



中國人壽信託有限公司
CHINA LIFE TRUSTEES LIMITED

China Life **MPF**
Your companion for retirement life

MPF Newsletter

2019 1st Issue

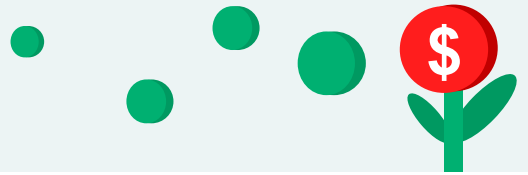


China Life Wins 6 Awards at “Bloomberg Businessweek / Chinese Edition Top Fund Awards 2018”



▲ Mr. Fang Jun, Vice President of China Life Insurance (Overseas) Company Limited and Chairman of the Board of China Life Trustees, leading colleagues to receive the awards

Fund performance of China Life MPF is once again recognized by Bloomberg Businessweek / Chinese Edition, the renowned magazine in market. Six awards are received from “Top Fund Awards 2018”:



Best Performer - Guaranteed (MPFs-1 year)
Best Performer - Guaranteed (MPFs-5 years)
Best Performer - Guaranteed (MPFs-10 years)

Outstanding Performer - Mixed Allocation - Balanced (MPFs-1 year)
Outstanding Performer - Mixed Allocation - Balanced (MPFs-5 years)
Outstanding Performer - Mixed Allocation - Balanced (MPFs-10 years)



Quamnet Outstanding Enterprise Awards 2018 Outstanding MPF Scheme



China Life Trustees also once again named as “Outstanding MPF Scheme” in “Quamnet Outstanding Enterprise Awards 2018”.



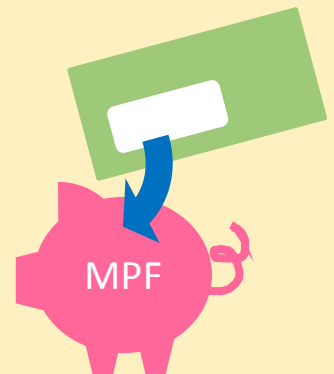
▲ Mr. Andy Lai, Deputy General Manager of China Life Trustees, received the award in the presentation ceremony

China Life Trustees will continue to strive for excellent returns and fruitful retirement life for MPF members



News Feed

Tax Deductible Contributions Eligible for Maximum \$60,000 Tax Concession



To encourage voluntary saving for retirement, the Government proposes to introduce tax incentive for MPF voluntary contributions. In the proposal, taxpayers' contributions made to the "Tax Deductible Contributions ("TVC") Account" are eligible for tax deduction in accordance to the maximum amount set out in the Inland Revenue Ordinance. In the year of assessment 2019/2020, it is \$60,000.*

Eligibility

Any person who is a current holder of contribution or personal account (except for special voluntary contribution account) of an MPF scheme, or a current member of an MPF exempted ORSO scheme can make TVC to an MPF scheme by opening a TVC account directly.

Withdrawal

TVC is subject to the same preservation and withdrawal requirements applicable to mandatory contributions, i.e. only be withdrawn upon retirement at age 65 or on other statutory grounds under the MPF legislation.

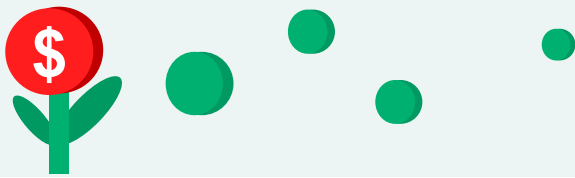
Transfer

Account holder may, at any time, choose to have ALL TVC accrued benefits transferred to another MPF scheme. Such transfer, however, must be transferred to TVC account of the new MPF scheme.

Expected Launch Date

TVC can assist you to plan for fruitful retirement life as well as tax deduction. Save your tax, save for retirement! It is expected to launch on 1 April 2019, after passage in Legislative Council.

*Such tax concession amount is an aggregate limit for both TVC and other qualifying annuity premiums rather than TVC only; and any claim for tax deductions will be applied to TVC before qualifying annuity premiums.



Digital technology is part of our daily life, same for MPF. We provide different e-services that help employers and member to efficiently manage their MPF, at anytime, anywhere.

What kind of e-services does China Life MPF offer?

China Life MPF e-services ambassador, intelligent robot Jarvis, introduces various MPF e-services and their functions for employers and members in two video clips we prepared. Topics include online services, mobile app, human resources management systems for employers, etc. You are welcomed to visit China Life MPF website www.chinalifetrustees.com.hk to watch the video clips on main page.

China Life MPF e-Services Video Clips (Chinese version only)



Employer Services



Employee Services



How to use online services?

Through China Life MPF online services, members can change their investment choices, check account balance with just a few clicks; employers can also perform different functions e.g. submit contribution details and check contribution history.

To help you get started, we have launched series of demonstration videos for both employers and members, showing each step and point to note clearly. An online services complete guide is also available in PDF format. Please view / download these videos at “Download Area” under “Online Service”

Online Service Demonstration Videos - Employer

網上服務指引 – 僱主

3.1 供款資料

供款資料

請選擇供款期: 由 01/03/2018 至 31/03/2018

注意: 只顯示最近二十四個月內的供款期記錄。

選擇供款期

去

重置

最近: 09/07/2018

供款期	總供款	供款日	供款類別 ¹
01/03/2018-31/03/2018	HK\$5,990.00	17/04/2018	定期
01/03/2018-31/03/2018	HK\$300.00	17/04/2018	不定期
01/03/2018-31/03/2018	HK\$5.00	17/05/2018	附加費
01/03/2018-31/03/2018	HK\$10.00	17/05/2018	定期
12/03/2018-12/03/2018	HK\$96.25	12/04/2018	轉移

5 您可按個別供款期查看更多資料，例如每個僱員的僱主及僱員供款

- Online Service Complete Guide - Employer (PDF)
 1. Login
 2. Check Employee Detail
 3. Check Contribution Detail
 4. Contribution Handling
 5. Download Pre-printed Remittance Statement
 6. Reset and Edit Password

Online Service Demonstration Videos - Employee

網上服務指引 – 成員

3.1 投資選擇



中國人壽保險有限公司
China Life Insurance Company Limited

你好！陳太文 登出

最後登入時間：24/08/2018 19:11:12

English

帳戶概覽
變更登入密碼
帳務下載
網上指示狀態

計劃/退休帳戶編號

000000012345-000978

帳戶類別

供款帳戶

- ☐ 帳戶結餘
- ☐ 退休基金扣款
- ☐ 供款記錄
- ☒ **投資選擇**
- ☐ 投資資料
- ☐ 基金轉移申請
- ☐ 行政服務客戶狀態

投資選擇

個人供款及個人資產



退休累積基金



2 按“投資選擇”

3 以圖形圖及列表顯示您的投資選擇

- Online Service Complete Guide - Employee (PDF)
- 1. Login, Account Overview and Balance
- 2. Check Contribution History
- 3. Check and Change Investment Choice
- 4. Reset and Edit Password



【Retirement Planning Series - 2】 Don't Forget Retirement Planning While Working Hard for Your Family

“Middle class” should mean those people who earn more than average in society. They should have extra for savings after paying their bills. While they have more and more expenses – tuition fees and study tours for the sake of their kids’ better education, inflation, mortgage, support the living of parents of their own and their spouse... they just “earn more, spend more” . Only small mount of disposable income remains. However, if they do not save enough for retirement, not only living standard will be affected in future, more economic burden will be put on their children. To enjoy retirement life, middle class people should start their plan earlier.



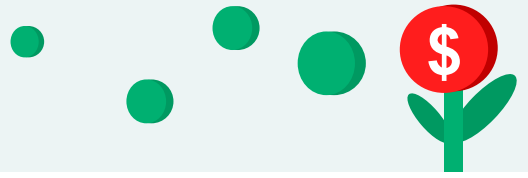
For those who have limited investment knowledge and capital, they may find it difficult to diversify their investment on a broad variety of investment products. MPF provides one kind of solutions for them.

Investment on your own

- Limited investment knowledge
- Though there are many ways to save, from bank deposits, bonds and mutual funds to company shares, commodities (like gold, silver) and property, each has its own associated risks which may be intimidating to a layman.
- Limited capital to invest, leading to under-diversified investments
- Most people have only a small amount to put aside each month – not enough to invest in a number of investment vehicles, let alone achieving a diversified investment portfolio.
- However, as investment markets rise and fall, putting too much capital into one type of investment may put your savings at risk.

Investment through MPF

- Managed by professionals
- With MPF funds, your investments are in the constant care of a team of professional fund managers – care you probably wouldn't be able to afford on your own.
- Critical mass, improved diversification and cost-effectiveness
- MPF funds are required by law to meet minimum diversification standards. Better-performing assets in an MPF fund can balance out the losses from under-performing assets to reduce investment risks.
- Pooling small contributions from thousands of individual scheme members like you allows MPF funds to work with a much larger portfolio of assets than an individual could afford to buy on their own. This gives all participants access to a much wider choice of investments, and the potential to diversify their portfolio and reduce investment risks. It also means the fund can be run more cost-efficiently.



Moreover, MPF is one of the investment choices using “Dollar-cost averaging” concept: invests a fixed amount into MPF each month, buy fewer units when price is high, in contrast, buy more units when price is low. This technique reduces the effects of short-term market fluctuations on investments by averaging out the costs of your units over time.



Of course only mandatory contributions of maximum \$3,000 made by employers and employees each month is not enough for supporting the whole retirement. In this regard, many working class make voluntary contributions on top of mandatory one.

According to the statistics issued by MPFA, \$1.4 billion of employee voluntary contributions were made by 83,000 members. That means \$16,500 for each employee in average, whereas \$2.1 billion of special voluntary contributions were made and \$6 billion assets were accumulated. These figures show that MPF voluntary contributions becomes more and more popular among members.

MPF is a saving platform with many advantages for those busy middle class who have no time to keep an eye on market volatility:

1. Low threshold. Only small amount of capital is needed to invest regularly
2. Dollar-cost averaging reduces the effects of short-term market fluctuations on investments
3. Easy management with MPF together



To show that you love your family and children, you not only have to work hard to bring them a comfortable living, but also make financial arrangement for retirement as early as possible. Voluntary contribution is one of the ways to build your wealth and enjoy carefree life with your family!

Market Perspectives



Global Outlook (covering December 2018)

US

Volatility returned to the US equity market with stocks dropping to the brink of a bear (slow growth) market in December. Sectors such as utilities, real estate, healthcare and consumer staples didn't fall as sharply as energy or financials; the worst performers over the month. Coming into the first quarter 2019, the outlook for US equity markets is neutral as our indicators (valuation, trend, economic environment, and risk aversion) deliver mixed signals.

Europe (including UK)

European and UK equity markets continuing the downward trend that characterized the second half of the year. The investor sentiment continued to be weighed down by political noise – Brexit, trade tensions and weaker oil prices. The domestic demand continues to drive the European economy. Valuations are attractive in many sectors.

Asia Pacific (ex Hong Kong ex China ex Japan)

Asian equities fell, finishing the year in negative territory. The initial optimism towards a truce on trade conflict between China and the US was challenged and market volatility continued throughout the month. We believe Asian markets may regain favor from international investors in 2019. We believe economic fundamentals in most countries are expected to be robust on the back of healthy labour markets and governments' pro-growth policies.

Hong Kong and Mainland China

Offshore Chinese equities registered a negative return in December, among the worst performing markets in Asia over the month. Slower economic growth and doubts over whether China and the US can make concrete progress over trade conflict through negotiations dragged down market performance. We believe consumption and service will continue to be key drivers to economic growth as the government strives for high quality growth and continues with economic rebalancing.

Japan

Japan's equity market ended the year just off its 2018 lows amidst growing concerns over a global economic downturn, lingering US-China trade tensions, oil price weakness and yen strength relative to the US dollar. Looking forward to 2019, although we are aware of the increased macro and market uncertainties externally, Japan's sustained recovery may not be derailed given several ongoing structural changes.

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- does not address local tax issues.

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MPFA's Article

MPF Contribution for Double Pay and Bonuses



With Lunar New Year just around the corner, many companies would reward their employees with double pay or bonuses, as a customary deed for festive celebrations.

Employers and employees are reminded that double pay and bonuses must be counted as "relevant income". According to the Mandatory Provident Fund (MPF) Scheme Ordinance, "relevant income" refers to all money paid or payable by an employer to an employee, including wages, salary, leave pay, fees, commissions, bonuses, gratuities, perquisites or allowances. If there is any change in the employees' relevant income, the employer must adjust the MPF arrangement accordingly to avoid any delay or failure to make a contribution. Employees should check their contribution record to see if their employer has made the relative MPF contributions for double pay or bonuses.

That said, employees who were not previously required to make MPF contributions may have to do so after getting double pay or a bonus. For instance, if your salary is \$7,000 per month, which is below the minimum level of relevant income (\$7,100), only your employer will be required to make a contribution of \$350 (5% of \$7,000). However, if your salary increases to \$14,000 with double pay, you and your employer will have to make a contribution of \$700 each (5% of \$14,000).

Thinking about giving yourself a small gift with your bonus or double pay? You may also consider making a voluntary contribution to increase your retirement savings.

Mandatory Provident Fund Schemes Authority
Hotline : 2918 0102
www.mpfa.org.hk