distribution products. Mr. Ng suggested that MPF providers should put more effort into developing these inflation-linked income products to meet the demand. He also said MPF providers should use plain language to explain their funds to plan members and improve transparency so that they can understand the fee structure.

Mr. Taylor concluded the panel session by highlighting annuity products as a "partial solution" to address longevity risk. He said regulators and MPF providers should work together to facilitate the development of these products.

We are delighted to have articles contributed by Schroders, AIA, BCT, Franklin Templeton, Manulife and Mercer to provide us insights on how can we better plan for our retirement. Stay tuned for more articles in June 2020!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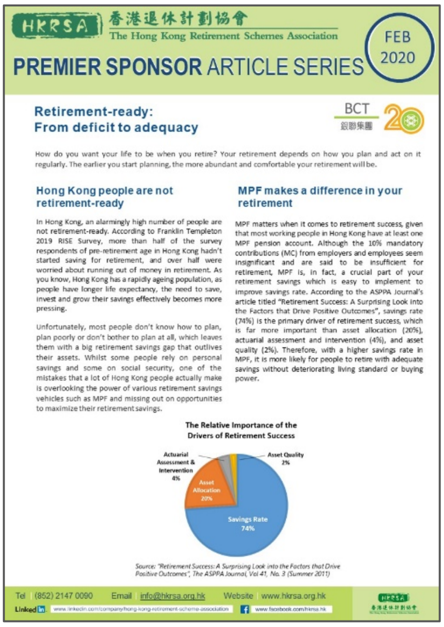
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Planning for Retirement
MERCER
Introduction
Living longer

Theme of the Year – Retirement beyond Dollars and Cents

To a lot of people, retirement planning is usually about the financial aspects after ending one's career. But in fact, with increasing life expectancies, retirement can last for many more years nowadays and retirement planning should go beyond just finances to make everyday more fulfilling. It can include a wide range of activities – some goal-driven, some purpose-driven and some enjoyment-driven. Everyone's retirement is unique, so by understanding your own needs and finding out the different options, you can prepare yourself for a seamless transition from your working life to make retirement the next most exciting and fulfilling phase in life.

Good MPF Employer Award 2019-20 open for applications from 1 April

The 2019-20 Good MPF Employer Award, organized by the Mandatory Provident Fund Schemes Authority (MPFA), will be open for applications and nominations from 1 April to 30 June 2020. The annual Award aims to recognize employers that have been committed to enhancing the retirement benefits of their employees since 2015. The response in the past few years has been encouraging. Now in its sixth year, nearly 1,800 companies and organizations have been honoured as "Good MPF Employers".

To specially commend and give public recognition to employers that have made continuous efforts to further enhance the retirement protection of their employees, employers who fulfil the relevant requirements will be presented with one or both of the following **NEW** awards:

- **Good MPF Employer 6 Years**
  Employers receiving the Good MPF Employer Award for six consecutive years
- **Best All-round MPF Employer**
  Employers fulfilling ALL five criteria below:
  (1) Received the Good MPF Employer 6 Years;
  (2) Offered more than one MPF scheme;
  (3) Offered MPF voluntary contributions for selected or all of their employees;
  (4) Received the e-Contribution Award; and
  (5) Received the MPF Support Award.

This year, the Award covers the period from 1 April 2019 to 31 March 2020. Employers wishing to apply for the Award can simply submit an application online on the MPFA's Good MPF Employer Award website. Alternatively, employers can submit their applications by email, fax or post. Employees are also welcome to nominate their employers by submitting a nomination form.

The MPFA will present Award Certificates to the awardees, and their names will be listed on the MPFA website for public access and recognition. They will be invited to MPFA events and will receive the latest MPFA updates. Awardees are also entitled to use the Award Logo on their website and promotional materials until 30 September 2021. They may also be invited to share their experience with the public through various promotional channels!

Don't wait, apply now, and be a Good MPF Employer for 2019-20!

Website: www.mpfa.org.hk

Upcoming HKRSA event

HKRSA Webinar

Fee: Free | Language: English

Date & Time: 15 May 2020 (3.00pm –4:00pm) Register now

Date & Time: 5 June 2020 (3.00pm –4:00pm) More details

AGM & 24th Annual Dinner Register now

Date & Time: 17 September 2020 (6:30pm onwards)

Venue: Concord Room, Renaissance Harbour View Hotel

APIC Submit (co-host by APIC & HKRSA)

Date & Time: 23-24 NOvember 2020

Upcoming external event

HKIB Annual Banking Conference 2020

Date & Time: 28 September 2020 (9:00am-5:15pm)

Venue: N101, Hong Kong Convention and Exhibition Centre

Event website: Bankingconference.hkib.org./hkib2020

Members who are interested in the external events can register with the respective organisers.
More details to the above events can be found in HKRSA's website.