

# PREMIER SPONSOR ARTICLE SERIES

## How satisfied are you with the services offered by your MPF provider?



Although investment performance is often the most eye-catching measure of an MPF’s overall performance, we believe that a provider’s employee and employer service offering are also important factors, and can make a significant impact on the running of a scheme. As a result, Willis Towers Watson has recently conducted an MPF Service Satisfaction Survey to collect feedback from around 100 employers in Hong Kong. In this article, we highlight the key findings of the survey and share some insights, which will hopefully help you to improve the experience you receive from your MPF provider.

### About 100 employers, covering over 37,000 employees, participated in the survey

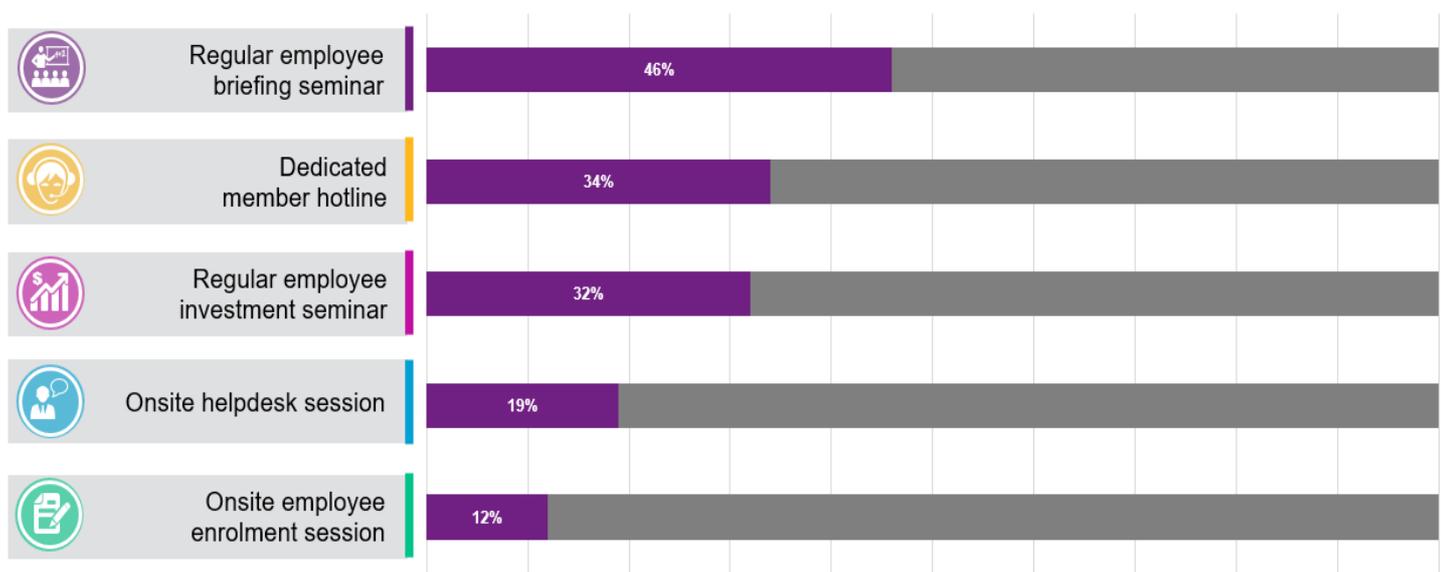
The MPF Service Satisfaction Survey was opened to clients of Willis Towers Watson for the period from 14 May 2020 to 15 June 2020. During this period, about 100 employers, covering over 37,000 employees, responded to the survey questionnaire.

The respondents provided feedback on MPF schemes sponsored by 12 different providers, including the top 10 MPF providers in the market, based on assets under management.

### Member services – Dedicated member services are available but are not common in the market

MPF members enjoy a variety of services provided by MPF providers, including hotline inquiries, website, interactive voice response system, etc. These services are usually open to all members, and are broadly similar amongst different MPF providers. In addition to these publicly available services, members of some MPF providers receive additional dedicated member services:

Dedicated member services available to the employees of the respondents



Source: Willis Towers Watson

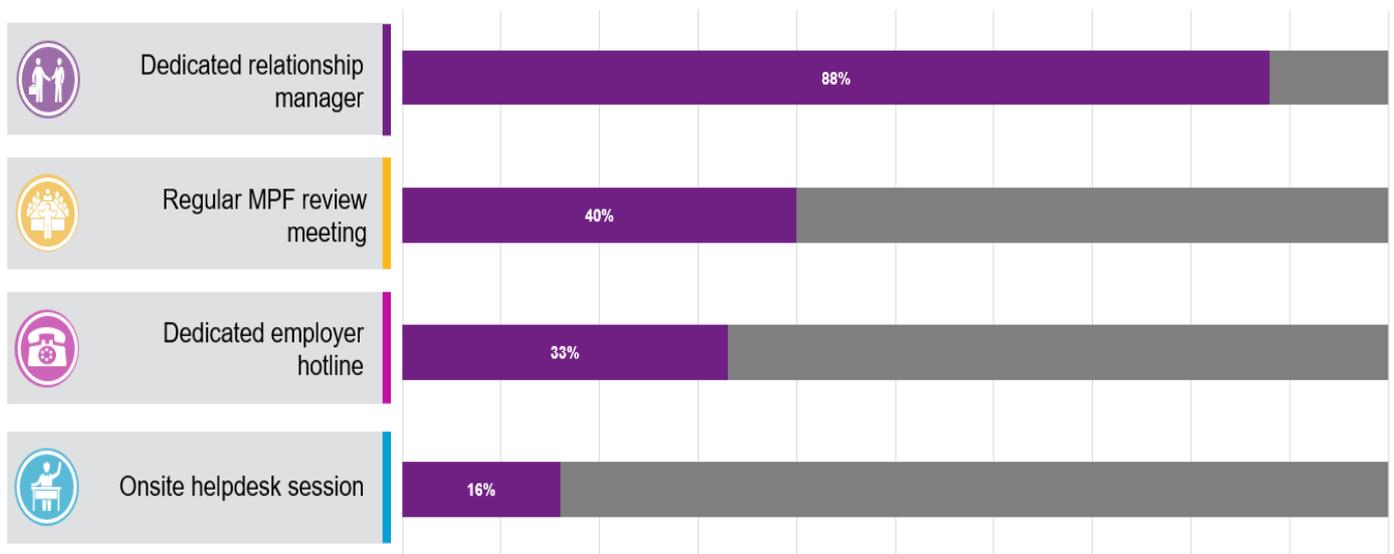
Based on the survey results, some services such as onsite employee enrolment or helpdesk sessions show low prevalence in the market. Even for the services more commonly offered, for example regular employee briefing seminars, less than half of respondents are enjoying those services.

When it comes to the employers’ expectations, over 80% of the respondents indicated that a dedicated member hotline is an important feature to enhance employee satisfaction. Over 60% of respondents also indicated the importance and need for dedicated employee briefing seminars and investment seminars. A significant gap is observed between the member services employers expect and those they actually get.

## Employer services – 67% of respondents are satisfied with the employer services provided

For employer services, dedicated services are more common as a supplement to the standard operational services:

Dedicated employer services available to the respondents

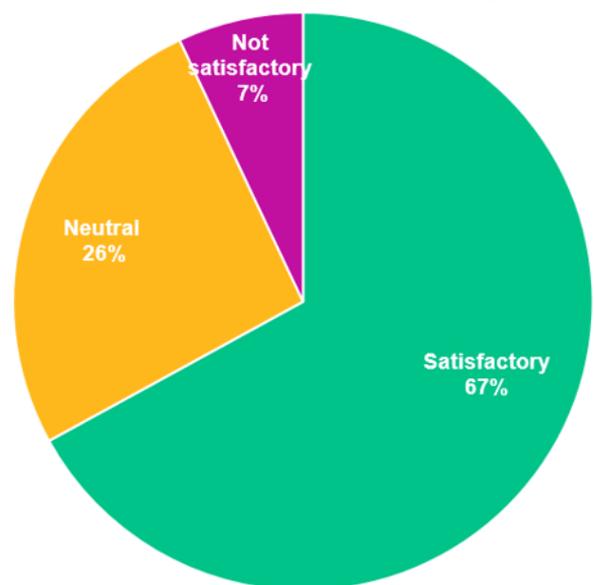


Based on Willis Towers Watson’s experience working with clients and MPF providers, regular MPF review meetings are one of most efficient ways for the employer to evaluate the overall performance and service quality of their MPF, and it is vital from a governance perspective. However, the prevalence of a regular MPF review meeting is observed for only 40% of respondents.

Whether dedicated services are provided or not, 67% of respondents indicated that the employer services and level of support provided by MPF providers are satisfactory overall.

The above results indicate that there is still some room for improvement in terms of the services offered by MPF providers.

Overall satisfactory level of the employer services



Source: Willis Towers Watson

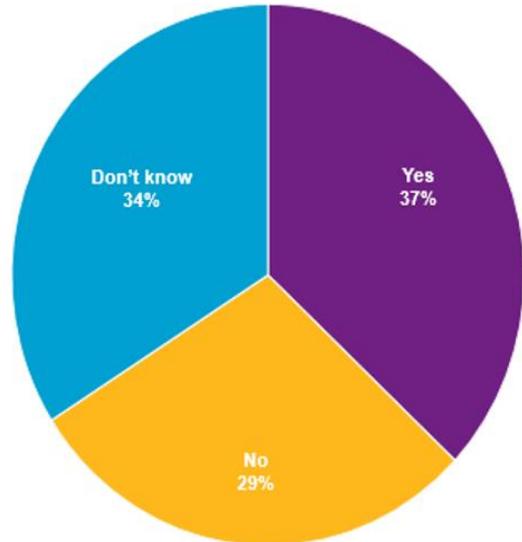
## One third of respondents do not know if employees receive a fee rebate from their MPF provider

Fee rebates for members have become more common in the MPF market for employers of a certain size, especially with the fierce competition amongst providers in recent years.

Where fee rebates are payable, it means that members are effectively earning an additional return on their MPF balances and, in the long run, these additional returns could add up to something reasonably substantial. Nevertheless, it is important to note that the availability and the rate of fee rebates depend on multiple factors, including the number of members, annual contributions, fund size, etc.

Surprisingly, 34% of respondents do not know whether their employees are enjoying fee rebates. As part of ongoing good governance, employers should review the MPF fees regularly to ensure that fee levels remains in-line with market. If you are not sure whether your employees are enjoying fee rebates, you are encouraged to check with your MPF provider for more information.

Availability of fee rebates to the respondents' employees



## Only 60% of respondents are using a broker or an agent

There are more than 30,000 qualified MPF intermediaries in Hong Kong, who are regulated under the MPFA to provide advice about the MPF. However, according to the survey results, only about 60% of employers are using a broker or an agent. Given that there is no cost to the employer or employees for appointing a broker or agent, and employers can often gain valuable market insights about MPF products and services, we believe that employers should consider appointing an intermediary to enhance MPF knowledge and to increase governance.

## What can be done to improve my MPF experience?

Over the last 20 years, the MPF has accumulated more than HK\$900 billion of assets and is one of the key sources of retirement savings for Hong Kong citizens. To enhance the service quality and the performance of your MPF scheme, we recommend the following actions for your consideration:

Source: Willis Towers Watson

## 1. Conduct an MPF provider review

Reviewing your existing MPF provider would definitely be the first step to be taken. Whilst, each MPF provider has its own strengths and weaknesses, a comprehensive MPF provider review tailor-made for your company would help you understand the providers in the market, and the MPF scheme best suited to your company and employees.

## 2. Appoint an independent MPF broker

Typically, MPF brokers provide services such as regular MPF review meetings, market news and regulatory updates, regular investment performance comparison reports, etc. Furthermore, an MPF broker can help negotiate with the MPF provider to ensure the services offered are meeting your company's expectations, including but not limited to the dedicated services and fee rebates mentioned in this article.

From a cost perspective, the MPF broker is usually remunerated by the commissions receivable from the MPF providers. Therefore, there is no extra cost to the employer or the employees. It is a win-win situation to appoint an independent broker to help you manage your MPF scheme.

### About HKRSA

The Hong Kong Retirement Schemes Association (HKRSA) was established in 1996 to promote the interests and best practices of retirement schemes in Hong Kong including provident and pooled retirement funds. The HKRSA is a not-for-profit, non-political association, which represents retirement schemes and their members, providing a forum for discussion of issues of current and topical interest.

### About Willis Tower Watson

Willis Towers Watson is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Together, we unlock potential. Learn more at [willistowerswatson.com](http://willistowerswatson.com).

**2020 is the 20th anniversary of the MPF system, it is a good time for you and your company take proactive action in relation to your MPF scheme.**

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