



香港退休計劃協會
The Hong Kong Retirement Schemes Association



20 March 2024 (Wednesday)
11:00 am – 12:00 noon

An ORSO Scheme – Keep it or Leave it?

 健康長久好生活	 Global Investors 安聯投資	 ASSET MANAGEMENT 東方匯理 資產管理	
 Fidelity 富達 INTERNATIONAL	 First Sentier Investors 首源投資	 FRANKLIN TEMPLETON	 Manulife Investment Management 宏利投資管理
	 PGIM FIXED INCOME	 T.RowePrice 普徠仕	 泰康 Taikang Asset (HK)



is ORSO better than MPF?

yes and no

ORSO – the world’s best retirement legislation?

- Versatility offers employers extraordinary potential
- MPF is the poor relation by comparison

however

- DC industry fails to deliver ORSO’s potential
- Employer and member outcomes are typically poor

lack of awareness, understanding and vision

- Focused on developing MPF rather than both
- ‘Inferior’ MPF plans commonly offer better technology, investment options and services

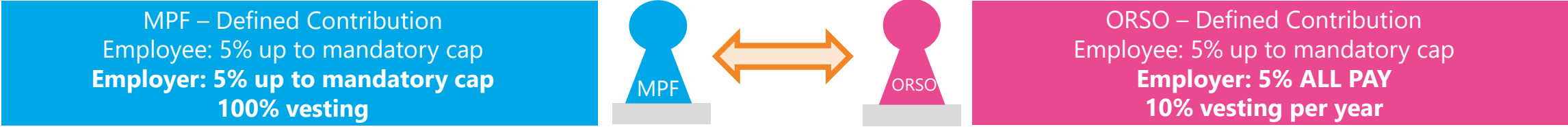
conclusion

- ORSO’s potential is greater today than it’s ever been for employers seeking excellent outcomes

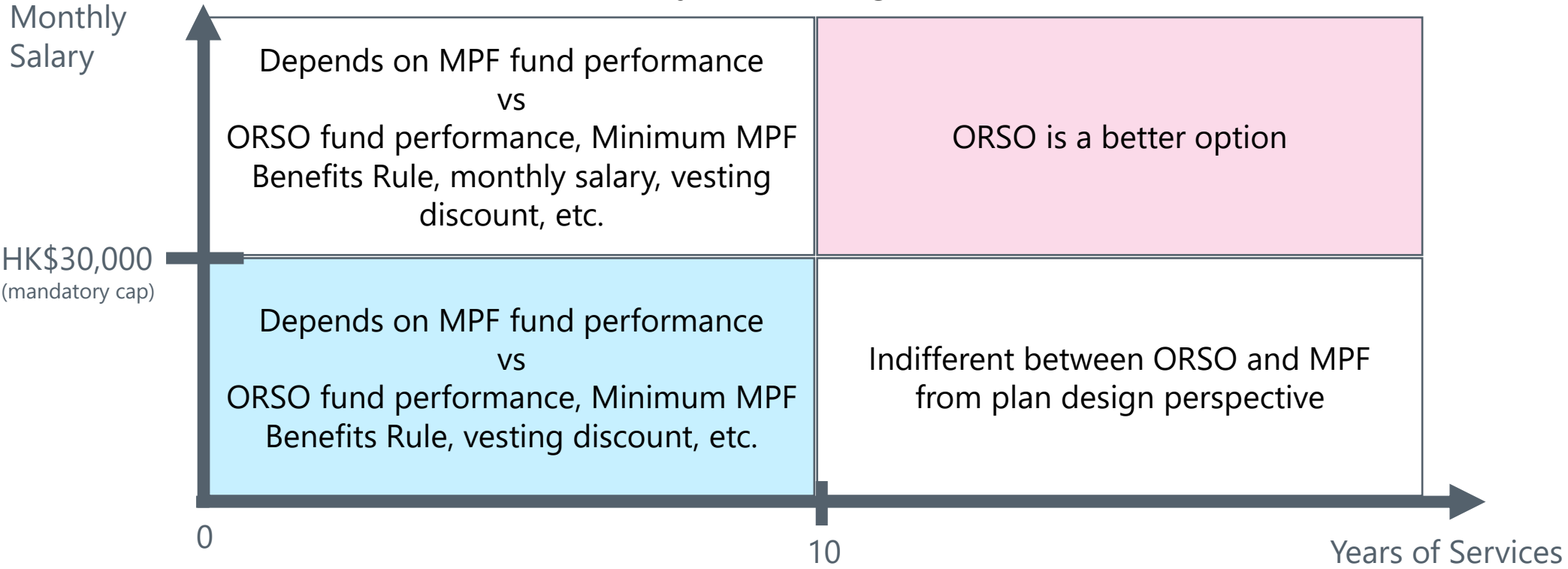


Real-life Case: ORSO x MPF Plan Design

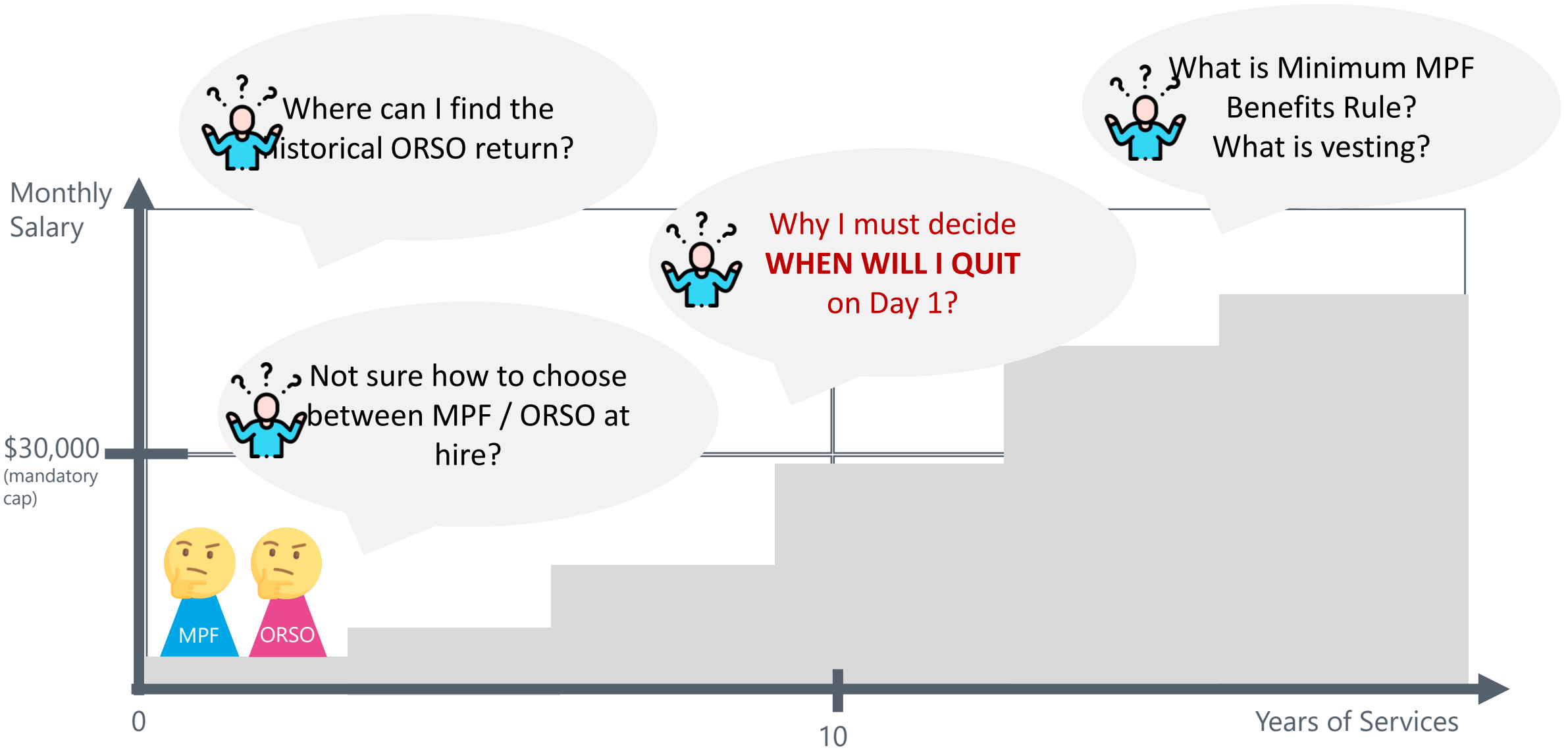
Employee makes the decision on **1st month**



From Employer Plan Design perspective



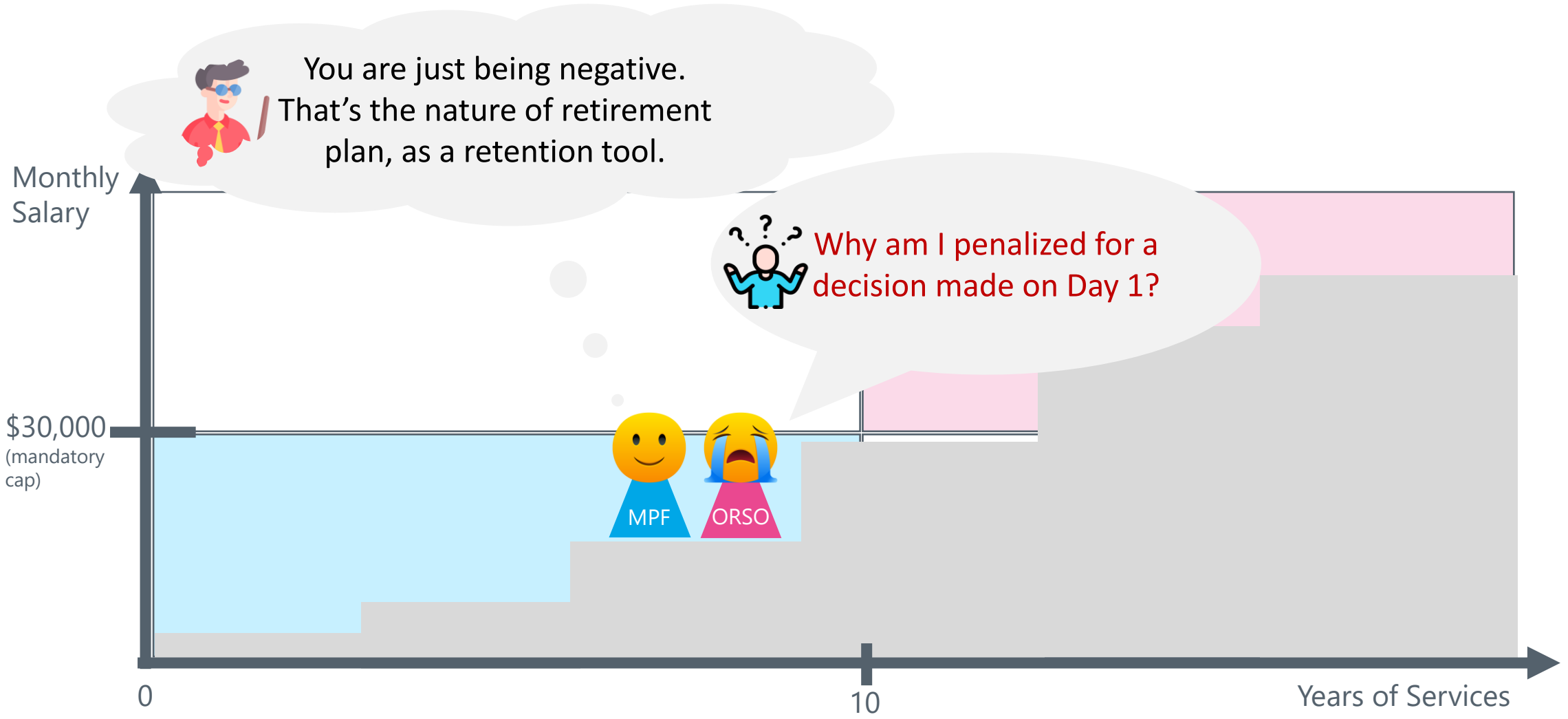
Real member journey in the ORSO x MPF design





5
years
later


5 years later, when someone is leaving...

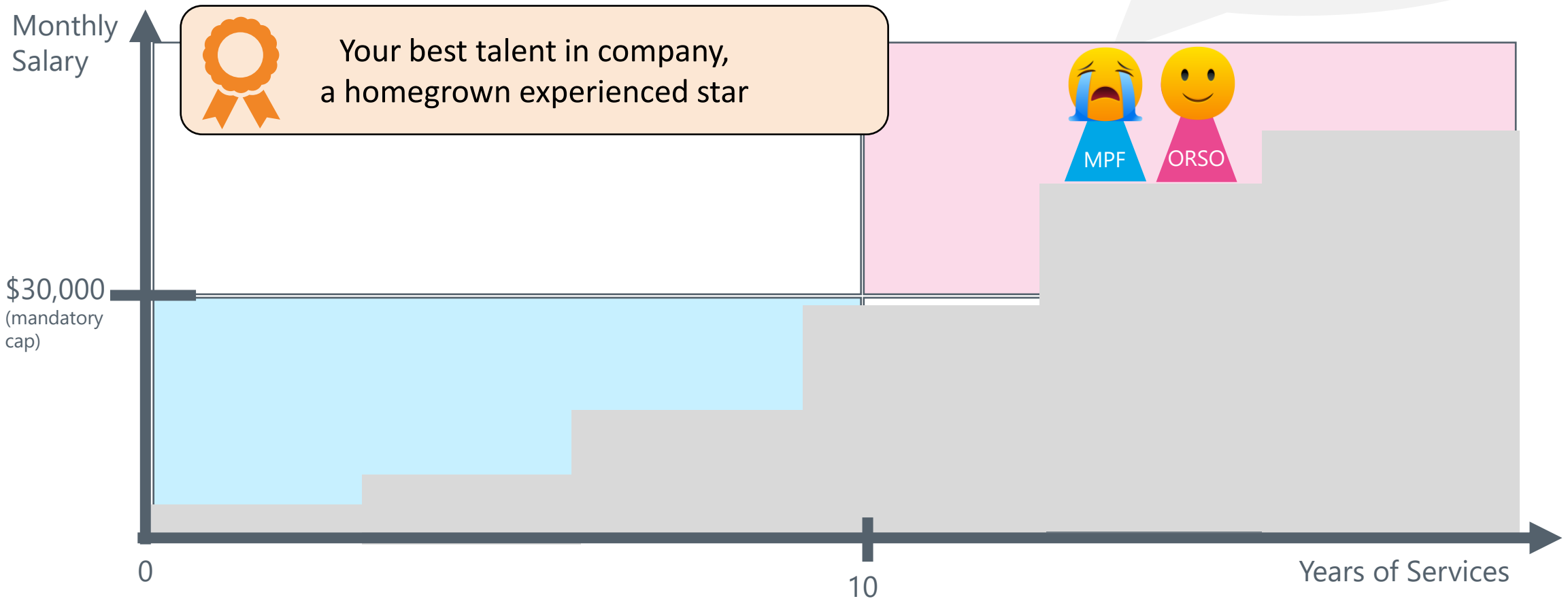




15
years
later

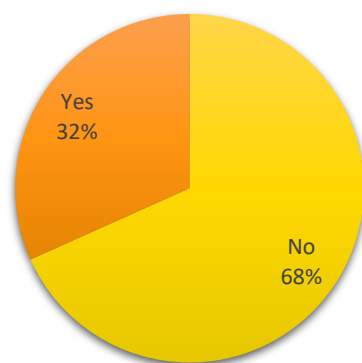
15 years later, when the member revisiting the retirement plan...

 Why am I penalized for a decision made on Day 1?

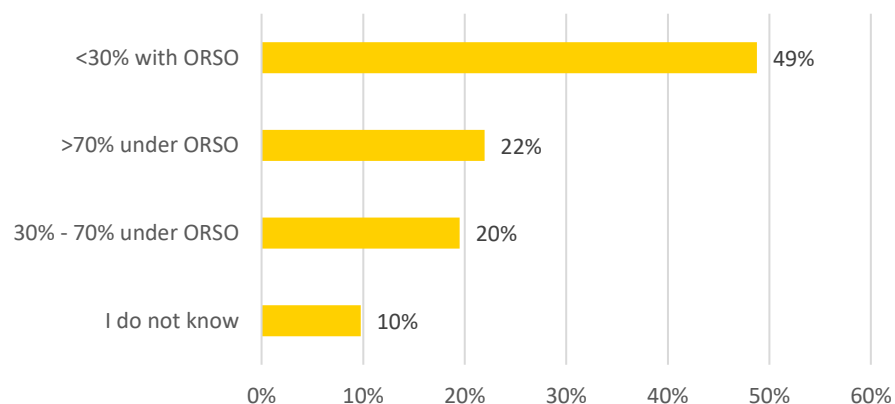


Are employers still opening ORSO for new entrants and what is the membership split between ORSO and MPF?

IS YOUR ORSO SCHEME ACCEPTING NEW ENTRANTS?



WHAT IS THE MEMBERSHIP SPLIT BETWEEN ORSO AND MPF?



- **68%** of employers **do not accept new enrollments** to existing ORSO scheme
- For employers who are currently adopting ORSO, **49%** of employers have **less than 30% of employees enrolled to ORSO**.
- Both trends indicate the **losing popularity of ORSO** in the market. As information transparency is relatively low in ORSO environment, HR might need more complex procedures in managing the scheme.

Source: GUM ORSO Survey 2024

how to improve your ORSO plan

upgrade everything



go back to basics

- Revisit your objectives
- Determine what constitutes excellent outcomes

no need to compromise

- Demand excellence in every function
- Focus on value not price

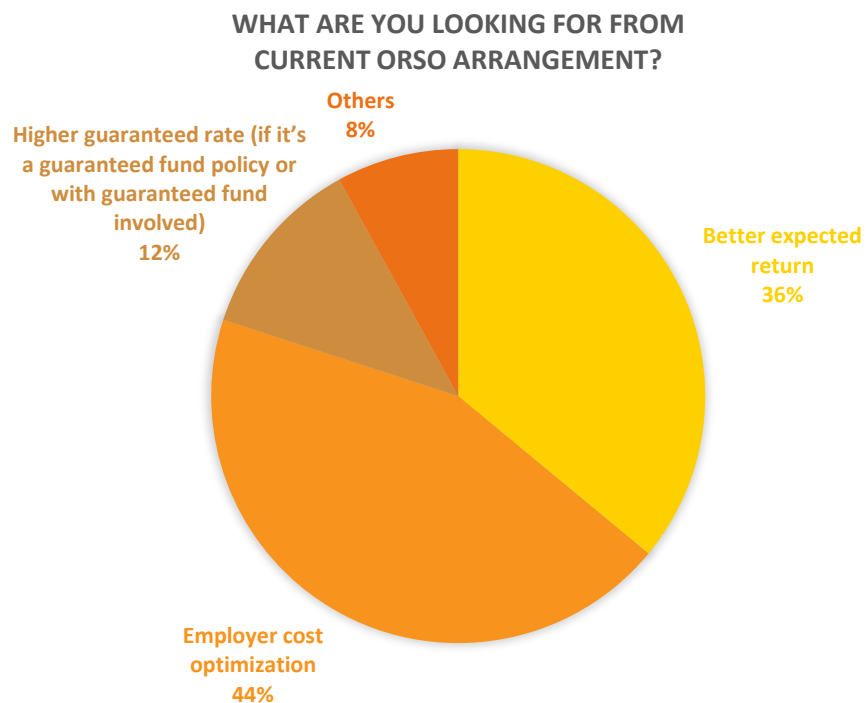
measure success

- Set objectives and monitor progress
- Hold service providers accountable

continually evolve

- Push for innovation
- Engage employees in the development process

What are the employers' expectations towards the new arrangement?



- 44% of respondents vote for seeking ways to **optimize their costing**, 36% look for better expected return, and 12% seek for higher guaranteed rate if they stay in ORSO scheme.



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THANK YOU!

